ROBINSONS LAND CORPORATION
LEVEL 2 GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY
TEL. NO.: 633-7631, 637-1670, 240-8801 FAX NO.: 633-9387 OR 633-9207

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

MAY 29, 2019

Notice is hereby given that the Annual Meeting of the Stockholders of ROBINSONS LAND CORPORATION will be held on May 29, 2019 at 5:00 p.m. at Sapphire AB, 4th Floor, Crowne Plaza Manila Galleria, Ortigas Avenue corner Asian Development Bank Avenue, Quezon City, Metro Manila

The Agenda for the meeting is as follows:

1. Proof of notice of the meeting and existence of a quorum.
2. Reading and approval of the Minutes of the Annual Meeting of the Stockholders held on May 30, 2018.
3. Presentation of annual report and approval of the financial statements for the preceding year.
4. Approval of the Plan of Merger of Altus Mall Ventures, Inc. with and into the Corporation.
5. Election of Board of Directors.
6. Appointment of External Auditor.
7. Ratification of the acts of the Board of Directors and its committees, officers and management
8. Consideration of such other matters as may properly come during the meeting.
9. Adjournment.

A brief explanation of each agenda item which requires stockholders' approval is provided herein. The Information Statement accompanying this notice contains more detail regarding the rationale and explanation for each of such agenda item.

For convenience in registering your attendance, please have available some form of identification, such as driver's license, SSS ID card, TIN card, passport, or company ID.

We are not soliciting proxies. If, however, you would be unable to attend the meeting but would like to be represented thereat, you may accomplish the herein attached proxy form. Pursuant to Section 2, Article VII of the Amended By-Laws of Robinsons Land Corporation, proxies must be received by the Corporate Secretary for inspection and recording not later than five (5) working days before the time set for the meeting, or not later than May 22, 2019. Validation of proxies shall be held on May 24, 2019, 10:00 a.m. at the Office of the Corporate Secretary, 40/F Robinsons Equitable Tower, ADB Avenue corner Poveda St., Ortigas Center, Pasig City.

Registration starts at 4:00 p.m. and will close at exactly 5:15 p.m. Only stockholders of record as of April 24, 2019 shall be entitled to vote.

By Authority of the Chairman:

ROSALINDA F. RIVERA
Corporate Secretary

ROBINSONS LAND CORPORATION
LEVEL 2 GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY
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ANNUAL MEETING OF STOCKHOLDERS
MAY 29, 2019

EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDERS' APPROVAL

Reading and approval of the Minutes of the Annual Meeting of the Stockholders held on May 30, 2018

Copies of the minutes will be distributed to the stockholders before the meeting and will be presented to the stockholders for approval.

Presentation of annual report and approval of the financial statements for the preceding year

The annual report and the financial statements for the preceding fiscal year will be presented to the stockholders for approval.

Approval of the Plan of the Merger of Altus Mall Ventures, Inc. (AMVI) with and into the Robinsons Land Corporation (the "Corporation")

The Board of Directors approved the plan of merger of AMVI with and into the Corporation. This shall be presented to the stockholders for ratification at the annual meeting of the stockholders on May 29, 2019.

Election of Board of Directors

After having undergone the nomination process as conducted by the Governance, Nomination and Election Committee, the nominees for election as members of the Board of Directors, including independent directors, will be presented to the stockholders. The profiles of the nominees are provided in the Information Statement sent to stockholders. The members of the Board of Directors of the Corporation shall be elected by plurality vote.

Appointment of External Auditor

The Corporation's external auditor is SyCip Gorres Velayo & Co. and will be nominated for reappointment for the current fiscal year.

Ratification of the acts of the Board of Directors and its committees, officers and management

Ratification of the acts of the Board of Directors and its committees, officers and management of the Corporation since the last annual stockholders' meeting up to the current stockholders' meeting, as duly recorded in the corporate books and records of the Corporation, will be requested.

Consideration of such other matters as may properly come during the meeting

The Chairman will open the floor for comments and questions by the stockholders. The Chairman will decide whether matters raised by the stockholders may be properly taken up in the meeting or in another proper forum.

WE ARE NOT SOLICITING YOUR PROXY

Stockholders who will not, are unable or do not expect to attend the meeting in person but would like to be represented thereat may choose to execute and send a proxy form to the Office of the Corporate Secretary on or before **May 22, 2019**. A sample proxy form is provided below.

P R O X Y

The undersigned stockholder of **ROBINSONS LAND CORPORATION** (the "Corporation"), do hereby appoint

____

as my proxy to represent me and vote all shares registered in my name in the records or books of the Corporation at the Annual Meeting of the Stockholders of the Corporation to be held on **May 29, 2019** and adjournments and postponements thereof for the purpose of acting on the following matters as fully to all intents and purposes as I might do if present and acting in person, hereby ratifying and confirming all that my said attorney shall lawfully do or cause to be done by virtue of these presents:

1. Approval of the Minutes of the Annual Meeting of the Stockholders held on May 30, 2018.
_____Yes _____ No _____ Abstain

2. Approval of the financial statements for the preceding year.
_____Yes _____ No _____ Abstain

3. Approval of the Plan of Merger of Altus Mall Ventures, Inc. with and into the Corporation.
_____Yes _____ No _____ Abstain

4. Election of Board of Directors.

	Yes	No	Abstain
1. John L. Gokongwei, Jr.	_____	_____	_____
2. James L. Go	_____	_____	_____
3. Lance Y. Gokongwei	_____	_____	_____
4. Frederick D. Go	_____	_____	_____
5. Patrick Henry C. Go	_____	_____	_____
6. Johnson Robert G. Go, Jr.	_____	_____	_____
7. Robina Y. Gokongwei	_____	_____	_____
Independent Directors			
8. Artemio V. Panganiban	_____	_____	_____
9. Roberto F. De Ocampo	_____	_____	_____
10. Emmanuel C. Rojas, Jr.	_____	_____	_____
11.Omar Byron T. Mier	_____	_____	_____

5. Appointment of SyCip Gorres Velayo & Co. as external auditor.
_____Yes _____ No _____ Abstain

6. Ratification of the acts of the Board of Directors and its committees, officers and management.

_____Yes _____ No _____ Abstain

7. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come during the meeting.
_____Yes _____ No _____ Abstain

____
PRINTED NAME OF STOCKHOLDER

____
SIGNATURE OF STOCKHOLDER / AUTHORIZED SIGNATORY

____
ADDRESS OF STOCKHOLDER

____
CONTACT TELEPHONE NUMBER

____
DATE

IN CASE OF THE NON-ATTENDANCE OF MY PROXY NAMED ABOVE, I AUTHORIZE AND EMPOWER THE CHAIRMAN OF THE MEETING TO FULLY EXERCISE ALL RIGHTS AS MY PROXY AT SUCH MEETING.

This proxy shall continue until such time as the same is withdrawn by me through notice in writing delivered to the Corporate Secretary at least three (3) working days before the scheduled meeting on **May 29, 2019**, but shall not apply in instances where I personally attend the meeting.

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A CORPORATE SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION DESIGNATING A CORPORATE OFFICER TO EXECUTE THE PROXY. IN ADDITION TO THE ABOVE REQUIREMENT FOR CORPORATIONS, A PROXY FORM GIVEN BY A BROKER OR CUSTODIAN BANK IN RESPECT OF SHARES OF STOCK CARRIED BY SUCH BROKER OR CUSTODIAN BANK FOR THE ACCOUNT OF THE BENEFICIAL OWNER MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER OR CUSTODIAN BANK HAS OBTAINED THE WRITTEN CONSENT OF THE ACCOUNT HOLDER.

ROBINSONS LAND
CORPORATION
43/F ROBINSONS EQUITABLE, ADB AVENUE CORNER POVEDA ROAD, ORTIGAS CENTER 1605 PASIG CITY, PHILIPPINES
TELEPHONE NOS.: 395 2500 / 633 7631

CERTIFICATE

I, ROSALINDA F. RIVERA, of legal age, Filipino, with office address at the 40th Floor, Robinsons Equitable Tower, ADB Avenue corner P. Poveda St., Ortigas Center, Pasig City, Metro Manila, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of Robinsons Land Corporation (the "Corporation") with principal address at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

2. There are no directors, independent directors or officers of the Corporation who are currently appointed in any government agency or is an employee of any government agency.

ROSALINDA F. RIVERA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 25 2019 at PASIG CITY, affiant exhibiting to me her SSS ID No. 33-2484959-1.

Doc No. 511;
Page No. 104;
Book No. 7;
Series of 2019.
/lbo

ATTY. PATRICK ARNOLD P. TETANGCO
Notary Public for Pasig City
Commission No. 187 (2018-2019)
40th Flr., Robinsons Equitable Tower,
Ortigas Center, Pasig City
IBP No. 012638; Quezon City Chapter
Roll No. 63825; 05/08/2014
PTR No. 5858740; 01/31/2018; Q.C.
MCLE No. VI-0007708; 04/11/2018.

ROBINSONS LAND CORPORATION ("RLC")

PROFILES OF THE NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS FOR THE YEAR 2019

1. Name : John L. Gokongwei, Jr.
   Age : 92
   Designation : Chairman Emeritus and Founder

   Business experience and education:

   Mr. John L. Gokongwei, Jr.founded RLC in 1980 and is the Chairman Emeritus and Founder of RLC. He continues to be a member of RLC's Board and is the Chairman Emeritus and Founder of JG Summit Holdings, Inc. and Universal Robina Corporation. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Master's degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

2. Name : James L. Go
   Age : 79
   Designation : Chairman Emeritus

   Business experience and education:

   Mr. James L. Go is the Chairman Emeritus and member of the Board of Directors of RLC. He is the Chairman of JG Summit Holdings, Inc. and Cebu Air, Inc. He is also the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Marina Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

3. Name : Lance Y. Gokongwei
   Age : 52
   Designation : Chairman

   Business experience and education:

   Mr. Lance Y. Gokongwei is the Chairman of RLC. He is the President and Chief Executive Officer of JG Summit Holdings, Inc., He is the Chairman of Universal Robina Corporation, Robinsons Retail

Holdings, Inc., JG Summit Petrochemical Corporation, JG Summit Olefins Corporation and Robinsons Bank Corporation. He is the President and Chief Executive Officer of Cebu Air, Inc. He is a director and Vice Chairman of Manila Electric Company and a director Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is also a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

4. Name : Frederick D. Go
Age : 49
Designation : President and Chief Operating Officer

Business experience and education:

Mr. Frederick D. Go is the President and Chief Executive Officer of RLC. He is also the President of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Group Limited. He also serves as a director of Cebu Air, Inc., JG Summit Petrochemical Corporation, Robinsons Bank Corporation and Cebu Light Industrial Park. He is also the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

5. Name : Patrick Henry C. Go
Age : 48
Designation : Director

Business experience and education:

Mr. Patrick Henry C. Go was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC. He is the President and Chief Executive Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

6. Name : Johnson Robert G. Go, Jr.
Age : 53
Designation : Director

Business experience and education:

Mr. Johnson Robert G. Go, Jr. was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

7. Name : Robina Y. Gokongwei-Pe
Age : 57
Designation : Director

Business experience and education:

Ms. Robina Gokongwei-Pe was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., and Robinsons Bank Corporation. She is currently the President and Chief Executive Officer of Robinsons Retail Holdings, Inc. which is the holding company for the following companies and retail formats: Robinsons Supermarket, Robinsons Department Store, Handyman, True Value, Robinsons Builders, Robinsons Specialty Stores, Robinsons Appliances, Toys R Us, Daiso Japan, Ministop, South Star Drug and The Generics Pharmacy. She is a Trustee of the Gokongwei Brothers Foundation Inc. and the Immaculate Concepcion Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

8. Name : Artemio V. Panganiban
Age : 82
Designation : Inedpendent Director

Business experience and education:

Mr. Artemio V. Panganiban was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in

2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

9. Name : Roberto F. De Ocampo
Age : 72
Designation : Independent Director

Business experience and education:

Mr. Roberto F. de Ocampo was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

10. Name : Emmanuel C. Rojas, Jr.
Age : 83
Designation : Independent Director

Business experience and education:

Mr. Emmanuel C. Rojas, Jr. was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers

Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and CFC Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. before joining the Group in 1962. He was with IBM Philippines prior to becoming a CPA.

11. Name : Omar Byron T. Mier
Age : 73
Designation : Independent Director

Business experience and education:

Mr. Omar Byron T. Mier was appointed as an Independent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. He is also a director of Paymaya since 2016 and Chairman of the Board Audit Committee. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Guest Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

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

✓ Definitive Information Statement

2.	Name of Registrant as specified in its charter	:	**ROBINSONS LAND CORPORATION (the "Corporation")**
3.	Province, country or other jurisdiction of incorporation or organization	:	**Metro Manila, Philippines**
4.	SEC Identification Number	:	**SEC Registration No. 93269-A**
5.	BIR Tax Identification Code:	:	**TIN No. 000-361-376-000**
6.	Address of principal office	:	**Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila**
7.	Registrant's telephone number, including area code	:	**(632) 633-7631 to 40**
8.	Date, time and place of the meeting of security holders	:	**May 29, 2019 5:00 P.M. Sapphire AB Crowne Plaza Manila Galleria Ortigas Avenue corner ADB Avenue Quezon City**
9.	Approximate date on which copies of the Information Statement are first to be sent or given to security holders	:	**May 8, 2019**

10. 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 (as of March 31, 2019)
Common Stock, P 1.00 par value	**5,193,830,685**
Registered bonds payable	**P12,000,000,000.00**

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes ✓ No ____

Robinsons Land Corporation's common stock is listed on the Philippine Stock Exchange.

A. GENERAL INFORMATION

Item1. Date, Time and Place of Meeting of Security Holders

Date Time and Place of Meeting	:	**May 29, 2019** **5:00 P.M.** **Sapphire AB** **Crowne Plaza Manila Galleria** **Ortigas Avenue corner ADB Avenue** **Quezon City**
Complete Mailing Address of Principal Office	:	**Level 2, Galleria Corporate Center,** **EDSA corner Ortigas Avenue,** **Quezon City, Metro Manila**
Approximate date on which copies of the Information Statement are first to be sent or given to security holders	:	**May 8, 2019**

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Item 2. Rights of Shareholders; Dissenters' Right of Appraisal

The Corporation recognizes the right of all shareholders to be treated fairly and equally whether they are controlling, minority, local or foreign. The Corporation respects the rights of shareholders as provided under the Revised Corporation Code and other laws, and as stated in its Articles of Incorporation and By-laws.

Any stockholder of the Corporation may exercise his appraisal right against the proposed actions which qualify as instances giving rise to the exercise of such right pursuant to and subject to the compliance with the requirements and procedure set forth under Title X of the Revised Corporation Code of the Philippines. Any stockholder of a corporation 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 or lease, exchange, transfer, mortgage, pledge of other disposition of all or substantially all of the corporate property and assets as provided in the Code; (c) in case of merger or consolidation; and (d) and in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: *Provided,* That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided,* That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in the books to cover such payment: and *Provided, further,* That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

THE STOCKHOLDER MUST VOTE AGAINST THE PROPOSED CORPORATE ACTION IN ORDER TO AVAIL HIMSELF OF THE APPRAISAL RIGHT.

Item 3. Interest of Certain Persons in or Opposition to Matters to be acted upon

None of the following persons have any substantial interest, direct or indirect, in any matter to be acted upon other than election to office:

1. Directors or officers of the Corporation at any time since the beginning of the last fiscal year;

2. Nominees for election as directors of the Corporation;

3. Associate of any of the foregoing persons.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Voting securities entitled to be voted at the meeting:

The Corporation has 5,193,830,685 outstanding shares as of March 31, 2019. Every stockholder shall be entitled to one vote for each share of stock held as of the established record date.

(b) Record date:

All stockholders of record as of April 24, 2019 are entitled to notice and to vote at the Corporation's Annual Meeting of the Stockholders.

Article VII, Section 8 of the By-Laws of the Corporation states that for purposes of determining the stockholders entitled to notice of, or to vote or be voted at any meeting of stockholders or any adjournments thereof, or entitled to receive payment of any dividends or other distribution or allotment of any rights, or for the purpose of any other lawful action, or for making any other proper determination of stockholders, the Board of Directors may provide that the stock and transfer books be closed for a stated period, which shall not be more than sixty (60) days nor less than thirty (30) days before the date of such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders. A determination of stockholders of record entitled to notice of or to vote or be voted at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(c) Election of Directors:

Article II, Section 1 (a) of the By-Laws provides that the directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for the year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes as the same principle among any number of candidates.

The report attached to this SEC Form 20-IS captioned "2018 Annual Report" is the management report to stockholders required under SRC Rule 20 to accompany the SEC Form 20-IS and is hereinafter referred to as the "Management Report".

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

1. Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Corporation's voting securities as of March 31, 2019

Title of Class	Names and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to total outstanding
Common	JG Summit Holdings, Inc. 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Road, Pasig City (stockholder)	same as record owner (see note 1)	Filipino	3,166,806,886	60.97%
Common	PCD Nominee Corporation (Non-Filipino) 37/F The Enterprise Center Tower 1 Cor. Paseo de Roxas, Ayala Avenue Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,233,520,257	23.75%
Common	PCD Nominee Corporation (Filipino) 37/F The Enterprise Center Tower 1 Cor. Paseo de Roxas, Ayala Avenue Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	758,996,179	14.61%

Notes:

[1] The Chairman and the President of JG Summit Holdings Inc., (JGSHI) are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and President and Chief Executive Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

[2] PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

Out of the PCD Nominee Corporation account, "Deutsche Bank Manila-Clients", "The HongKong and Shanghai Banking Corp. Ltd.- Clients Account" and "Citibank N.A." hold for various trust accounts the following shares of the Corporation as of March 31, 2019:

	No. of shares held	% to total outstanding
Deutsche Bank Manila – Clients Acct.	641,860,844	12.36%
The Hongkong and Shanghai Banking Corp. Ltd. – Clients' Acct.	443,096,577	8.53%
Citibank N.A.	386,638,829	7.44%

Voting instructions may be provided by the beneficial owners of the shares.

2. Security Ownership of Management as of March 31, 2019

Title of Class	Name of beneficial owner	Position	Amount & nature of beneficial ownership (Direct)	Citizen ship	% to Total Outstanding
A. Executive Officers [1]					
Common	1. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder	11,941,866[2]	Filipino	0.23%
	2. James L. Go	Director, Chairman Emeritus	2,139,011	Filipino	0.04%
	3. Lance Y. Gokongwei	Director, Chairman	805,001	Filipino	0.02%
Common	4. Frederick D. Go	Director, President and Chief Executive Officer	986,027	Filipino	0.02%
Common	5. Arlene G. Magtibay	Business Unit General Manager	0	Filipino	*
	Sub-Total		15,871,905		0.31%
B. Other directors, executive officers and nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	685,094	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	31,718	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Sub-Total		727,716		0.1%
C. All directors and executive officers & nominees as a group unnamed			16,599,621		0.32%

Notes:
[1] As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of March 31, 2019.
[2] Sum of shares in the name of John Gokongwei, Jr., John L. Gokongwei, Jr. and Elizabeth Y. Gokongwei and/or John Gokongwei.

3. Shares owned by Foreigners

The total number of shares owned by foreigners as of March 31, 2019 is 1,233,786,041.

4. Voting Trust Holder of 5% or more - as of March 31, 2019

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

5. Changes in Control

There has been no change in the control of the Corporation since the beginning of its last fiscal year.

The information as of March 31, 2019 on "Security Ownership of Certain Beneficial Owners and Management" are found on Item 13, pages 50 to 51 of the Management Report.

Item 5. Directors and Executive Officers

(a) Directors and Corporate Officers

Information required hereunder is incorporated by reference to the section entitled "Directors and Executive Officers of the Registrant" on Item 14, pages 53 to 59 of the Management Report.

(b) Board Nomination and Election Policy

The Corporate Governance Committee shall oversee the process for the nomination and election of the Board of Directors.

The Corporate Governance Committee shall pre-screen and shortlist all candidates nominated to become members of the Board of Directors in accordance with the list of qualifications and disqualifications as defined in the Corporation's Revised Corporate Governance Manual with due consideration of the requirements of the Revised Corporation Code, the Securities Regulation Code ("SRC"), the Revised Code of Corporate Governance and relevant SEC Circulars such as the SEC Memorandum Circular No. 16, Series of 2002, the SEC Memorandum Circular No. 19, Series of 2016, as may be amended, relating to the Board of Directors.

The list of the nominees for directors as determined by the Corporate Governance Committee shall be final and no other nomination shall be entertained or allowed after the final list of nominees is prepared.

The members of the Corporate Governance Committee of the Corporation are the following:

1. James L. Go
2. Lance Y. Gokongwei (Chairman)
3. Frederick D. Go
4. Johnson Robert G. Go, Jr.
5. Roberto F. de Ocampo (Independent Director)

The following individuals have been nominated for election as directors, including independent directors, at the Annual Meeting of Stockholders on May 29, 2019.

1. John L. Gokongwei, Jr.
2. James L. Go
3. Lance Y. Gokongwei
4. Frederick D. Go
5. Patrick Henry C. Go
6. Johnson Robert G. Go, Jr.
7. Robina Y. Gokongwei-Pe
8. Artemio V. Panganiban (Independent)
9. Roberto F. De Ocampo (Independent)
10. Emmanuel C. Rojas, Jr. (Independent)
11. Omar Byron T. Mier (Independent)

(c) Independent Directors

The Corporation has adopted the provisions of SRC Rule 38 on the nomination and election of independent directors and the Amended By-Laws of the Corporation substantially state the requirements on the nomination and election of independent directors set forth in SRC Rule 38.

Presented below is the Final List of Candidates for Independent Directors:

1. ***Artemio V. Panganiban,*** 82**,** was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the

Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

2. ***Roberto F. de Ocampo,*** 72, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

3. **Emmanuel C. Rojas, Jr.**, 82, Mr. Emmanuel C. Rojas, Jr. was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and CFC Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. before joining the Group in 1962. He was with IBM Philippines prior to becoming a CPA.

4. **Omar Byron T. Mier,** 72, was appointed as an Independent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. He is also a director of Paymaya since 2016 and Chairman of the Board Audit Committee. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Guest Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of

Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

The Certification of Independent Directors executed by the above-mentioned independent directors are attached hereto as Annex "H", Annex "I", Annex "J" and Annex "K", respectively.

The nominees for Independent Directors were nominated by JG Summit Holdings, Inc., the controlling shareholder of the Corporation owning 60.97% of the Corporation's total outstanding capital stock. None of the nominees for Independent Directors of the Corporation are related to JG Summit Holdings, Inc.

(d) Significant Employees

There are no persons who are not executive officers of the Corporation who are expected by the Corporation to make a significant contribution to the business.

(e) Family Relationships

1. James L. Go is the brother of John Gokongwei, Jr.
2. Lance Y. Gokongwei is the son of John Gokongwei, Jr.
3. Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.
4. Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
5. Frederick D. Go is the nephew of John Gokongwei, Jr.
6. Patrick Henry C. Go is the nephew of John Gokongwei, Jr.

(f) Involvement in Certain Legal Proceedings of directors and executive officers

To the best of the Corporation's knowledge and belief and after due inquiry, and except as otherwise disclosed, none of the Corporation's directors, nominees for election as director or executive officer in the past five (5) years up to the date of this report:

1. have had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two year period of that time;

2. have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses;

3. have been subjected to 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 their involvement in any type of business, securities, commodities or banking activities; or

4. been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange 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.

(g) Certain Relationships and Related Party Transactions

1. Related Party Transactions with Parent Company, Joint Venture Companies and Affiliates

The Corporation, in the regular conduct of its business, had engaged in transactions with its major stockholder, JG Summit Holdings, Inc. its subsidiaries, joint venture companies, and affiliates. (See Note 22 of the Audited Consolidated Financial Statements as of December 31, 2018 attached to the Management Report)

Information on the parent of the Corporation, the basis of control, and the percentage of voting securities owned as of March 31, 2019:

Parent Company	**Number of Shares Held**	**% Held**
JG Summit Holdings, Inc.	3,166,806,886	60.97%

2. Directors Disclosures on Self-Dealing and Related Party Transactions

No transaction, without proper disclosure, was undertaken by the Corporation in which any director, executive officer, or any nominee for election as director was involved or had a direct or indirect material interest.

Directors, officers and employees of the Corporation are required to promptly disclose any business or family-related transactions with the Corporation to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

(h) Appraisals and Performance Report for the Board

The attendance of the directors at the meetings of the Board of Directors held in 2018 as follows:

Name	No. of Meetings Attended/ Held	Attendance Percentage
John L. Gokongwei, Jr.	4/4	100%
James L. Go	4/4	100%
Lance Y. Gokongwei	4/4	100%
Frederick D. Go	4/4	100%
Patrick Henry C. Go	4/4	100%
Johnson Robert G. Go, Jr	4/4	100%
Robina Gokongwei-Pe	4/4	100%
Artemio V. Panganiban	4/4	100%
Emmanuel C. Rojas, Jr.	4/4	100%
Roberto F. De Ocampo	4/4	100%
Omar Byron T. Mier	4/4	100%

The Board has established committees to assist in exercising its authority in monitoring the performance of the Corporation in accordance with its Revised Corporate Governance Manual, Code of Business Conduct and related SEC Circulars. The Corporate Governance Committee of the Corporation oversees the performance evaluation of the Board and its committees and management.

Item 6. Compensation of Directors and Executive Officers

(a) Summary Compensation Table

The following tables identify the Corporation's Chief Executive Officer and the four most highly compensated executive officers and summarize their aggregate compensation for the two most recent fiscal years and the ensuing year.

		Calendar Year 2018			
		Salary	*Bonus*	*Others*	*Total*
A. CEO and four most highly compensated executive officers		P 40,254,972	P 2,000,000	P 937,500	P 43,192,472
Name	*Position*				
1. James L. Go	Director, Chairman Emeritus				
2. Frederick D. Go	Director, President and Chief Executive Officer				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Chairman				
B. All other officers and directors as a group unnamed		P 80,327,505	P 3,500,000	P 1,477,500	P 83,305,005

		Calendar Year 2017			
		Salary	*Bonus*	*Others*	*Total*
A. CEO and four most highly compensated executive officers		P 38,008,402	P 2,000,000	P 307,500	P 40,315,902
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 76,743,217	P 3,500,000	P 405,000	P 80,648,217

		Calendar Year 2019			
		Salary	*Bonus*	*Others*	*Total*
A. CEO and four most highly compensated executive officers		P 42,568,131	P 2,000,000	P 937,500	P 45,505,631
Name	*Position*				
1. James L. Go	Director, Chairman Emeritus				
2. Frederick D. Go	Director, President and Chief Executive Officer				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Chairman				
B. All other officers and directors as a group unnamed		P 87,156,660	P 3,500,000	P 1,477,500	P 92,134,160

1. **Standard Arrangements**

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Corporation are compensated, or are to be compensated, directly or indirectly, for any services provided as a director for the last completed fiscal year and the ensuing year.

2. **Other Arrangements**

There are no other arrangements pursuant to which any director of the Corporation was compensated, or is to be compensated, directly or indirectly, during the Corporation's last completed fiscal year, and the ensuing year, for any service provided as a director.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangement

There are no special employment contracts between the Corporation and the named executive officers.

There are no compensatory plan or arrangement with respect to a named executive officer.

(d) Warrants and Options Outstanding

There are no outstanding warrants or options held by the Corporation's Chief Executive Officer, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

The Corporation's independent public accountant is the accounting firm of SyCip, Gorres, Velayo & Co. (SGV & Co.) The same accounting firm is tabled for reappointment for the current year at the annual meeting of stockholders. The representatives of the principal accountant have always been present at prior years' meetings and are expected to be present at the current year's annual meeting of stockholders. They may also make a statement and respond to appropriate questions with respect to matters for which their services were engaged.

The current handling partner of SGV & Co. has been engaged by the Corporation as of the fiscal year 2018 and is expected to be rotated every five (5) years in accordance with SRC Rule 68, as amended.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure
None.

The incumbent members of the Audit Committee of the Corporation are the following:

1. James L. Go
2. Lance Y. Gokongwei
3. Frederick D. Go
4. Johnson Robert G. Go, Jr.
5. Emmanuel C. Rojas, Jr. - Chairman
6. Roberto F. De Ocampo

The incumbent members of the Board Risk Oversight Committee are the following:

1. James L. Go
2. Lance Y. Gokongwei - Chairman
3. Frederick D. Go
4. Johnson Robert G. Go, Jr.
5. Emmanuel C. Rojas, Jr.

Item 8. None

C. ISSUANCE AND EXCHANGE OF SECURITIES

Items 9-11. None

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

Altus Mall Ventures, Inc. (AMVI), a wholly-owned subsidiary of the Corporation, will be merged with and into the Corporation.

Name, Address and Telephone Number of the Principal Executive Offices of AMVI

Altus Mall Ventures, Inc. (AMVI)
Level 2 Galleria Corporate Center
EDSA corner Ortigas Avenue
Quezon City
Tel. 397-1888

Brief Description of the General Nature of the Business Conducted by AMVI

AMVI was incorporated on August 19, 2002, has a registered share capital of 4,000,000 and is 100%-owned by the Parent Company. AMV's primary purpose is to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

Summary of the Material Features of the Proposed Merger

1. AMVI shall be merged with and into the Corporation with the Corporation being the surviving corporation. The Plan of Merger is attached herewith as Annex "G".

2. AMVI shall be dissolved and all its assets and rights, privileges, immunities and franchises as well as its liabilities and obligations as of December 31, 2018 shall be transferred to the Corporation.

3. Subject to the approval of the Securities and Exchange Commission ("SEC"), no shares of the Corporation shall be issued in exchange for the net assets of AMVI considering that AMVI is a wholly-owned subsidiary of the Corporation. In the event that the SEC shall recommend the issuance of shares of the Corporation in exchange for the net assets of AMVI, the Corporation shall issue to the stockholders of AMVI Thirty Seven Thousand Six Hundred Sixty Seven (37,667) shares with a par value of Thirty Seven Thousand Six Hundred Sixty Seven (P37,667.00) in exchange for the book value of AMVI's net assets as of December 31, 2018. The difference in the total par value of the shares to be issued and the net assets of AMVI, if any, shall be treated in the accounting records of RLC as additional paid-in capital. All shares to be issued by RLC shall be allotted to the stockholders of AMVI.

4. Under the merger, the Corporation will assume all the assets and liabilities of AMVI to allow the integration of administrative functions of these companies. Consequently, the merger will eliminate the duplication of functions, attain greater efficiency and economy in the management of their operations, enable the more productive use of their properties, and achieve more favorable financing and credit facilities which would result in greater efficiency and economy in management and operations and stem business losses to the advantage and welfare of the constituent corporations and their common ultimate stockholders.

5. The basis of the assets of AMVI to be transferred to the Corporation shall be the carrying value of the assets in the books of AMVI increased by the amount of gain, recognized by AMVI, if any.

Dividend in Arrears

There are no dividends in arrears accruing to the stockholders of the Corporation.

Comparative History

The operating and financial highlights of RLC and AMVI during the last three (3) years are as follows:

(in PHP)							
	RLC				**AMVI**		
	CY2018	**CY2017**	**FY2016**		**CY2018**	**CY2017**	**CY2016**
Net Sales	31,872,917,617	22,238,583,258	22,301,863,019		-	-	-
Income from continuing operations	9,218,999,087	5,443,306,988	5,850,985,318		(194,709)	(60,554)	(60,723)
Long-term obligations (financial)	34,822,411,673	34,805,898,444	33,305,405,604		-	-	-
Book Value per share	17.93	16.04	14.78		0.77	0.97	1.03
Cash Dividends declared per share	0.36	0.36	0.36		-	-	-
Income per share from continuing operations	1.77	1.33	1.43		-	-	-

Regulatory Requirements

Subsequent to the approval of the stockholders, the Corporation will seek the approval of the Securities and Exchange Commission prior to the execution of the merger.

Report Opinion or Appraisal from an Outside Party Relating to the Merger

There are no reports, opinions, or appraisals relating to the merger which have been received from an outside party.

Past, present or proposed material contracts, arrangements, understanding, relationship, negotiation or transaction during the past two fiscal years between the other person or its affiliates and the registrant or its affiliates such as those concerning a merger, consolidation or acquisition; a tender offer or other acquisition of securities; an election of directors; or sale or other transfer of a material amount of assets.

1. The Corporation, in its regular conduct of business, has transactions with its major stockholder, JG Summit Holdings, Inc. and its affiliated companies consisting principally of lease arrangements and advances principally for working capital, including construction costs.
2. The Corporation successfully completed its P20 billion Stock Rights Offering of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

Additional Information Required

1. Business Overview of the Corporation and AMVI (see attached Annex “A”)
2. Legal Proceedings of the Corporation and its subsidiaries (see attached Annex “B”)
3. Market Price, Dividends and Principal Stockholders of the Corporation (see attached Annex “C”)
4. Financial statements of the Corporation and AMVI (see attached Annex “D”)
5. Management’s Discussion and Analysis (MD&A) or Plan of Operations of the Corporation and AMVI (see attached Annex “E”)
6. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure (**None)**
7. Directors and Executive Officers of the Corporation and AMVI (see attached Annex “F”)

Items 13-14. None.

D. OTHER MATTERS

Item 15. Action with respect to reports

The following are included in the agenda of the Annual Meeting of the Stockholders for the approval of the stockholders:

1. Reading and approval of the Minutes of the Annual Meeting of the Stockholders held on May 30, 2018;
2. Presentation of Annual Report and approval of the Financial Statements for the preceding year;
3. Approval of the Plan of Merger of Altus Mall Ventures, Inc. with and into the Corporation;
4. Election of Board of Directors;
5. Appointment of External Auditor; and
6. Ratification of the acts of the Board of Directors and its committees, officers and management.

The matters approved and recorded in the Minutes of the Annual Meeting of the Stockholders last May 30, 2018 are as follows:

a) Reading and approval of the minutes of the annual meeting of the stockholders held on June 28, 2017;
b) Presentation of annual report and approval of financial statements for the preceding year;
c) Election of Board of Directors of the Corporation;
d) Appointment of external auditor; and
e) Ratification of all acts of the Board of Directors and its committees, officers and management.

The Annual Meeting of the Stockholders was held on May 25, 2018 and was attended by shareholders, the Board of Directors, and various officers of the Corporation. The shareholders were allowed to cast their votes on each agenda item presented to them for approval, with the number of votes approving each agenda item indicated in their respective sections in the Minutes. The shareholders were also given the opportunity to ask questions, express opinion, and make suggestions on various issues related to the Corporation. The Minutes of the Annual Meeting of the Stockholders held on May 25, 2018 may be viewed and/or downloaded at https://www.robinsonsland.com/downloads/dowload-disclosure/RLC%20ASM%20Minutes%2018.pdf.

Brief description of material matters approved by the Board of Directors and Management and disclosed to the SEC and PSE since the last Annual Meeting of the Stockholders held on May 30, 2018 for ratification by the stockholders:

Date of Board Approval	**Description**
May 30, 2018	1. Results of the Organizational Meeting of the Board of Directors.
June 27, 2018	2. Approval of the adoption by the Corporation of a new dividend policy
September 21, 2018	3. Appointment of officers
November 13, 20118	4. Approval of the joint venture between RLC and Frabelle for the purchase and development of properties situated in Bacoor City, Cavite.
April 3, 2019	5. Setting of record date to April 24, 2019 for the annual stockholders meeting

Item 19. Voting Procedures

(a) The vote required for approval or election:

Pursuant to Article VII, Section 3 of the By-Laws of the Corporation, no stockholders' meeting shall be competent to decide any matter or transact any business, unless a majority of the outstanding capital stock is presented or represented thereat, except in those cases in which the Corporation law requires the affirmative vote of a greater proportion.

As provided under Article VII, Section 7 paragraph 2 of the By-Laws of the Corporation, a quorum at any meeting of the stockholders shall consist of a majority of the subscribed capital stock of the Corporation represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, save and except in those several matters in which the laws of the Philippines require the affirmative vote of a greater proportion.

(b) The method by which votes will be counted:

Article VII, Section 4 of the By-Laws provides that "voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capital".

Article VII, Section 2 of the By-Laws, also provides that stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly given in writing and duly presented to and received by the Corporate Secretary for inspection and recording not later than five (5) working days before the time set for the meeting, except such period shall be reduced to one (1) working day for meetings that are adjourned due to lack of the necessary quorum. No proxy bearing a signature which is not legally acknowledged by the Corporate Secretary shall be honored at the meetings. Proxies shall be valid and effective for five (5) years, unless the proxy provides for a shorter period, and shall be suspended for any meeting wherein the stockholder appears in person.

Pursuant to Article II, Section 1 of the By-Laws, the directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates.

The Secretary shall record all the votes and proceedings of the stockholders and of the Directors in a book kept for that purpose.

<u>Additional Information Required by the SEC Pursuant to paragraph (4) of SRC Rule 20 (Disclosures to stockholders prior to meeting)</u>

Market Price for the Corporation's Common Equity and Related Stockholder Matters

The information on market prices, holders, dividends and other related stockholder matters as of March 31, 2019 are incorporated by reference to page 38 of the Management Report.

Restriction that Limits the Payment of Dividends on Common Shares

None.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

The Corporation is not aware of any recent sales unregistered or exempt securities, including any recent issuance of securities constituting an exempt transaction.

Additional information as of March 31, 2019 are as follows:

1. Market Price

	High	Low
First Quarter (Jan. to March 2019)	P24.85	P20.45

The market price of the Corporation's common equity as of May 6, 2019 is P23.25.

2. **The number of shareholders of record as of March 31, 2019 was 1,056.**

Common shares outstanding as of March 31, 2019 were 5,193,830,685 shares with a par value of P1.00 per share.

3. **List of the Top 20 Stockholders of the Corporation as of March 31, 2019:**

Name	No. of Shares Held	% of Ownership
1. JG Summit Holdings, Inc.	3,166,806,886	60.97%
2. PCD Nominee Corporation (Non-Filipino)	1,233,520,257	23.75%
3. PCD Nominee Corporation (Filipino)	758,996,179	14.61%
4. Elizabeth Yu	8,737,200	0.17%
5. John Gokongwei, Jr.	8,124,721	0.16%
6. Cebu Liberty Lumber	2,203,200	0.04%
7. James L. Go	2,139,011	0.04%
8. Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9. Frederick Dy Go	986,027	0.02%
10. Quality Investments &Sec Corp.	903,000	0.02%
11. Alberto Mendoza and/or Jeanie Mendoza	532,800	0.01%
12. Elizabeth Yu Gokongwei	499,500	0.01%
13. Robina Yu Gokongwei	360,000	0.01%
14. Samuel C. Uy	324,000	0.01%
15. John L. Gokongwei, Jr.	300,000	0.01%
16. Ong Tiong	204,996	0.00%
17. Lisa Yu Gokongwei	180,000	0.00%
18.FEBTC#103-00507	156,240	0.00%
19. Francisco L. Benedicto	150,000	0.00%
20. Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
21. Others	7,568,668	0.15%
Total	**5,193,830,685**	**100%**

Discussion on compliance with leading practices on corporate governance

The Corporation adheres to the principles and practices of good corporate governance, as embodied in its Revised Corporate Governance Manual, Code of Business Conduct and related SEC Circulars.

On May 12, 2017, the Board of Directors approved the revisions made to the Corporate Governance Manual of the Corporation in accordance with SEC Memorandum Circular No. 19, Series of 2016. The Revised Corporate Governance Manual was filed with the Securities and Exchange Commission on May 31, 2017. Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that the Corporation observes good governance and management practices. This is to assure the shareholders that the Corporation conducts its business with the highest level of integrity, transparency and accountability.

SEC Memorandum Circular No.15, Series of 2017 mandates all listed companies to submit an Integrated Annual Corporate Governance Report (I-ACGR) on May 30 of the following year for every year that the Company remains listed.

PSE Memorandum CN No. 2017-0079 provide that I-ACGR effectively supersedes the SEC's Annual Corporate Governance Report and the PSE's Corporate Governance Disclosure Report.

ROBINSONS LAND CORPORATION, AS REGISTRANT, WILL PROVIDE WITHOUT CHARGE, UPON WRITTEN REQUEST, A COPY OF THE REGISTRANT'S ANNUAL REPORT ON SEC FORM 17-A. SUCH WRITTEN REQUESTS SHOULD BE DIRECTED TO THE CORPORATE SECRETARY, 40/F ROBINSONS EQUITABLE TOWER, ADB AVENUE CORNER POVEDA ST., ORTIGAS CENTER, PASIG CITY, METRO MANILA, PHILIPPINES.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge, I certify that the information set out in this report is true, complete and correct. This report is signed in the City of Pasig on May 6, 2019.

ROBINSONS LAND CORPORATION

FREDERICK D. GO
PRESIDENT AND CHIEF EXECUTIVE OFFICER

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

Robinsons Land Corporation (RLC, the Parent Company or the Company) is a stock corporation organized under the laws of the Philippines and has eleven (11) consolidated subsidiaries.

The Parent Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The Group has 2,415 and 2,130 employees as of December 31, 2018 and 2017, respectively.

RLC is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls, offices, hotels and warehouse facilities; and the development of mixed-use properties, residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an "investment" component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings, hotels and warehouse facilities); and a "development" component, in which RLC develops real estate projects for sale (principally residential condominiums, serviced lots, house and lot packages and commercial lots).

RLC's operations are divided into its five business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of December 31, 2018, RLC operates fifty-one (51) shopping malls, comprising of nine (9) malls in Metro Manila and forty-two (42) malls in other urban areas throughout the Philippines, and has another four (4) new malls and three (3) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of December 31, 2018, RLC's Residential Division has seventy-three (73) residential condominium buildings/towers/housing projects and thirty-eight (38) housing subdivisions of which eighty-nine (89) have been completed and twenty-two (22) are still ongoing with two (2) projects that are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of December 31, 2018, this division has completed twenty (20) office developments, located in Quezon City, Ortigas Central Business District in Pasig City, Mandaluyong City, Makati Central Business District in Makati City, Fort Bonifacio in Taguig City, Cebu City, Ilocos Norte, Tarlac City, Naga City and Davao City. These office projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels and Resorts Division has a diverse portfolio covering three brand segments: upscale international deluxe hotels, mid-market boutique city and resort hotels, and essential service value hotels. In the international deluxe category, Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria, both managed by the Intercontinental Hotels Group, are key players in the hotel market in the Ortigas business district in Pasig City, Metro Manila. The Company's mid-market Summit Hotels and Resorts brand operates Summit Ridge Tagaytay, Summit Circle Cebu, Summit Hotel Magnolia, Summit Galleria Cebu and the recently-opened Summit Hotel Tacloban. The third brand segment is the popular Go Hotels that is present in 16 key locations across the Philippines.

- The Industrial and Integrated Developments Division focuses on mixed-used developments and masterplanned communities. These developments incorporate different property formats such as residences, work places, commercial centers, logistics facilities and other institutional developments into a single setting. Another major role of this division is to seek business opportunities brought about by Public-Private Partnerships. As of December 31, 2018, this division has organized the ground breaking of Sierra Valley in Taytay and Cainta municipalities. The division is also completing the ongoing developments of two (2) integrated developments located in the cities of Pasig and Quezon and in Porac, Pampanga.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.3 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of calendar year 2018.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the SRO to finance the acquisition of land located in various parts of the country for all its business segments.

The Company has obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the offer was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date – January 24, 2018
- Ex-date – January 26, 2018
- Record date – January 31, 2018
- Offer period – February 2 to 8, 2018
- Listing date – February 15, 2018

The Company has successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

b) Business

RLC has five business divisions – Commercial Centers, Residential, Office Buildings, Hotels and Resorts, and Industrial and Integrated Developments.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱11.94 billion or 40% of RLC's revenues and ₱7.67 billion or 47% of RLC's EBITDA in calendar year 2018 and ₱10.79 billion or 48% of RLC's revenues and ₱7.04 billion or 56% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱73.96 billion.

During calendar year 2018, the Commercial Centers Division opened four (4) new malls, increasing its gross floor area by 6.9%. It currently operates 51 shopping malls, comprising nine (9) malls in Metro Manila and forty two (42) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 2.813 million square meters.

As of December 31, 2018, RLC had a portfolio of 51 shopping malls as follows:

Name, Location		Calendar Year opened	Approximate gross floor area
			(in '000 sq.m.)
Metro Manila			
Robinsons Galleria..........................	EDSA corner Ortigas Avenue, Quezon City	1990	221
Robinsons Place Manila..................	M. Adriatico Street, Ermita, Manila	1997	241
Robinsons Novaliches	Quirino Highway, Novaliches, Quezon City	2001	70
Robinsons Metro East.....................	Marcos Highway, Brgy. Dela Paz, Pasig City	2001	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2004	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2007	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Robinsons Town Mall Malabon.............	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2013	17
Robinsons Place Las Piñas……………..	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2014	59
Outside Metro Manila			
Robinsons Place Bacolod.................	Lacson Street, Mandalagan, Bacolod City	1997	61
Robinsons Place Imus......................	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1998	65
Robinsons Fuente Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17

Name, Location		Calendar Year opened	Approximate gross floor area
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2001	70
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa......................	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2002	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96
Robinsons Cagayan de Oro..............	Limketkai Complex, Lapasan, Cagayan De Oro City	2002	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2003	59
Robinsons Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2004	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2008	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2008	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	63
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete................	Calindagan Business Park, Dumaguete City	2009	38
Robinsons Ilocos Norte.........................	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2009	65
Robinsons Cybergate Cebu..................	Don Gil Garcia St., Capitol, Cebu City	2009	20
Robinsons Place Pangasinan................	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan.....................	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan........................	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2013	59
Robinsons Place Malolos.......................	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2013	68
Robinsons Place Roxas.........................	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago.....................	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place	Sumulong Highway, cor. Circumferential	2014	43

Antipolo.....................	Road, Antipolo City		
Robinsons Place Antique………………..	Brgy. Maybato, San Jose, Antique	2015	32
Robinsons Galleria Cebu………………...	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2015	139
Robinsons Place Tagum…………………	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias…………	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro……………………	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Robinsons Place Iligan…………………..	Macapagal Ave., Brgy. Tubod, Iligan City, Lanao del Norte	2017	51
Robinsons Place Naga…………………..	Roxas Ave., cor. Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur	2017	75
Robinsons North Tacloban……………..	Brgy. Abucay, Tacloban City, Leyte	2017	54
Robinsons Place Ormoc…………………	Brgy. Cogon, Ormoc City, Leyte	2018	24
Robinsons Place Pavia…………………..	Brgy. Ungka 2, Pavia, Iloilo	2018	41
Robinsons Place Tuguegarao…………..	Brgy. Tanza, Tuguegarao City, Cagayan	2018	60
Robinsons Place Valencia……………….	Sayre Highway, Brgy. Hagkol, Bagontaas Valencia, Bukidnon	2018	47
Total			2,813

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be a major driver for the Company's growth in the future.

As of calendar year 2018, the Company had four (4) new shopping malls and three (3) expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,787 million and ₱2,337 million for the calendar years ended December 31, 2018 and 2017, respectively.

ii. Residential Division

The Residential Division focuses on the construction and sale of residential condominium, subdivision projects and other real estate properties. The Division accounted for ₱8.69 billion or 29% of RLC's revenues and ₱2.21 billion or 14% of RLC's EBITDA in calendar year 2018, and ₱6.55 billion or 29% of RLC's revenues and ₱1.82 billion or 15% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of

₱53.68 billion.

Percentage of realized revenues from foreign sales to total revenues for calendar years 2018 and 2017 and fiscal year 2016 are 1.75%, 0.75% and 0.24%, respectively while percentage of realized revenues from foreign sales to net income for calendar years 2018 and 2017 and fiscal year 2016 are 6.28%, 2.86% and 0.88%, respectively.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are nine (9) residential condominium buildings/towers under the Robinsons Luxuria portfolio, of which eight (8) have been completed and one (1) project is under construction.

Key details of the Company's Robinsons Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
The Residences at The Westin Manila Sonata Place [1]..........	50	344
Completed Projects		
Galleria Regency [1,2]	13	108
AmiSa Private Residences Tower A [1]	14	131
AmiSa Private Residences Tower B [1]	18	155
AmiSa Private Residences Tower C [1]................................	18	189
Signa Designer Residences Tower 1	29	306
Signa Designer Residences Tower 2	28	351
Sonata Private Residences – Building 1 [1]	29	270
Sonata Private Residences – Building 2 [1]	30	269

The Robinsons Luxuria projects are detailed as follows:

1. ***The Residences at The Westin Manila Sonata Place (legal name Sonata Premier)*** the first Westin-branded Residences in Southeast Asia and the final residential tower in the Sonata Place mixed-use community. Recognized as the 2018-2019 Best Residential High-Rise Development Philippines by the Asia Pacific Property Awards.

[1] *Part of a mixed-used development*
[2] *Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel*

2. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

3. ***Signa Designer Residences Towers 1 and 2*** is a joint venture project between Robinsons Land Corporation and Security Land Corporation in Makati CBD. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Residential Condominium in the Philippines.

4. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of 6 mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

5. ***Sonata Private Residences – Buildings 1 and 2*** are part of a Sonata Place mixed-use community in Ortigas Center that has been masterplanned to consist of three residential condominiums, and one hotel. RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project in 2016.

The Company's business plan for its Robinsons Luxuria brand is to continue to acquire and launch properties in key central and strategic locations within Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive features and amenities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the Robinsons Luxuria segment as of December 31, 2018:

Location	Acquisition Date	Approximate gross land area (1)
		(in hectares)
Lapu-Lapu City	May 2007	5.1

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, efficiently designed living spaces, stress-busting amenities and lifestyle perks and privileges.

As of December 31, 2018, Robinsons Residences segment had a portfolio of thirty one (31) residential condominium buildings/towers, of which twenty six (26) had been completed and five (5) are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 (1) ………………………..	21	270
Galleria Residences Cebu Tower 2 (1) ………………………..	22	352

[1] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Storeys	Number of Units
Current projects		
The Trion Towers – Building 3	50	636
The Radiance Manila Bay South Tower	41	597
The Magnolia Residences Tower D (1)	30	420
Completed Projects		
Robinsons Place Residences 1 (1)	38	388
Robinsons Place Residences 2 (1)	38	388
One Gateway Place (1)	28	413
Gateway Garden Heights (1)	32	549
One Adriatico Place (1)	38	572
Two Adriatico Place (1)	38	546
Three Adriatico Place (1)	38	537
Fifth Avenue Place	38	611
Name	**Storeys**	**Number of Units**
Completed projects		
Otis 888 Residences (1)	3	195
McKinley Park Residences	44	391
East of Galleria	44	693
The Fort Residences	31	242
Vimana Verde Residences Tower A	6	20
Vimana Verde Residences Tower B	6	20
Vimana Verde Residences Tower C	7	45
Azalea Place Cebu	25	408
The Trion Towers - Building 1	49	694
The Trion Towers - Building 2	50	725
Gateway Regency (1)	31	463
The Magnolia Residences Tower A (1)	36	378
The Magnolia Residences Tower B (1)	38	419
The Magnolia Residences Tower C (1)	38	433
The Radiance Manila Bay North Tower	36	538
The Sapphire Bloc North Tower	38	412
The Sapphire Bloc West Tower	38	416
Woodsville Residences	2	185

[1] *Part of a mixed-use development*

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the Pioneer mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, Gateway Regency Studios, the Robinsons Forum mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go Hotels Mandaluyong.

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of the mixed-use development in Paco, Manila, which includes Robinsons Otis mall and Go Hotels Otis.

4. ***The Magnolia Residences Towers A, B, C and D*** are part of the mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines.

5. ***Fifth Avenue Place*** is a 38-storey development in Bonifacio Global City. Composed of 611 units, it is the first completed project of RLC in the area.

6. ***McKinley Park Residences*** is a 44-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units—flat and loft type.

8. ***The Trion Towers 1, 2 and 3*** compose the three-tower development in Bonifacio Global City. In 2015, RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project.

9. ***East of Galleria*** is a one tower development located along Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mixed-use complex.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex. This project was recognized in the 2015 Philippine Property Awards and 2016 Asia Pacific Awards, as the Best Mid-Range Condo Development and Best Residential High-Rise Development in the country, respectively. The project was recognized as the Best Residential Interior Design during 2017 Philippine Property Awards and 2017 Asian Property Award (Philippines).

12. ***Vimana Verde Residences Buildings A, B and C*** is a three mid-rise building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City.

14. ***The Radiance Manila Bay North and South Towers*** are the main components of the two-tower residential development that features a lifestyle retail wing. It is located along Roxas Boulevard in

Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Towers 1 and 2*** are part of a three-tower residential component of the Robinsons Galleria Cebu Complex which consists of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City.

The Company's business plan for its Robinsons Residences brand is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of December 31, 2018:

Location	**Acquisition Date**	**Approximate land area**
		(in hectares)
Maxilom Avenue, Cebu City............................	September 2008	0.2
Ortigas Center, Pasig City……………………….	November 2011	0.3
Total		0.5

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically located near major gateways, highly developed cities and central business districts to provide easy access to schools, work places and vital institutions.

As of December 31, 2018, Robinsons Communities had completed twenty six (26) residential condominium buildings/towers and two (2) subdivision projects. It has five (5) on-going projects in different stages that are scheduled for completion over the next five years.

Robinsons Communities is currently focusing on the development of both mid-rise and high-rise residential condominium projects that primarily offer compact units. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	**NUMBER OF RESIDENTIAL FLOORS**	**NUMBER OF RESIDENTIAL UNITS**
Current Projects		
Axis Residences - Building B ……………..	37	792
Acacia Escalades - Building B	13	414

……………		
Chimes Greenhills....................................	24	378
Aurora Escalades Tower..........................	21	800
Gateway Regency Studios.......................	28	378

Completed Projects

Acacia Escalades - Building A ……………	11	383
Axis Residences - Tower A ……………….	37	913
Escalades East Tower …………………….	11	269
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	33	653
The Pearl Place - Tower B	34	640
Wellington Courtyard - Bldg A	5	34
Wellington Courtyard - Bldg B	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E.................	5	38
Gateway Garden Ridge	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches*	-	461
Centennial Place*	-	50

**horizontal*

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is within a mixed-use development located in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

2. ***Escalades at 20th Avenue Towers 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (10) residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, this is another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. This project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs), with 192 units.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is composed of two (2) mid-rise residential buildings located in Sucat, Muntinlupa with generous open spaces allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families, investors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6th floor (Towers A and B) and 40th floor (Tower A), and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two mid-rise buildings with commercial component.

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan.

10. ***Escalades East Tower*** is a 14-storey residential development located along 20th Ave., Cubao, QC and is part of the Escalades-Cubao complex.

11. ***Aurora Escalades Tower*** is a 21-storey residential development located along Aurora Blvd., Cubao, QC and is the last building of the Escalades-Cubao complex.

12. ***Gateway Regency Studios*** is the last residential tower at the EDSA-Pioneer mixed-use development offering studio units to urban professionals.

13. ***Bloomfields Novaliches*** is a horizontal residential development situated behind the Robinsons Place Novaliches mall.

14. ***Centennial Place*** - This is a half-hectare townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) townhouses, with lots ranging from 65 to 70 square meters.

The Company's business plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. It plans to acquire additional properties through purchase or joint venture.

The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of December 31, 2018:

Location	Acquisition Date	Approximate land area
		(in hectares)
Sucat, Muntinlupa	2002	1.3
Merville, Paranaque	2006	3.3
Las Pinas City (1)	2011	1.5
Bagong Ilog, Pasig City	2018	1.0
Total		7.1

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of RLC. It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of December 31, 2018, Robinsons Homes has thirty eight (38) projects in its portfolio. Eleven (11) of these projects are on-going construction, two of which are awating for the receipt of License to Sell (LS) to launch. Among the thirty eight (38) projects, twenty seven (27) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of calendar year 2018 are set forth in the table below:

Name	Location	Started (1)	Approximate Gross Land Area (2)	Number of Lots/Units
			(in hectares)	
Robinsons Homes East	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard	Cavite	May 1996	71.8	2,899
South Square Village	Cavite	August 1998	26.7	3,896
San Lorenzo Homes	Antipolo City	September 1999	2.8	372
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place	Cavite	July 2000	13.9	999
Robinsons Hillsborough	Cagayan De Oro City	November 2002	20.0	318

[1] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[2] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Location	Started [1]	Approximate Gross Land Area [2]	Number of Lots/Units
			(in hectares)	
Pointe´				
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates.......................	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano ...	Batangas City	August 2005	7.3	357
Fernwood Parkhomes	Pampanga	November 2005	14.5	654
Rosewood Parkhomes	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104
Richmond Hills.........................	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences.................	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag...........................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos……….	General Santos City	May 2014	33.0	755
Brighton Bacolod……………………	Negros Island	February 2016	22.4	735

Name	Location	Started (1)	Approximate Gross Land Area (2)	Number of Lots/Units
			(in hectares)	
Brighton Puerto Princesa…………..	Palawan	August 2016	13.1	377
Springdale at Pueblo Angono……	Angono, Rizal	November 2016	3.8	197
Brighton at Pueblo Angono…….…	Angono, Rizal	August 2017	4.6	140
Terrazo at Robinsons Vineyard…	Cavite	-	13.4	477
Monte Del Sol……………………..	Misamis Oriental	-	3.3	256

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East.*** A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring fourteen (14) shop house units at 190sqm/unit and eight commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard.*** A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village.*** This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot. The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes.*** This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.

5. ***Robinsons Highlands.*** This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.

6. ***Grosvenor Place.*** This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.

7. ***Robinsons Hillsborough Pointé.*** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four phases, which have been fully completed. The lots have an average size of 150 square meters.

8. ***Forest Parkhomes.*** An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC's first housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.

9. ***San Jose Estates.*** This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.

10. ***Robinsons Residenza Milano.*** Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes' first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.

11. ***Fernwood Parkhomes.*** This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282 lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276

lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is a 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 365-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 79 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview.*** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates.*** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades.*** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra.*** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of
180 square meters.

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

35. ***Brighton Puerto Princesa.*** This mediterranean-themed subdivision offers 377 residential lots in a 13.1-hectare development catered to locals and tourists. Average lot area is 180 square meters which is complemented by amenities such as clubhouse, multi-purpose court and swimming pool.

36. ***Springdale at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 3.8 hectares of land. This subdivision offers 197 units with a predominant area of 100 square meters.

37. ***Brighton at Pueblo Angono.*** An Asian-Tropical themed subdivision of 140 residential lots ideal for clients with a growing family. This development has a predominant lot cut of 180 square meters and is completed by amenities fit for families looking for a brighter future ahead.

38. ***Terrazo at Robinsons Vineyard.*** This 13.4-hectare contemporary-themed expansion of Robinsons Vineyard offers 477 residential lots catered to middle-class families who want to reside in Dasmariñas, Cavite.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of December 31, 2018, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Terrazo at Robinsons Vineyard and Monte Del Sol.

The Company's business plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of December 31, 2018, it was in various stages of negotiations for the acquisition of approximately 85 hectares of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱4.29 billion or 15% of RLC's revenues and
₱3.76 billion or 23% of RLC's EBITDA in calendar year 2018, and ₱3.27 billion or 15% of RLC's revenues and ₱2.93 billion or 23% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱ 19.46 billion.

RLC engages outside architects and engineers for the design of its office buildings developments. Due to the sustained growth from the IT Business Process Management (IT-BPM) sector and increasing office space demands from other multinational and logistic companies, the Company has secured a number of major customers as long-term tenants in its office building space and has continuously improved its building developments including its building features, office layouts and amenities. The Company is one of the leading providers of office spaces in the Philippines.

In December 2018, the Office Buildings Division opened its own flexible workspace business, “work.able”. It is located at the ground floor and penthouse of Cyberscape Gamma in Ortigas CBD. It offers plug and play workspaces to clients who are looking for flexible office options such as private offices, venues for meetings and events and co-working spaces.

As of December 31, 2018, the Office Buildings Division has completed twenty (20) office developments with the completion of Cyberscape Gamma in Ortigas CBD, Pasig City, Exxa and Zeta Towers in Bridgetowne East, Quezon City thereby increasing its leasable space by 29%. In the next two years, the Company is targeting to complete six (6) office buildings located in key cities across the country. The Company’s completed office developments are described below.

Name,	Location	Size & Designation
Galleria Corporate Center....................	Along EDSA corner Ortigas Avenue, Quezon City	30 storeys
Robinsons-Equitable Tower.................	Corner of ADB and Poveda Streets, Pasig City	45 storeys
Robinsons Summit Center	Ayala Avenue, Makati City	37 storeys
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18 storeys
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27 storeys
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27 storeys
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12 storeys
Robinsons Cybergate Cebu	Fuente Osmena, Bo. Capitol, Cebu City	3 storeys
Cyberscape Alpha…................................	Sapphire and Garnet Roads, Pasig City	26 storeys
Cyberscape Beta.......................................	Ruby and Topaz Roads, Pasig City	37 storeys
Tera Tower……………………………… ……	Bridgetowne, C5 Road, Quezon City	20 storeys
Robinsons Galleria Cebu Office……………	Gen. Maxilom Avenue, Cebu City	4 storeys
Robinsons Place Ilocos Office……………..	San Nicolas, Ilocos Norte	4 storeys
Cyber Sigma……………………………………. ..	Fort Bonifacio, Taguig City	21 storeys
Robinsons Luisita Office…………………....	Luisita, Tarlac City	3 storeys
Cybergate Delta.…………………………….....	JP. Laurel Ave., Davao City	5 storeys
Cybergate Naga.…………………………….….	Roxas Ave., Naga City	4 storeys
Cyberscape Gamma………………………..	Ruby and Topaz Roads, Pasig City	37 storeys

Name, Location		Size & Designation
Exxa Tower……………………………… …...	Bridgetowne, C5 Road, Quezon City	20 storeys
Zeta Tower……………………………… ……	Bridgetowne, C5 Road, Quezon City	20 storeys

The Company's completed office buildings are described as follows:

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an approximate net floor area (comprising only leasable space) of 25,000 square meters. As of December 31, 2018, approximately 85% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 100% occupancy rate.

2. ***Robinsons-Equitable Tower.*** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of December 31, 2018, RLC had sold approximately 70% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 100% occupancy rate as of December 31, 2018.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 100% occupancy rate as of December 31, 2018.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of December 31, 2018.

5. ***Robinsons Cybergate Center Tower 2.*** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of December 31, 2018.

4\. ***Robinsons Cybergate Center Tower 3.*** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.6% occupancy rate as of December 31, 2018.

5\. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 100% occupancy rate as of December 31, 2018.

6\. ***Robinsons Cybergate Cebu.*** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of December 31, 2018, the office floors had an occupancy rate of 100%.

7\. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the

Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 100% occupancy rate as of December 31, 2018.

8. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the Ground and Mezzanine levels. The office floors are located from the 9th to the 37th levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 100% occupancy rate as of December 31, 2018.

9. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6th to 20th floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 100% occupancy rate as of December 31, 2018.

10. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had a 70.7% occupancy rate as of December 31, 2018.

11. ***Robinsons Place Ilocos Office.*** This office development is integrated with the mall expansion. The office development has a gross leasable area of 7,500 square meters and it is 100% owned by RLC.

12. ***Cyber Sigma.*** This is a 21-storey office development located in Fort Bonifacio, Taguig City. The office project has access to both Lawton Avenue and Le Grand in Mckinley West. It has a leasable area of approximately 50,000 sqm and was completed last December 2017. It had an occupany rate of 89.2% as of December 31, 2018.

13. ***Robinsons Luisita Office.*** This build to suit development consists of a 3-storey of dedicated office space to a BPO client. The space was commited ahead and was custom built based on the requirement of our client. It has a leasable area of 5,700 sqm and was completed last October 31, 2017. As of December 31, 2018, it had a 100% occupancy rate.

14. ***Cybergate Delta.*** This is a 5-storey office project located within the PEZA registered IT Park, Robinsons Cyberpark located in JP. Laurel Avenue in Davao City. The development sits on more than a hectare property and has it's own commercial spaces at the ground floor to support its office tenants' food and dining requirements. It has a leasable area of approximately 11,900 sqm and was completed last December 2017. As of December 31, 2018, it had an occupancy rate of 47.4%.

15. ***Cybergate Naga.*** This office development is located within the Robinsons Place Naga complex in Roxas Ave, Naga City. It is a 4-storey office development with a leasable area of approximately 5,700 sqm. As of December 31, 2018 occupancy rate is at 100%.

16. ***Cyberscape Gamma.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. This is interconnected with Cyberscape Beta via its Ground, Mezzanine and parking floors. The building has a gross leasable area of approximately 43,500 square meters. This was completed in December 2018 and during the same period it had a 57.2% occupancy rate.

17. ***Exxa Tower.*** This 20-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City, is a twin tower of Zeta Tower. They share common retail and parking podium floors. The building including the 2 floors of retail spaces has a gross leasable area of approximately 39,800 square meters. RLC owns 100% of the gross floor area. As of December 31, 2018, it had an occupancy rate of 91.7%.

18. ***Zeta Tower.*** This is a 20-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has a gross leasable area of approximately 34,500 square meters. RLC owns 100% of the gross floor area. The building was completed in December 31, 2018 and as of the same period, it had an occupancy rate of 19.2%.

iv. Hotels and Resorts Division

RLC's Hotels and Resorts Division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. In 2018, it opened Summit Hotel Tacloban in Eastern Visayas integrated to Robinsons Place mall complex which completes the live-work-play promise of the Company. As the largest hotel in Tacloban City, Summit Hotel Tacloban offers 138-rooms, grand ballroom and meeting facilities, uniquely designed and inspired from Tacloban's history, culture and people. This year, Robinsons Hotels and Resorts opened Go Hotels Iligan, the biggest hotel in Northern Mindanao. The hotel is strategically located beside Robinsons Place Iligan, the city's largest shopping mall. Specifically built with the business traveler in mind, Go Hotels Iligan offers comfortable spaces for business meetings, social gatherings and a function hall that can accommodate up to 200 guests for corporate events. RLC's Hotels and Resorts Division currently has a portfolio of eighteen (18) hotel properties. As of December 31, 2018, the Company's Hotels and Resorts Division had assets, valued on a historical cost less depreciation basis, of ₱7.88 billion.

The Hotels and Resorts Division accounted for ₱1.98 billion or 7% of RLC's revenues and ₱0.67 billion or 4% of RLC's EBITDA in calendar year 2018, and ₱1.89 billion or 8% of RLC's revenues and ₱0.72 billion or 6% of RLC's EBITDA in calendar year 2017.

Although the Hotels and Resorts Division is an important part of RLC's business, the Company considers its primary value to be as a complement to its other developments.

On its path to becoming the best and biggest hotel company in the Philippines, over the next years, we will see more Go Hotels and Summit Hotels as part of the division's expansion program across the country.

Go Hotels has steadily increased its presence in the Philippines with eleven (11) operational branches, offering a total of more than 1,500 rooms, in strategic cities across the country. Its thrust is to build in locations with high market demand. To support expansion of the brand, Go Hotels is open to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of December 31, 2018:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF AVAILABLE ROOMS
Crowne Plaza Manila Galleria ….	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria…………………………….	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel) ……………	Fuente Osmena cor. F. Ramos Street, Cebu City	Standard	211
Summit Ridge Tagaytay ………...	Aguinaldo Highway, Tagaytay City	De Luxe	108

Summit Hotel Magnolia………….	Dona Hemady cor. Aurora Boulevard, Quezon City	-	82
Summit Galleria Cebu..………….	Benedicto St. Cor. Gen. Maxilom Ave. Ext., Cebu City	-	215
Summit Hotel Tacloban………….	National Highway, Marasbaras, Tacloban City	-	131
Go Hotel …………………………..	EDSA, Mandaluyong City	Economy	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	Economy	108
Go Hotel …………………………..	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel …………………………..	Tacloban City, Leyte	Tourist Inn	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	Economy	108
Go Hotel …………………………..	Paco, Manila	Economy	118
Go Hotel …………………………..	Iloilo City	Economy	167
Go Hotel …………………………..	Ortigas Center, Pasig City	Economy	198
Go Hotel…………………………....	Butuan City	Economy	104
Go Hotel…………………………....	Lanang, Davao City	Economy	183
Go Hotel…………………………....	Iligan City, Lanao Del Norte	-	38
Total			2,742

As of December 31, 2018, the Company's Hotels and Resorts Division has a system-wide average occupancy rate of 62%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has an initial term of ten years. On June 2015, the contract was extended for another 3 years, and in March 2018, the contract was further extended until 2028. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It also carries out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay, Summit Hotel Magnolia, Summit Galleria Cebu, Summit Hotel Tacloban and the eleven (11) Go Hotels directly.

In calendar year 2018, Go Hotels opened in Iligan City. Go Hotels is present also in Mandaluyong, Puerto Princesa, Dumaguete, Tacloban, Bacolod, Otis - Manila, Iloilo, Ortigas Center, Butuan, and Lanang-Davao. Under its franchise partner, Roxaco-Asia Hospitality Corporation, Go Hotels is present in Manila Airport Road, Ermita Manila, Timog-Quezon City, Cubao-Quezon City and North Edsa-Quezon City, bringing the total number of properties to sixteen (16) with 2,410 rooms.

In 2019, Robinsons Hotels and Resorts will add a total of 635 rooms to its portfolio. The five (5) new hotels that will open are Dusit Thani Mactan Cebu, Summit Hotel Greenhills, Summit Hotel Naga, Go Hotel Naga, and Go Hotel Tuguegarao.

Robinsons Hotels and Resorts will continue to build hotels in key locations aiming to become the largest hospitality group with the widest variety of brands and formats in the country.

v. Industrial and Integrated Developments

(Industrial and Integrated Developments) IID is focused on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, and development of warehouse and logistics facilities. Pilot projects under IID are the development of Sierra Valley, the 18-hectare property in Cainta, Rizal, as well as the thirty-hectare Bridgetowne Complex near Ortigas Center and the warehousing facility in Muntinlupa. In 2018, the Company aims to commence the land development in Sierra Valley and to complete the construction of the warehouse facility in Muntinlupa.

The IID Division accounted for ₱2.64 billion or 9% of RLC’s revenues, 95% accounts for the sale of the commercial lots and the remainder 5% is the revenue generated from the warehouse business, and ₱2.03 billion or 12% of RLC’s EBITDA in calendar year 2018. As of December 31, 2018, the Company’s IID Division had assets, valued on a historical cost less depreciation basis, of ₱19.17 billion.

c) Significant Subsidiaries

As of December 31, 2018, RLC has eleven (11) subsidiaries, all of which are consolidated with the Company’s financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RPMMC, RCL, AAI, AMVI, ASN, GHDI, RLCRL , BPVI and BRFLC.

Key details of each of RLC’s subsidiaries are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson’s Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by RLC. RII’s principal business is to engage in the development and

operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels and resorts division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's Residential Division. RPMMC manages the marketing of the portfolio of residential units that are available for sale through the Residential Division's Robinsons Communities, Robinsons Residences, and Robinsons Luxuria brands. RPMMC's primary purpose is to acquire, own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

4. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. RCL acts as a real estate agent on the international market, among others, for the Residential Division.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus Mall Ventures, Inc.*** Altus Mall Ventures, Inc. (AMVI) was incorporated on August 19, 2002, has a registered share capital of 4,000,000 and is 100%-owned by the Parent Company. AMV's primary purpose is to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

7. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on March 28, 2007, has a registered share capital of 40,000,000 and is 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. ASNC's principal business is to establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations, without engaging in retail business.

8. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture between RLC within the Hotels and Resorts Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations.

9. ***RLC Resources, Ltd.*** RLC Resources, Ltd. (RLCRL) was incorporated on September 10, 2001 in the British Virgin Islands as an International Business Company, has an initial registered share capital of 50,000, which was increased to 500,000 in fiscal year 2016 and is 100%-owned by the Parent Company. RLC Resources, Ltd.'s principal business is to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into arrangements with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organize, manage, supervise and control any corporation, company, fund, trust, business or institution; to purchase or otherwise acquire and hold, in any manner and upon any terms, and to underwrite, invest and deal in shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities and enter into any interest rate exchange contracts, forward contracts, futures contracts and enforce all rights and powers incidental to RLCRL's interest therein.

10. ***Bonifacio Property Ventures, Inc.*** Bonifacio Property Ventures, Inc. (BPVI) was incorporated on December 21, 2018, has a registered share capital of 1,000,000,000 with a par value of Php 1.00 per share, 500,000 shares of which is subscribed and paid up by the Parent Company. BPVI's principal business is to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other real estate and/or structures of whatever kind, together with their oppurtenances.

11. ***Bacoor R and F Land Corporation.*** Bacoor R&F Land Corporation (BRFLC) was incorporated on October 15, 2018, has a registed share capital of 10,000,000 with a par value of Php 100.00 per share, 4,000,000 shares of which is subscribed and paid up by Parent Company. BRFLC's principal business is to acquire, own, and hold real estate properties situated in Bacoor City, Province of Cavite or any other properties approved by the Board of Directors or stockholders of the corporation, and to sell, lease, mortgage, alienate or develop the parcels of land acquired by the corporation.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its Commercial Centers Division—SM Prime Holdings, Inc. (SMPHI) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SMPHI's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of December 31, 2018, the mall segment of SMPHI has ₱366.3 billion and ₱153.5 billion while the mall segment of ALI has ₱69.8 billion and ₱41.9 billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

ii. Residential Division

1. *Robinsons Luxuria*

The Robinsons Luxuria brand continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land Corporation (ROCK), Century Properties, Inc. (CPI) and Megaworld Corporation (MEG) to its developments. ROCK's total assets and equity accounts as of September 30, 2018 amounted to ₱55.5 billion and ₱19.2 billion, respectively; CPI's total assets and equity accounts as of December 31, 2018 amounted to ₱49.4 billion and ₱17.5 billion, respectively, while MEG's total assets and equity accounts as of September 30, 2018 amounted to ₱327.5 billion and ₱180.8 billion, respectively.

2. *Robinsons Residences*

RLC's competitors (Alveo Land, MEG, Filinvest Land, Inc. (FLI), and Ortigas & Co.) under this segment targets the same market and offers similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remain among the top of mind developments as a result of growing experienced sales and distribution network and convenient locations. Projects are located within Central Business Districts or RLC's mixed-use development.

3. *Robinsons Communities*

Robinsons Communities has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), FLI, SM Development Corporation (SMDC) and DMCI Homes. As of September 30, 2018, total assets and equity accounts amounted to ₱156.4 billion and ₱66.1 billion, respectively, for FLI while total assets and equity accounts of SMPHI as of September 30, 2018 amounted to ₱ 593.5 billion and ₱270.7 billion, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. *Robinsons Homes*

Recognizing the growing housing market in the Philippines, RLC continues to embark on building subdivisions through its Robinsons Homes brand. For families aspiring to own their first home or upgrade to a better abode and neighborhood, Robinsons Homes provides them themed, master-planned, secure and gated horizontal subdivisions in key urbanized cities nationwide ideal to start the good life. In order to cater to varying market profiles, Robinsons Homes launched its four sub-brands namely: *Happy Homes* for socialized housing, *Springdale* for the affordable market segment, *Brighton* for id-cost development and *Bloomfields* for the high-end market.

It stands in close competition with ALI, FLI and Vista Land & Lifescapes, Inc. (VLL). Total assets and equity accounts of VLL as of September 30, 2018 amounted to ₱227.3 billion and ₱89.8 billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is creating not just subdivisions but is forming nurturing communities with lifestyle amenities and support developments in response to the changing lifestyle of Filipinos.

The Company believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success.

iii. Office Buildings Division

The Company believes that competition for office space is principally on the basis of location, quality and reliability of the project's design and equipment, reputation of the developer, availability of space, and PEZA registration. The biggest competitors of the Company under this segment are ALI, Megaworld and SM. The Company competes in this market on the basis of the strategic locations of its buildings, including their proximity to the malls and residences as part of its mixed-use developments and its accessibility to public transportation, building features as the office projects can accommodate all types of tenants including companies in the IT Business Process Management (IT-BPM) sector, corporate headquarters and traditional offices. The Company also believes that its established reputation of good quality, ease of doing business, and completing projects on time makes it one of the most preferred choices of the IT-BPM industry as well as local and multinational companies. The Company is committed in providing an excellent customer experience and satisfaction by developing office projects of high quality and reliability, meeting the evolving needs of its customers.

iv. Hotels and Resorts Division

Philippine Tourism is highly influenced by general political and economic conditions within the country. The Philippines is a preferred destination in the global tourism industry because of its competitiveness in terms of pricing hotel rooms and airline ticket, natural resources and eco-tourism.

Tourism is recognized as an industry of national importance, an engine for investments, employment, growth and national development. Philippine Tourism has emerged as an important contributor to economic growth in the service sector next only to the remittances from Overseas Filipino Workers and the Information Technology and Business Process Outsourcing sector.

The hotel business has seen a continued stabilized situation due to remittances from Filipino overseas workers, IT infrastructure projects in the Philippines, and the continuous drive of the local tour operators in developing affordable tour packages.

Foreseen increase of business travels coming from government led infrastructure projects with Chinese and Japanese investors such as construction of the Mega Manila Subway, Manila Bay Smart City Development – 407 hectare reclamation project, Manila- Clark Railway Project, Ortigas- BGC flyover.

There is sustained growth in domestic tourism due to more affordable flights and ease of air access. 28% of domestic travelers are millennials aged 15-24 years of age; 24% are aged 25-34 years of age, 19% for 35-44 years of age, 14% for 45 t0 54 years age; 9% for 55-64 and 6% above 65 years old.

The tourism outlook in the Philippines seems optimistic, driven by the presence of low cost carriers and with several hotels opening in Makati, Ortigas, and Fort Bonifacio CBD. DOT continues to attract in bound tourism by an aggressive global marketing campaign and brand awareness as well as promoting sustainable tourism which aims to ensure accommodation facilities across the country will comply with environmental and government policies. The ongoing rehabilitation of Boracay Island is a showcase of DOT's sustainable tourism program.

The government's rebalancing strategy or pivot towards giving greater attention to closer relations to our Northeast Asian Neighbors such as China, South Korea, Japan and Taiwan, rich potential sources of tourists, are also contributing to the positive outlook of the country's tourism sector.

The Information Technology and Business Process Outsourcing companies (main industry drivers) are anticipating a slowdown in expansion programs with the planned implementation of the government's Tax

Reform Acceleration and Inclusion Package 2 or Train 2 which will affect the tax incentives, weakening the country's competitive advantage in the region.

The Department of Tourism is projecting 8.3 million foreign tourists for 2019 while the top five source markets have remained the same for the last two years.

Crowne Plaza Manila Galleria ensures "Making Business Travel Work" by providing meetings and rooms facilities that maximize productivity and ease for the MICE market and is still the hotel that offers the largest pillarless ballroom and meetings space which consistently attracts business from large-scale events and conferences.

Holiday Inn Manila Galleria remains to be a significant international mid-market brand in Ortigas which caters to both Leisure and Corporate Transient business in the area, despite increasing competition from relatively new openings over the last two to three years, namely Mercure by Accor, Joy Nostalg changing management to Accor hotels and posing a challenge to the long-staying market through its suites and most recent additions of Citadines which also caters to long-stay business.

Growth across condominiums has also led to more choices being available to customers eyeing long-stay accommodations. However, a unique feature of the IHG brand is its globally-renowned loyalty brand - IHG Rewards Club - which is a compelling choice due to its perks and benefits.

v. Industrial and Integrated Developments Division

Though Industrial and Integrated Developments is a new Division under RLC, RLC is not a newcomer in integrated developments. RLC has developed four major mixed used developments in Metro Manila alone, namely, Robinsons Galleria, Robinsons Forum, Robinsons Manila, and Robinsons Magnolia. These projects are anchored by Robinsons Mall with components of Office and/or Residential and/or Hotel/Leisure. With the formation of the Industrial and Integrated Development Division, RLC can now focus on this new fast growing development format.

All major developers are now into integrated development. Developers are now acquiring big parcels of land and incorporating different real estate components to attract investors and customers. The biggest competitors of RLC in integrated developments are Ayala Land, Megaworld, Filinvest, Eton, and SM.

RLC-IID will harness opportunities for synergies with RLC's other business units: Commercial, Residential, Hotel, and Office Division. RLC, having years of experience in these real estate components, will thus have a competitive advantage. With efficient master planning, innovative designs, and quality construction, RLC is committed to sustainable and future-proof communities.

e) Sources and Availability of Raw Materials and Names of Principal Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes the Company will undertake to procure the construction materials when it believes that it has an advantage in doing so. The Company typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge the Company. If the Company believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

f) Employees and Labor

As of December 31, 2018, RLC and its subsidiaries had a total of 9,694 employees, including 2,415 permanent full-time managerial and support employees and approximately 7,279 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division.......................	1,088	6,022	7,110
Office Buildings Division............................	126	336	462
Residential Division.....................................	473	293	766
Hotels and Resorts Division..........................	716	577	1,293
Industrial and Integrated Developments Division…………………………..………...	12	51	63
Total	2,415	7,279	9,694

The 2,415 permanent full-time managerial and support employees of RLC and its subsidiaries as of December 31, 2018 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	919
Administrative	1,017
Technical	479
Total	**2,415**

The Company foresees an increase in its manpower complement to 2,511 employees in the ensuing twelve months.

Almost all of the Company's Hotels and Resorts Division employees are covered by a collective bargaining agreement which will mature on September 30, 2021 for Summit Circle Cebu (formerly Cebu Midtown Hotel) and September 30, 2020 for Holiday Inn Manila Galleria's hotel. The Company's other employees are not unionized or party to collective bargaining agreements with the Company.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures.

g) Industry Risk

The Company substantially conducts its business activities in the Philippines where majority of its assets are located.

Demand for and prevailing prices of shopping mall and office leases, as well as the development of the Philippine hospitality sector are directly related to the strength of the Philippine domestic economy and the overall levels of business activity in the Philippines.

RLC's Commercial Centers Division is directly affected by level of consumption, demographic structure, social trends, changing spending patterns and consumer sentiments in the Philippines, which are in turn heavily influenced by economic, political and security conditions in the Philippines. The level of consumption is largely determined by the income levels of consumers which is supplemented by a large number of Overseas Filipino Workers (OFWs) and expatriate Filipinos employed in countries around the world. This exposes RLC to changes in the specific economies of the countries where OFWs are deployed.

As the fastest growing sector in the Philippine real estate industry, the Information Technology-Business Process Management (IT-BPM) outsourcing sector drives office space demand which fuels the performance and profitability of RLC's Office Buildings Division. The growth of the IT-BPM sector is heavily dependent on the availability of Information and Communications Technology (ITC) hubs across the country which provide sufficient labor supply and upgraded talent ecosystem, good ITC infrastructure and service capabilities, efficient cost and overall business environment as a product of sound macroeconomic fundamentals and geopolitical climate in the country.

RLC's Hotels and Resorts Division, on the other hand, is anchored on the development of Philippine tourism which is contingent on the rate of response of the Philippine government to address infrastructure challenges across the country.

On the development side of the Company's business, RLC is engaged in both domestic and international residential development. The property market has been cyclical where property values have been affected by confidence in the economy as well the interest rate environment.

Considerable economic and political uncertainties exist in the Philippines that may have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because majority of RLC's businesses are in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally may materially adversely affect RLC's financial performance, position and profitability.

RLC operates in a highly competitive industry. The Company's future growth and development is dependent, in large part, on the availability and affordability of large tracts of land suitable for development. As the Company and its competitors attempt to locate sites for development, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company, particularly in Metro Manila and other urban areas. To the extent that the Company is unable to acquire suitable land at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other commercial center and residential developers and real estate services companies, some with greater financial and other resources and more attractive land banks than the Company, compete with RLC in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect RLC's ability to develop and sell its properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for commercial and residential real estate.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

Over the years, the Company has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance. The Company also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them exclusive development and marketing rights.

The following are locations of the Company's properties:

Location	Use	Status
Land		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/Office Building/Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Residential/Mall/Office Building/ Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/Residential/Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential/Mall	No encumbrances
Isabela	Mall	No encumbrances
Ilocos Norte	Mixed use (mall/office)	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Cagayan	Mall	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Iloilo	Mall	No encumbrances
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Residential/Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Mixed-use(mall/hotel)	No encumbrances
Capiz	Mall	No encumbrances

Location	Use	Status
Antique	Mall	No encumbrances
Visayas area	Land bank	No encumbrances
Mindanao		
Agusan Del Norte	Mixed-use (mall/hotel)	No encumbrances
Misamis Oriental	Residential	No encumbrances
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Lanao Del Norte	Mixed-use (mall/hotel)	No encumbrances
Davao Del Norte	Mall	No encumbrances
Bukidnon	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/Office Building/Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Residential/Mall/Office Building/ Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential/Warehousing facility	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential/Office Building	No encumbrances
Malabon City	Mall	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/Residential/Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall/Residential	No encumbrances
Isabela	Mall	No encumbrances
Ilocos Norte	Mixed-use (mall/office)	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Cagayan	Mall	No encumbrances
Visayas		
Iloilo	Mall/Mixed-use (mall/hotel)	No encumbrances
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Mixed-use (mall/hotel)	No encumbrances
Capiz	Mall	No encumbrances

Antique	Mall	No encumbrances
Mindanao		
Misamis Oriental	Mall/Residential	No encumbrances
Location	**Use**	**Status**
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/Residential	No encumbrances
Agusan Del Norte	Mixed-use (mall/hotel)	No encumbrances
Davao Del Norte	Mall	No encumbrances
Lanao Del Norte	Mixed-use (mall/hotel)	No encumbrances
Bukidnon	Mall	No encumbrances

The Company owns all the land properties upon which all of its existing commercial centers are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, (v) Robinsons Place Jaro, (vi) Cyber Sigma, and (vii) Robinsons Place Tuguegarao. These seven land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta, Pulilan, Cyber Sigma, and Tuguegarao properties are for 25 years each and commenced in December 2003, January 2008, August 2014, and January 2018, respectively. Renewal options for Cainta, Pulilan, Cyber Sigma and Tuguegarao are available to the Company, with an Option to Purchase the property and its improvements for Cyber Sigma. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015. Total rent expense amounted to ₱246 million and ₱52 million in calendar years 2018 and 2017, respectively and ₱44 million for the three months ended December 31, 2016.

For calendar year 2019, the Company has appropriated approximately ₱27.0 billion of its retained earnings for domestic capital expenditures which will be funded through internally generated cash from operations and borrowings. The earmarked amount is for the continuing capital expenditures of the Company for subdivision land, condominium, residential units and other real estate properties for sale, development and expansion of investment properties and property and equipment.

Item 3. Legal Proceedings

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC’s management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Group’s consolidated financial position.

Item 4. Submission of Matters to A Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 (The Subdivision and Condominium Buyers' Protective Decree) as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. The law covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. It also sets out standards for lower density developments.
Republic Act No. 4726 (The Condominium Act), on the other hand, is the primary law governing condominiums. The law covers the legal definition of a condominium, the rights of a unit owner, and the rules governing transfers, conveyances and partitions in condominiums.

The Housing and Land Use Regulatory Board (HLURB) is the administrative agency of the Government which, together with local government units, enforces these laws and has jurisdiction to regulate the real estate trade and business. Subdivision or condominium units may be sold or offered for sale only after a license to sell (LTS) has been issued by the HLURB. The LTS may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

All subdivision and condominium plans are subject to approval by the relevant Local Government Unit (LGU) in which the project is situated and by the HLURB. The development of subdivision and condominium projects can commence only after the HLURB has issued a development permit. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the LGU and HLURB.

Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Republic Act No. 9646 (The Real Estate Service Act of the Philippines) provides that real estate consultants, appraisers, assessors and brokers must pass the requisite exams and be duly registered and licensed by the Professional Regulation Commission (PRC), while real estate salespersons, or those who act of a real estate broker to facilitate a real estate transaction, only need to be accredited by the PRC.

Project permits and the LTS may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked after notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws.

Residential subdivision developments must comply with applicable laws and standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction. Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls, but the minimum parking area requirement may be further increased by ordinances promulgated by LGUs.

Republic Act No. 7279 (Urban Development and Housing Act of 1992), as amended by Republic Act No. 10884, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost and at least 5% of condominium area or project cost, at the option of the developer, in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future.

The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under R.A. No. 10884, income derived by domestic corporations from the development and sale of socialized housing is exempt from project related income taxes, capital gains tax on raw lands used for the project, value-added tax for the project contractor concerned, transfer tax for both raw completed projects, and donor's tax for lands certified by the LGUs to have been donated for socialized housing purposes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

c) Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the "Hotel Code") in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

d) Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

e) Special Economic Zone

The Philippine Economic Zone Authority ("PEZA") is a government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Information technology ("IT") enterprises offering IT services (such as call centers, and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of calendar year 2018, a number of RLC malls and office buildings are PEZA-registered.

f) Effect of Existing or Probable Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations mentioned under "items 5a-e" as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱30.1 million and ₱30.5 million in calendar years 2018 and 2017, respectively and ₱27.9 million in fiscal year 2016.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

Data on the quarterly price movement of its shares for the past three calendar years are set forth below.

	2018			2017			2016		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	20.45	19.50	20.20	23.20	22.75	23.00	29.20	27.55	27.90
2	19.42	18.50	18.50	24.40	23.80	24.25	31.65	29.50	29.50
3	20.30	19.28	20.30	26.15	25.00	25.30	31.35	30.30	31.00
4	20.55	20.40	20.55	21.75	21.30	21.30	26.30	25.10	26.00

Additional information as of March 31, 2019 are as follows:

Market Price:	<u>**Period**</u>	<u>**High**</u>	<u>**Low**</u>
	Jan. to Mar. 2019	₱24.85	₱20.45

The market price of the Corporation’s common equity as of May 6, 2019 is P23.25.

2. The number of shareholders of record as of March 31, 2019 was 1,056.

   Common shares outstanding as of March 31, 2019 were 5,193,830,685 shares with a par value of P1.00 per share.

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the calendar years 2018 and 2017 and fiscal year 2016.

For calendar year 2018, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of December 31, 2017 to all stockholders on record as of April 26, 2018. The cash dividends were paid out on May 23, 2018.

For calendar year 2017, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2016 to all stockholders on record as of April 3, 2017. The cash dividends were paid out on May 2, 2017.

For fiscal year 2016, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2015 to all stockholders on record as of March 29, 2016. The cash dividends were paid out on April 22, 2016.

RLC’s unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱2,223 million and ₱1,793 million as of December 31, 2018 and 2017, respectively. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the amount appropriated for expansion totaling ₱27,000 million as of December 31, 2018.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of March 31, 2019:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	3,166,806,886	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,233,520,257	23.75%
3	PCD Nominee Corporation (Filipino)	758,996,179	14.61%
4	Elizabeth Yu	8,737,200	0.17%
5	John Gokongwei, Jr.	8,124,721	0.16%
6	Cebu Liberty Lumber	2,203,200	0.04%
7	James L. Go	2,139,011	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Frederick D. Go	986,027	0.02%
10	Quality Investments & Sec Corp.	904,200	0.02%
11	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.00%
17	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	7,568,668	0.15%
	Total	**5,193,830,685**	**100.00%**

Item 9. Management Discussion and Analysis of Financial Condition and Results of Operation

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 93% of the Company's total revenues and are derived from the lease of commercial spaces in the various malls, the lease of space in office buildings and warehouse facilities, the sale of residential units from the Company's various housing projects and the sale of parcels of land. Approximately 7% of total revenues are derived from hotel operations.

i. Year ended December 31, 2018 versus same period in 2017

RLC generated total gross revenues of ₱29.55 billion for calendar year 2018, an increase of 31.2% from ₱ 22.52 billion total gross revenues for calendar year 2017. EBIT grew 38.8% to ₱11.88 billion while EBITDA posted a 30.9% growth to ₱16.34 billion. Net income stood at ₱8.22 billion, up by 39.8% compared to last year.

The Commercial Centers Division accounted for ₱11.94 billion of the real estate revenues for the year versus ₱10.79 billion last year or a 10.7% increase. The increase in rental revenues was brought about by the full year impact of new malls that opened during the second half of 2017, as well as the opening of four new malls in Ormoc, Iloilo, Tuguegarao and Bukidnon. Robinsons Galleria in Ortigas also contributed to the rental growth as tenants' occupancy and sales had started to pick up since the completion of its redevelopment. Cinema revenues also improved with the opening of new branches. The Division's EBIT and EBITDA grew by 6.2% and 8.9%, respectively.

Revenues of Office Buildings Division grew by 31.4% to ₱4.29 billion from ₱3.27 billion over the same period last year. Revenue growth was mainly attributable to rental escalations and high renewal rates, as well as contribution from the offices completed in 2017 namely Cyber Sigma, Cybergate Delta, Cybergate Naga and Robinsons Luisita office and offices completed in 2018 namely Exxa Tower, Zeta Tower and Cyberscape Gamma. The Division's EBIT and EBITDA showed positive variances of 33.3% and 28.3%, respectively.

The Residential Division realized revenues is at ₱8.69 billion this year versus ₱6.55 billion last year, an increase of 32.6%, due to higher level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion and sale of parcels of land. EBIT and EBITDA increased by 21.2% and 21.5%, respectively.

The Hotels and Resorts Division registered gross revenues of ₱1.98 billion as against last year's ₱1.89 billion. The 4.7% increase in hotel revenues principally came from the new hotels namely Summit Galleria Cebu, Summit Hotel Tacloban and Go Hotels Iligan. Hotels and Resorts Division EBIT and EBITDA declined by 21.6% and 6.9%, respectively, as the division continues to redevelop some of the existing hotels and incurrence of a much accelerated pre-operating expenses on hotels to be opened in 2019 as well as higher overhead expense in the Head Office.

The IID Division accounted for ₱2.64 billion revenues, with 95% attributed to the sale of the commercial lots and the remainder 5% is the revenue generated from lease of warehouse facilities. Further gains will be realized from the selling of lots with joint ventures. EBIT and EBITDA for calendar year 2018 stood at ₱ 2.02 billion and ₱2.03 billion, respectively.

Interest income increased to ₱196.3 million from ₱36.8 million last year due to higher average balance of cash and cash equivalents during the calendar year 2018.

Real estate costs went up by 30.6% to ₱12.11 billion from ₱9.28 billion last year. The higher level of realized sales of residential units and sale of parcels of land brought cost of real estate sales to increase by ₱ 1.79 billion or 56.9%. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱380.2 million or 12.5%; while completion of new office buildings increased depreciation expense of the Office Buildings Division by ₱64.2 million or 10.2%. Furthermore, cinema expense rose by 10.4% or ₱85.2 million in line with the increase in cinema revenues.

Hotel expenses rose by 15.3% to ₱1.56 billion due substantially to higher level of property and maintenance cost, depreciation, salaries and wages, contracted services, which were all due to higher level of operations brought about by higher room revenues and pre-operating expenses on hotels to be opened in 2019.

General and administrative expenses went up by 20.1% to ₱4.00 billion due to higher commission, rent, advertising and promotions and salaries, among others.

Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of the Company's foreign subsidiary.

As of December 31, 2018, total assets of the Group stood at ₱174.16 billion, a growth of 17.6% from ₱ 148.13 billion last year.

Cash and cash equivalents increased by 22.6% or ₱0.47 billion due to the proceeds from the SRO, cash generated from operations; offset by payments of dividends, loans, and capital expenditures for new and ongoing projects.

Receivables (current and noncurrent-net) decreased by 61.9% or ₱5.78 billion to ₱3.56 billion due to reclassification to 'Contract assets' account amounting to ₱5.09 billion in 2018.

Subdivision land, condominium and residential units for sale grew by 9.0% to ₱31.46 billion due to higher level of capital expenditures for new and ongoing projects under the Residential division.

Contract assets (current and noncurrent) totaling ₱11.53 billion refer to the right to consideration in exchange for goods or services transferred to the customers. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contract receivables when the monthly amortization is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period, increase in percentage of completion, less reclassification of installment contract receivable.

Other current assets went up by 176.3% to ₱11.74 billion from ₱4.25 billion last year mainly due to increase in cash under escrow which will mainly be used for the construction of real estate inventories.

Investment properties and Property and equipment increased by 7.8% to ₱99.32 billion and 17.2% to ₱7.84 billion, respectively. Increase in Investment properties is due to reclassification of land from 'Subdivision land, Condominium and Residential units for Sale' account and costs incurred for the construction of new malls and office developments. On the other hand, the increase in Property and equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International. Investments in joint venture consist of investments in stocks of joint venture companies intended to acquire, develop, sell and lease real estate properties.

Contract liabilities (current and noncurrent) totaling ₱15.31 billion consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on percentage of completion. The movement in the 'Contract liability' account is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold from increase in percentage of completion.

Loans payable (current and noncurrent) decreased by 27.2% to ₱37.39 billion due to settlement of a significant portion of short-term borrowings.

The increase in deferred tax liabilities - net of 25.0% to ₱3.58 billion is mainly attributed to excess of real estate revenues based on percentage-of-completion over real estate revenues based on collections.

Deposits (current and noncurrent) and Other liabilities went down by 29.0% to ₱8.60 billion primarily due to reclassification of deposits from real estate buyers to contract liabilities beginning 2018.

Equity attributable to equity of the Parent Company as of December 31, 2018 stood at ₱93.51 billion, up by 39.4% from ₱67.09 billion last year due to successful SRO during the year, current earnings of ₱8.22 billion, net of payment of dividends of ₱1.87 billion.

A summary of RLC's key performance indicators for the calendar year follows:

	2018	2017
Gross revenues	₱29.55 billion	₱22.52 billion
EBIT	11.88 billion	8.56 billion
EBITDA	16.34 billion	12.48 billion
Net income	8.22 billion	5.88 billion
Earnings per share	1.62	1.44
Net book value per share	18.00	16.39
Current ratio	1.65:1	1.20:1
Debt-to-equity ratio	0.40:1	0.77:1
Interest coverage ratio	6.71:1	4.72:1
Asset to equity ratio	1.85:1	2.20:1
Operating margin ratio	0.40:1	0.38:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the calendar year ended December 31, 2018 amounted to ₱19.31 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

ii. Year ended December 31, 2017 versus same period in 2016

	For the Years Ended December 31	
	2017	2016
REVENUE		
Real Estate Operations		
Rental income	**₱11,581,560,401**	₱10,746,626,900
Real estate sales	**5,973,248,023**	6,973,938,019
Amusement income	**1,802,643,181**	1,673,249,242
Others	**1,266,492,267**	1,608,619,627
	20,623,943,872	21,002,433,788
Hotel Operations	**1,892,873,758**	1,806,612,441
	22,516,817,630	22,809,046,229
COSTS		
Real Estate Operations		
Cost of rental services	**4,499,595,017**	4,273,894,548
Cost of real estate sales	**3,143,037,387**	4,153,220,627
Cost of amusement services	**820,824,802**	751,257,456
Others	**812,417,065**	538,388,429
	9,275,874,271	9,716,761,060
Hotel Operations	**1,350,512,369**	1,308,841,469
	10,626,386,640	11,025,602,529
	11,890,430,990	11,783,443,700
GENERAL AND ADMINISTRATIVE EXPENSES	**3,328,016,547**	3,510,879,439
OPERATING INCOME	**8,562,414,443**	8,272,564,261
OTHER INCOME (LOSSES)		
Interest income	**36,809,915**	19,340,620
Gain from insurance claims	**28,397,634**	208,713,905
Gain (loss) on foreign exchange	**(14,019,285)**	68,410,856
Interest expense and finance charges	**(778,194,869)**	(943,109,383)
Gain on sale of investment property	**–**	7,281,855
	(727,006,605)	(639,362,147)
INCOME BEFORE INCOME TAX	**7,835,407,838**	7,633,202,114
PROVISION FOR INCOME TAX	**1,950,969,880**	1,877,886,479
NET INCOME	**5,884,437,957**	5,755,315,635

RLC generated total gross revenues of ₱22.52 billion for calendar year 2017, a slight decrease of 1.3% from ₱22.81 billion total gross revenues for calendar year 2016. EBIT grew 3.5% to ₱8.56 billion while EBITDA posted a 3.6% growth to ₱12.48 billion. Net income stood at ₱5.88 billion, up by 2.2% compared to last year.

The Commercial Centers Division accounted for ₱10.79 billion of the real estate revenues for the year versus ₱10.14 billion last year or a 6.4% increase. Rental revenues increased due to opening of new malls in Iligan, Naga and North Tacloban and expansion of Robinsons Place Antique and Robinsons Butuan this year. Also, the full year impact of Robinsons Place General Trias, Robinsons Place Tagum, Robinsons Place Jaro and the expansion of Robinsons Ilocos Norte last year, contributed to the growth, despite renovation of Robinsons Galleria, one of our largest revenue contributors. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 3.3% and 3.4%, respectively.

Revenues of Office Buildings Division grew by 8.8% to ₱3.27 billion from ₱3.00 billion over the same period last year. Revenue growth was mainly attributable to sustained occupancy rates, and escalation of rents in existing offices and contribution from the new offices namely Cyber Sigma, Galleria Cebu Office, Robinsons Lusitia Office and Cybergate Delta. The Division's EBIT and EBITDA showed positive variances of 10.3% and 7.9%, respectively.

The Residential Division realized revenues is at ₱6.57 billion this year versus ₱7.86 billion last year, a decrease of 16.5%, due to lower level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA decreased by 5.4% and 3.8%, respectively.

The Hotels and Resorts Division, a major contributor to the Group's recurring revenues, registered gross revenues of ₱1.89 billion as against last year's ₱1.81 billion. The 4.8% increase in hotel revenues principally came from the new hotels Go Hotels Davao and Summit Galleria Cebu. The hotel average occupancy rate is 66% in 2017. Hotels and Resorts Division EBIT and EBITDA grew by 9.0% and 7.5%, respectively.

Interest income increased to ₱36.8 million from ₱19.3 million last year due to higher average balance of cash and cash equivalents during the calendar year 2017.

Real estate costs went down by 4.5% to ₱9.28 billion from ₱9.72 billion last year. The lower level of realized sales of residential units brought cost of real estate sales to decrease by ₱1.01 billion or 24.3%. Furthermore, cinema expense rose by 9.3% or ₱69.6 million as a result of increase in cinema revenues.

Gain from insurance is lower this year by 86% to ₱28.4 million from ₱208.7 million last year, which basically included insurance proceeds from Typhoon Yolanda. Finance charge amounting to ₱147.0 million last year pertain to pretermination of loans. Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of RLC's foreign subsidiary.

Asset and liability balances as of December 31, 2017 were as reported in 2017 and not the reclassified accounts as result of adoption of PFRS 15 in 2018.

Total assets of the Group stood at ₱148.13 billion, a growth of 19.0% from ₱124.43 billion in 2016.

Investment properties and Property and equipment increased by 27.9% to ₱94.38 billion and 25.2% to ₱6.69 billion, respectively. Increase in Investment properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Naga, Iligan, Tagum, North Tacloban, redevelopment of Robinsons Galleria, expansion of malls in Antique and Butuan and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons malls in San Pedro, Bridgetowne, Pavia-Iloilo, Tuguegarao, Ormoc and Cabanatuan, and ongoing expansion of Starmills-Pampanga and Magnolia malls contributed to the increase in Investment properties. On the other hand, the increase in Property and equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Accounts payable and accrued expenses went up by 48.6% to ₱13.88 billion due to higher level of operating expenses this year.

Loans payable (current and noncurrent) increased by 30.4% to ₱51.35 billion due to availment of additional long term loans to fund the Group's property constructions and developments. Deposits (current and noncurrent) and Other liabilities went up by 29.9% to ₱12.11 billion primarily due to payable to JG Summit Holdings for the purchase of an investment property.

Equity attributable to equity of the Parent Company as of December 31, 2017 stood at ₱67.09 billion, up by 7.2% from ₱62.58 billion last year due to the earnings during the year of ₱5.88 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators for the calendar year follows:

	2017	2016
Gross revenues	₱22.52 billion	₱22.81 billion
EBIT	8.56 billion	8.27 billion
EBITDA	12.48 billion	12.05 billion
Net income	5.88 billion	5.76 billion
Earnings per share	1.44	1.41
Net book value per share	16.39	15.29
Current ratio	1.21:1	1.34:1
Debt-to-equity ratio	0.77:1	0.63:1
Interest coverage ratio	4.72:1	5.66:1
Asset to equity ratio	2.20:1	1.98:1
Operating margin ratio	0.38:1	0.36:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the calendar year ended December 31, 2017 amounted to ₱28.86 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

iii. Year ended September 30, 2016 versus same period in 2015

RLC generated total gross revenues of ₱22.51 billion for fiscal year 2016, an increase of 14.2% from ₱ 19.71 billion total gross revenues for fiscal year 2015. EBIT grew 12.2% to ₱8.45 billion while EBITDA posted a 12.5% growth to ₱12.02 billion. Net income stood at ₱6.15 billion, up by 7.9% compared to last year.

The Commercial Centers Division accounted for ₱9.96 billion of the real estate revenues for the year versus ₱9.10 billion last year or a 9.4% increase. Rental revenues increased due to opening of new malls in Cebu City, Tagum (Davao), General Trias (Cavite) and Jaro (Iloilo). Also, the full year impact of Robinsons Place Antique and the expansion of Robinsons Novaliches, as well as the expansion of Robinsons Ilocos this year, contributed to the growth. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 5.2% and 8.5%, respectively.

Revenues of Office Buildings Division grew by 30% to ₱2.91 billion from ₱2.24 billion over the same period last year. Revenue growth was mainly attributable to the contribution from new office developments completed in 2014 and 2015 namely Cyberscape Alpha, Cyberscape Beta and Tera Tower. System-wide occupancy rate ended at 96% as of September 30, 2016. The Division's EBIT and EBITDA showed positive variances of 27.9% and 25.0%, respectively.

The Residential Division realized revenues rose to ₱7.83 billion for the year versus ₱6.62 billion last year, an increase of 18.2%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 13.8% and 13.5 %, respectively.

The Hotels and Resorts Division, a major contributor to the Group's recurring revenues, registered gross revenues of ₱1.81 billion as against last year's ₱1.75 billion. The 3.5% increase in hotel revenues principally came from the relatively new hotels namely Go Hotels Iloilo, Go Hotels Ortigas Center, Go Hotels Butuan, and Summit Hotels Magnolia. The hotel average occupancy rate is 68% in 2016. Hotels and Resorts Division EBIT and EBITDA grew by 8.3% and 6.7%, respectively.

Interest income decreased to ₱18.1 million from ₱39.3 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2016 resulting from higher level of capital expenditures and operating expenses.

Real estate cost and expenses went up by 19% to ₱9.34 billion from ₱7.84 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱330 million or 14% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱ 87 million or 16%. In addition, the higher level of realized sales of residential units brought cost of real estate sales to increase by ₱775.0 million or 24%. Furthermore, cinema expense rose by 10% or ₱69.8 million as a result of increase in cinema revenues.

General and administrative expenses went up by 11% to ₱3.40 billion due to higher taxes and licenses, salaries, insurance, donations, advertising and promotions and supplies expense, among others.

Interest expense significantly increased to ₱571.6 million due to higher level of short-term and long-term borrowings.

Total assets of the Group stood at ₱120.04 billion, a growth of 21% from ₱99.07 billion in 2015. Receivables (current and noncurrent net) increased by 30% or ₱2.29 billion to ₱ 10.02 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale increased by 67% to ₱25.85 billion due to purchase of land rights located in Chengdu Province, China, and higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment properties and Property and equipment both increased by 12% to ₱71.90 billion and 27% to ₱ 4.46 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Maxilom-Cebu, Tagum, Jaro-Iloilo, Ilocos (expansion), General Trias-Cavite, redevelopment of Robinsons Galleria and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons Iligan, Naga and Pavia-Iloilo contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Other current assets increased by 13% to ₱4.45 billion due to increase in advances to suppliers and contractors for mall, office buildings and residential constructions. On the other hand, other noncurrent assets decreased by 31% to ₱2.21 billion mainly due to return of bid deposit for land use rights amounting to ₱1.4 billion.

Accounts payable and accrued expenses went up by 34% to ₱7.94 billion due to higher level of capital expenditures and operating expenses this year.

Loans Payable (current and noncurrent) increased by 50% to ₱37.34 billion due to availment of additional term loans totaling ₱11.5 billion and short-term loans totaling ₱0.99 billion in 2016. Deposits (current and noncurrent) and Other liabilities went up by 16% to ₱9.83 billion due to higher level of deposits from from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2016 stood at ₱61.34 billion, up by 8% from ₱56.66 billion last year due to the earnings during the year of ₱6.15 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2016	2015
Gross revenues	₱22.51 billion	₱19.71 billion
EBIT	8.45 billion	7.54 billion
EBITDA	12.02 billion	10.69 billion
Net income	6.15 billion	5.70 billion
Earnings per share	1.50	1.39
Net book value per share	14.98	13.84
Current ratio	2.25:1	1.98:1
Debt-to-equity ratio	0.61:1	0.44:1
Interest coverage ratio	6.06:1	7.91:1
Asset to equity ratio	1.95:1	1.74:1
Operating margin ratio	0.38:1	0.38:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the fiscal year ended September 30, 2016 amounted to ₱26.7 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

a.) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material effect on revenues or income from continuing operations.

The Company currently derives substantially all of its revenues and income from its property investment and development businesses in the Philippines. Their performance and profitability are anchored on the strength of the Philippine economy that is largely driven by private consumption, remittances from OFWs, growth of the IT-BPM sector, flourishing tourism industry, and a low interest rate environment.

b.) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 85) are filed as part of this Management Report.

The consolidated interim unaudited financial statements of the Corporation for the quarter ended March 31, 2019 as required by SRC Rule 20 and SRC Rule 68.1 are likewise filed as part of this Management Report.

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by Sycip, Gorres Velayo & Co. :

Name	2018	2017
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱6,529,981**	**₱4,106,781**
All other fees	**910,300**	**227,845**
TOTAL	**₱7,440,281**	**₱4,334,626**

No other service was provided by external auditors to the Company for the calendar years 2018 and 2017.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 13. Security Ownership of Certain Record and Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners

As of March 31, 2019, the Corporation knows no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	3,166,806,886	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,233,520,257	23.75%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	758,996,179	14.61%

Notes:

1 The Chairman and the President of JG Summit Holdings Inc. (JGSHI) are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President and Chief Operating Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

2 PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

Out of the PCD Nominee Corporation account, "Deutsche Bank Manila-Clients", "The HongKong and Shanghai Banking Corp. Ltd.- Clients Account" and "Citibank N.A." hold for various trust accounts the following shares of the Corporation as of March 31, 2019:

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	641,860,844	12.36%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	443,096,577	8.53%
Citibank N.A.	386,638,829	7.44%

Voting instructions may be provided by the beneficial owners of the shares.

b) Security Ownership Of Management as of March 31, 2019

Title of Class	Name of beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder	11,941,866 (see note 2)	Filipino	0.23%
Common	2. James L. Go	Director, Chairman Emeritus	2,139,011	Filipino	0.04%
Common	3. Lance Y. Gokongwei	Director, Chairman	805,001	Filipino	0.02%
Common	4. Frederick D. Go	Director, President	986,027	Filipino	0.02%
Common	5. Arlene G. Magtibay	General Manager	0		*
	Sub-Total		15,871,905		0.31%
B. Other Directors, Executive Officers and Nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	685,094	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	31,718	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Subtotal		727,716		0.01%
C. All directors and executive officers as a group unnamed			16,599,621		0.32%

Notes:

[1] As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2018.

[2] Sum of shares in the name of John Gokongwei, Jr., John L. Gokongwei, Jr. and Elizabeth Y. Gokongwei and/or John Gokongwei.

* less than 0.01%

c) Voting Trust Holder of 5% or more - as of March 31, 2019

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

d) Changes in Control

There has been no change in control of the Company since March 31, 2019.

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company's executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of eleven members, of which four are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of December 31, 2018:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.	92	Director, Chairman Emeritus and Founder	Filipino
James L. Go	79	Director, Chairman Emeritus	Filipino
Lance Y. Gokongwei.....................	52	Director, Chairman	Filipino
Frederick D. Go	49	Director, President & Chief Executive Officer	Filipino
Patrick Henry C. Go	48	Director	Filipino
Johnson Robert G. Go, Jr.	53	Director	Filipino
Robina Y. Gokongwei-Pe..............	57	Director	Filipino
Artemio V. Panganiban	82	Director (Independent)	Filipino
Roberto F. de Ocampo.	72	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr..................	83	Director (Independent)	Filipino
Omar Byron T. Mier……………	73	Director (Independent)	Filipino
Kerwin Max S. Tan.......................	49	Chief Financial Officer	Filipino
Faraday D. Go………………….	43	Executive Vice President and in a concurrent capacity Business Unit General Manager	Filipino
Arlene G. Magtibay.......................	56	Senior Vice President and Business Unit General Manager	Filipino
Henry L. Yap…………………..	56	Senior Vice President and Business Unit General Manager	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	46	Senior Vice President and Business Unit General Manager	Filipino
Arthur Gerrard D. Gindap....…..	57	Senior Vice President and Business Unit General Manager	Filipino
Corazon L. Ang Ley……………	51	Business Unit General Manager	Filipino
Elizabeth Kristine D. Gregorio..	46	General Manager - Go Hotels & Summit Hotels	Filipino
Bach Johann M. Sebastian……	57	Senior Vice President and Chief Strategist	Filipino

Name	Age	Position	Citizenship
Anna Katrina C. De Leon ……..	33	Vice President - Group Controller	Filipino
Joanna N. Laiz.…………………	46	Vice President	Filipino
Ernesto B. Aquino………...……	57	Vice President	Filipino
Emmanuel G. Arce……………..	60	Vice President	Filipino
Constantino C. Felipe…………	56	Vice President	Filipino
Catalina M. Sanchez…………..	40	Vice President	Filipino
Sylvia B. Hernandez…………...	55	Vice President - Treasurer	Filipino
Rosalinda F. Rivera.......................	48	Corporate Secretary	Filipino
Arlene S. Denzon..........................	51	Compliance Officer	Filipino

The above directors and officers have served their respective offices since May 30, 2018. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 92, founded RLC in 1980 and has been the Chairman Emeritus and Founder of RLC effective January 1, 2002. He continues to be a member of RLC's Board and is the Chairman Emeritus and Founder of JG Summit Holdings, Inc. and Universal Robina Corporation. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Master's degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 79, is the Chairman Emeritus and member of the Board of Directors of RLC. He is the Chairman of JG Summit Holdings, Inc. and Cebu Air, Inc. He is also the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Marina Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei, 52, is the Chairman of RLC. He is the President and Chief Executive Officer of JG Summit Holdings, Inc., He is the Chairman of Universal Robina Corporation, Robinsons Retail Holdings, Inc., JG Summit Petrochemical Corporation, JG Summit Olefins Corporation and Robinsons Bank Corporation. He is the President and Chief Executive Officer of Cebu Air, Inc. He is a director and Vice Chairman of Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is also a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of

Science degree in Applied Science from the University of Pennsylvania.

Frederick D. Go, 49, is the President and Chief Executive Officer of RLC. He is also the President of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank Corporation, JG Summit Petrochemical Corporation, and Cebu Light Industrial Park. He is also the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 48, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC. He is the President and Chief Executive Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 53, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 57, was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., and Robinsons Bank Corporation. She is currently the President and Chief Executive Officer of Robinsons Retail Holdings, Inc. consisting of Robinsons Supermarket, Robinsons Department Store, Handyman, True Value, Robinsons Builders, Robinsons Specialty Stores, Robinsons Appliances, Toys R Us, Daiso Japan, Ministop, South Star Drug and The Generics Pharmacy. She is a Trustee of the Gokongwei Brothers Foundation Inc. and the Immaculate Concepcion Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 82, was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 72, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 83, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and CFC Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. before joining the Group in 1962. He was with IBM Philippines prior to becoming a CPA.

Omar Byron T. Mier, 73, was appointed as an Independent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. He is also a director of Paymaya since 2016 and Chairman of the Board Audit Committee. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Guest Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Kerwin Max S. Tan, 49, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President - Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Faraday D. Go, 43, was appointed as Executive Vice President and in a concurrent capacity, Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective June 1, 2018. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years' experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 56, is the Senior Vice President and Business Unit General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 28 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Master's in Business Management, with distinction, from the Asian Institute of Management.

***Henry L. Yap**,* 55, is the Senior Vice President and Business Unit General Manager of Robinsons Luxuria, Residences and Communities of RLC's Residential Division. Prior to assuming this post, he served the group/company as the Country Business Unit General Manager of Ding Feng Real Estate Companies (China), Business Unit General Manager of the Office Buildings Division, Vice President of RLC's Property Planning and Design Department and member of the Investors Relations Team. Before joining RLC, he headed the Property Planning and Design Group of Fort Bonifacio Development Corporation and sat on the Boards of seven subsidiaries, affiliates and foundation of FBDC. He worked as Manager for Metro Manila Camps of the Bases Conversion and Development Authority where he was involved in the planning, design, privatization and implementation of the Bonifacio Global City, among others. He also lent his expertise to Government by serving as the head of the National Committee on Architecture and the Allied Arts and member of the Sub-Commission on the Arts of the National Commission for Culture and the Art. He also taught at the University of the Philippines where he was Senior Lecturer at the School of Urban and Regional Planning and at the College of Architecture. He holds a Master's of Science in Urban Planning in Developing Countries from the University of Wales College of Cardiff (UK), Bachelor of Science in Architecture, cum laude, and earned units for his Ph.D. in Urban and Regional Planning, both from UP. Henry Yap is Philippine-licensed Architect and Environmental Planner.

Ma. Soccorro Isabelle V. Aragon-Gobio, 46, was appointed as Senior Vice President and Business Unit General Manager of Industrial and Integrated Developments Division effective October 1, 2016. She has been with RLC for 25 years and is concurrently director of Manhattan Building Management Corporation, Manchego Food Corporation, and various condominium corporations of the Company's projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University and is a PRC licensed Real Estate Broker.

Arthur Gerrard D. Gindap, 57, is Senior Vice President and Business Unit General Manager of Robinsons Hotels & Resorts. Prior to joining RLC in 2018, he was Regional Vice President, Philippines & Thailand, and Vice President, Global Operations & Customer Service for The Ascott Ltd. For the period 1989 to 2004, he held various senior and general management positions with Mandarin Oriental Hotels, Shangri-La Hotels, Swiss-Belhotel International and The Mulia Group. He received a Hotel & Restaurant Diploma from Sheridan College in Brampton, Ontario, Canada in 1980.

Corazon L. Ang Ley, 51, is the Business Unit General Manager for Robinsons Homes concurrent to her role as Property Acquisition Head for RLC. She's held various positions and functions within RLC during her 25 years of service including her 3 year stint in China. She graduated from the University of the Philippines - Asian Institute of Tourism in 1987.

Elizabeth Kristine D. Gregorio, 46, was appointed as General Manager-Go Hotels & Summit Hotels of Robinsons Hotels and Resorts on January 1, 2014. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Bach Johann M. Sebastian, 57, is Senior Vice President and Chief Strategist of RLC. He is also the Senior Vice President - Digital and Strategic Investments Group of JG Summit Holdings, Inc. He is also a Senior Vice President of Universal Robina Corporation, and is the Senior Vice President and Chief Strategist Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business Administration degree from the Asian Institute of Management in 1986.

***Anna Katrina C. De Leon**,* 33, was appointed as Vice President - Group Controller of RLC. Concurrently, she handles RLC's subsidiaries. She is also an active member of RLC's Investor Relations Team since 2013. A Certified Public Accountant, she had a three-year stint in SGV & Co. (a member firm of Ernst & Young) as an external auditor with a broad audit client base including publicly-listed and privately-held real estate entities prior joining RLC in 2011. A consistent Dean's Lister, she received a Bachelor's Degree in Accountancy from the University of the East in 2008.

***Joanna N. Laiz**,* 48, is currently taking the position of Vice President, Lease of RLC. She had over 25 years of experience in Real Estate covering the areas of Leasing, Tenant Relations and Networking, Business Development, Advertising and Promotions, Mall Operations, Asset Management and Site Development. Her most recent job before RLC was in Vista Malls between 2013 and 2018. Followed by Filinvest Land in 2012. She also worked for Viscal Development Corp (Metro Gaisano) briefly between 2010 and 2011. Additionally, she worked for Landco Pacific Corp and Golden Arches Development Corp between 1992 and 2009. She received a Bachelor of Science in Computer Science degree from AMA Computer College in 1991.

***Ernesto "Boyong" Aquino, Jr.**,* 51, is Vice President of Corporate Property Planning Dept Project Office of RLC Commercial Center Division. He joined RLC in 2000 as the head of Store Planning, Visuals and Engineering department of Big R Stores Inc and was moved in 2004 to Hotels and Resorts Division as Senior Project Director. Prior to joining RLC, he was a Creative Manager of Store Planning Department in Robinsons Retail Group for 8 years. He graduated in Mapua Institute of Technology in 1990 with a degree of BS Architecture.

Emmanuel G. Arce, 60, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 56, is the Vice President for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Catalina Mallari-Sanchez, 39, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She has over 19 years of experience in the real estate industry particularly in the residential, office and flexible workspace segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Sylvia B. Hernandez, 55, was appointed as Vice President - Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc, Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Rob. Equitable Tower Condo Corp., Rob. Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP - Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in Accountancy. She is a Certified Public Accountant.

Rosalinda F. Rivera, 48, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

Arlene S. Denzon, 51, is the Compliance Officer of RLC and Vice President of the Corporate Governance and Management Systems (CGMS) of JGSHI. She is also the Compliance Officer of JG Summit Holdings, Inc. and Universal Robina Corporation. Prior to rejoining the RLC in February 2013, she was the Senior Vice President and Chief Risk Officer (SVP and CRO) in charge of the Enterprise-wide Risk Management Group of Digitel Mobile Philippines, Inc. (DMPI, more popularly known as Sun Cellular) until December, 2012. Ms Denzon started her career in the Gokongwei Group in 1991 and performed various roles including Accounting Manager of JGSHI until 1997, Assistant Vice President-Special Assistant to the Chairman until 2001, Vice President-Treasurer and Acting Chief Financial Officer of URC International until 2003 before she was seconded to DMPI in 2004. Prior to RLC, Ms. Denzon had three years working experience as external auditor in Sycip, Gorres, Velayo & Co. She was a Certified Public Accountant Board topnotcher and obtained her Bachelor of Accountancy degree, Magna Cum Laude, from Polytechnic University of the Philippines.

b) Involvement In Certain Legal Proceedings of Directors and Executive Officers

None of the members of RLC's Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years.

c) Family Relationships

James L. Go is the brother of John Gokongwei, Jr.
Lance Y. Gokongwei is the son of John Gokongwei, Jr.
Frederick D. Go is the nephew of John Gokongwei, Jr.
Patrick Henry C. Go is the nephew of John Gokongwei, Jr.
Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.
Faraday D. Go, Jr. is the nephew of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

The following table identify RLC's Chief Executive Officer and the four most highly compensated executive officers and summarizes their aggregate compensation for the two most recent calendar years.

		Calendar Year 2018			
Name	*Position*	*Salary*	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 40,254,972	P 2,000,000	P 937,500	P 43,192,472
Name	*Position*				
1. James L. Go	Director, Chairman Emeritus				
2. Frederick D. Go	Director, President and Chief Executive Officer				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Chairman				
B. All other officers and directors as a group unnamed		P 80,327,505	P 3,500,000	P 1,477,500	P 85,305,005

		Calendar Year 2017			
Name	Position	*Salary*	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 38,008,402	P 2,000,000	P 307,500	P 40,315,902
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 76,743,217	P 3,500,000	P 405,000	P 80,648,217

** Per diem*

The following table lists the name of the Company's Chief Executive Officer and the four most highly compensated executive officers and summarized their aggregate compensation for the ensuing year:

		Calendar Year 2019**			
Name	Position	*Salary*	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 42,568,131	P 2,000,000	P 937,500	P 45,505,631
Name	*Position*				
1. James L. Go	Director, Chairman Emeritus				
2. Frederick D. Go	Director, President and Chief Executive Officer				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Chairman				
B. All other officers and directors as a group unnamed		P 87,156,660	P 3,500,000	P 1,477,500	P 92,134,160

** Per diem*
*** Estimated*

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed calendar year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed calendar year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

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

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of December 31, 2018, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

RLC and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the JG Summit Group and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in RLC's shopping malls as well as substantial intercompany loans. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱2.787 billion and ₱2.337 billion for the years ended December 31, 2018 and 2017, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank (formerly Robinsons Savings Bank), an affiliated local commercial bank. These balances amounted to ₱2.23 billion and ₱1.01 billion as of December 31, 2018 and 2017, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 22 to the Company's financial statements as of and for the calendar years ended December 31, 2018 and 2017.

PART IV. CORPORATE GOVERNANCE

Adherence to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, has been reinforced by continuous improvement by the Company in order to implement good governance and management practices.

The Board of Directors has approved its Corporate Governance Compliance Evaluation System in late 2003 in order to monitor and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and actions to be taken. One of the System's output is the Annual Corporate Governance Compliance Evaluation Form submitted to the SEC and PSE on or before January 30 of every year. RLC began making such submission of the Annual Corporate Governance Compliance Evaluation Form covering the previous calendar year to the SEC and PSE in 2004.

Likewise, RLC has consistently striven to raise its level of reporting to adopt and implement prescribed International Accounting Standards (IAS).

ROBINSONS LAND CORPORATION
12F, Robinsons Cyberscape Alpha, Sapphire and Garnet Roads Ortigas Center, Pasig City Philippines
Telephone Numbers: (632) 397-1888 / 397-0101

April 3, 2019

Securities and Exchange Commission
Ground Flr - North Wing, PICC Secretariat Building,
Philippine International Convention Center (PICC) Complex,
Roxas Boulevard, Pasay City.

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial statement process. The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

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

Lance Y. Gokongwei
Chairman

Frederick D. Go
President and Chief Executive Officer

Ktan

Kerwin Max S. Tan
Chief Financial Officer

SUBSCRIBED AND SWORN to before me 03 APR 2019 at Q.C.

Signed this _ day of _______.
Doc. No. 326 ;
Page No. 126 ;
Book No. 184 ;
Series of 2019

ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2019
PTR No. 7323642 – 1-03-2019/ QC
IBP No. AR14460591 – 12-17-2018/ QC
Roll No. 30457 – 05-09-80
MCLE 5-0012536 – 12-21-2015
Adm. Matter No. NP 270 (2018-2019)

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152 FAX

CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

I hereby certify that I am the Certified Public Accountant (CPA) who performed the compilation services related to the preparation and presentation of financial information of an entity in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities and reports as required by accounting and auditing standards for **Robinsons Land Corporation and Subsidiaries** for the year ended December 31, 2018.

In discharging this responsibility, I hereby declare that I am the VP – Group Controller of **Robinsons Land Corporation.**

Furthermore, in my compilation services for the preparation of the financial statements and notes to the financial statements, I was not assisted by or did not avail the services of **Mr. Ysmael S. Acosta** which is the external auditor who rendered the audit opinion for the said financial statements and notes to the financial statements.

I hereby declare, under penalties of perjury and violation of Republic Act No. 9298, that my statements are true and correct.

ANNA KATRINA C. DE LEON

CPA Certificate No. **0123648**
Valid Until **December 11, 2019**

Accreditation No. **1095**
Valid Until **December 11, 2019**

SUBSCRIBED AND SWORN to before me
this day 03 APR 2019 at Q.C.

ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2019
PTR No. 7323642 – 1-03-2019/ QC
IBP No. AR14460591 – 12-17-2018/ QC
Roll No. 30457 – 05-09-80
MCLE 5-0012536 – 12-21-2015
Adm. Matter No. NP 270 (2018-2019)

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Page No. 65
Book No. 104
Series of 2019

SyCip Gorres Velayo & Co.
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Philippines

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Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Robinsons Land Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Adoption of *PFRS 15, Revenue from Contracts with Customers*

Effective January 1, 2018, the Group adopted the new revenue recognition standard, PFRS 15, *Revenue from Contracts with Customers*, using the modified retrospective approach. The adoption of PFRS 15 resulted in significant changes in the Group's revenue process, policies and procedures and revenue recognition accounting policy. The following matters are significant to our audit because these involve application of significant judgment and estimation: (1) identification of the contract for sale of real estate property that would meet the requirements of PFRS 15; (2) assessment of the probability that the entity will collect the consideration from the buyer; (3) determination of the transaction price; (4) determination of the satisfaction of performance obligations, whether it is over time or point in time; (5) application of the input method as the measure of progress in determining real estate revenue which qualifies for recognition over time; (6) determination of the actual costs incurred as cost of sales; and (7) recognition of cost to obtain a contract.

The Group identifies the contract to sell as the contract that meets all the criteria required under PFRS 15 for a valid revenue contract.

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

In determining the transaction price, the Group considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties.

In determining whether the Group satisfies the performance obligation over time or at a point in time, the Group considers when the control has been transferred to the buyers, particularly, if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. An asset created by the Group's performance does not have an alternative use to the Group if the Group is either restricted contractually from readily directing the asset for another use during the creation or enhancement of that asset or limited practically from readily directing the asset in its completed state for another use. The Group considers the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date. In assessing whether it has a right to payment for performance completed to date, the Group considers whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than the Group's failure to perform as promised. An amount that would compensate the Group for performance completed to date would be an amount that approximates the selling price of the goods or services transferred to date.

In measuring the progress of its performance obligation over time, the Group uses input method. Under this method, progress is measured based on actual costs incurred on materials, labor, and actual overhead relative to the total estimated development costs of the real estate project. The Group uses the cost accumulated by the accounting department to determine the actual costs incurred. The estimation of the total costs of the real estate project requires technical inputs by project engineers.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission for those related to real estate revenue recognized over time.

The adoption of PFRS 15 resulted to transition adjustments resulting to an increase in the opening balance of retained earnings of ₱84 million as of January 1, 2018. The disclosures related to the adoption of PFRS 15 are included in Note 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process, including the process of implementing the new revenue recognition standard. We reviewed the PFRS 15 adoption papers and accounting policies prepared by management, including revenue streams identification and scoping, and contract analysis.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales collections from buyers with accumulated payments above the collection threshold.

For the determination of the transaction price, we obtained an understanding of the nature of other fees charged to the buyers. For selected contracts, we agreed the amounts excluded from the transaction price against the expected amounts required to be remitted to the government based on existing tax rules and regulations (e.g., documentary stamp taxes, transfer taxes and real property taxes).

For the determination whether the Group satisfies the performance obligation over time or at a point in time in relation to its real estate revenue, we reviewed and considered the terms in the contract to sell of the Group. For selected contracts, we assessed if the promised property is specifically identified in the contract to sell and whether the buyer can enforce its rights to the promised property if the Group seeks to sell the unit to another buyer to determine whether the Group creates an asset that does not have an alternative use to the Group. We also assessed if the Group has an enforceable right to demand or retain payment for performance completed to date by checking the provisions related to payment, including relevant laws that apply to the contract to sell.

For the application of the input method in determining real estate revenue and for determining cost of sales, we obtained an understanding of the Group's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence and objectivity of the project engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to the supporting documents such as purchase order, billings and invoices of contractors and other documents evidencing receipt of materials and services from contractors. We visited selected project sites and made relevant inquiries with project engineers. We performed test computation of the percentage of completion calculation of management. For selected projects, we obtained the approved total estimated costs and any revisions thereto and the supporting details such as capital fulfillment plan, capital expenditure requests and related executive committee approvals. We likewise performed inquiries with the project engineers for the revisions.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and portion recognized in profit or loss, particularly (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (e.g., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

We test computed the transition adjustments and evaluated the disclosures made in the financial statements on the adoption of PFRS 15.

Adoption of *PFRS 9, Financial Instruments*

On January 1, 2018, the Group adopted PFRS 9, *Financial Instruments*. PFRS 9, which replaced Philippine Accounting Standards (PAS) 39, *Financial Instruments: Recognition and Measurement*, provides revised principles for classifying financial assets and introduces a forward-looking expected credit loss model to assess impairment on debt financial assets not measured at fair value through profit or loss and loan commitments and financial guarantee contracts. The Group adopted the modified retrospective approach in adopting PFRS 9.

Classification of Financial Assets

As at January 1, 2018 (the transition date), the Group classified its financial assets based on its business models for managing these financial assets and the contractual cash flow characteristics of the financial assets. This resulted to a reclassification of receivables from lease-to-own arrangements from loans and receivables to financial assets at fair value through other comprehensive income and to transition adjustments that increased other comprehensive income by ₱15 million. Thereafter, the financial assets were accounted for based on the transition date classification, while newly originated or acquired financial assets were also classified based on the PFRS 9 classification criteria.

The Group's application of the PFRS 9 classification criteria is significant to our audit as the classification determines how financial assets are measured and accounted for in the financial statements.

The disclosures in relation to the adoption of the PFRS 9 classification criteria are included in Note 3 to the financial statements.

Audit Response

We obtained an understanding of the Group's contracts review process to establish the contractual cash flow characteristics of financial assets, including the identification of standard and non-standard contracts, and reviewed the assessment made by management by inspecting underlying contracts on a sample basis. We obtained the approved business models for the Group's portfolios of financial assets. We compared the parameters set within the business models with the investment/risk management policies of the Group. For significant portfolios such as receivables from lease-to-own arrangements, we assessed frequency and relative amount of sales in the past, understood how the business performance is measured and evaluated performance measurement reports.

We test computed the transition adjustments and evaluated the disclosures on the adoption of the PFRS 9 classification criteria made in the financial statements.

Expected Credit Loss (ECL)

The Group's adoption of the ECL model is significant to our audit as it involves the exercise of significant management judgment and estimation. Key areas of judgment include: segmenting the Group's credit risk exposures; defining what comprises default; determining assumptions to be used in the ECL model such as timing and amount of expected net recoveries from defaulted accounts; and incorporating forward-looking information (called overlays) in calculating ECL.

There is no transition adjustment in relation to the impairment allowance as of January 1, 2018. Refer to Note 3 to the consolidated financial statements for the disclosures in relation to the adoption of the PFRS 9 ECL model.

Audit Response

We obtained an understanding of the approved methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money and, the best available forward-looking information. We also inspected and considered the results of PFRS 9 model validation performed by management's specialist.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) compared the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (c) checked the methodology used in applying the simplified approach by evaluating the key inputs, assumptions, and formulas used; (d) tested loss rates by inspecting historical recoveries including the timing, related direct costs, and write-offs; (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and industry practices; and (f) tested the effective interest rate, or an approximation thereof, used in discounting the expected loss.

Further, we checked the data used in the ECL models, such as the historical analysis of defaults and recovery data, by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

We recalculated impairment provisions on a sample basis. We test computed the transition adjustments and evaluated the disclosures made in the financial statements on allowance for credit losses using the ECL model.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2018, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2018 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ysmael S. Acosta.

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta
Partner
CPA Certificate No. 0112825
SEC Accreditaton No. 1744-A (Group A),
March 14, 2019, valid until March 13, 2022
Tax Identification No. 301-106-775
BIR Accreditation No. 08-001998-130-2018,
February 9, 2018, valid until February 8, 2021
PTR No. 7332516, January 3, 2019, Makati City

April 3, 2019

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ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2018	2017 (As restated - Note 2)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20, 22, 33 and 34)	**₱2,543,840,827**	₱2,075,454,523
Receivables (Notes 8, 22, 33 and 34)	**2,126,490,290**	5,565,058,271
Subdivision land, condominium and residential units for sale (Note 9)	**31,464,454,298**	28,854,049,360
Contract assets (Notes 10 and 22)	**5,088,356,660**	–
Other current assets (Notes 11, 33 and 34)	**11,736,262,913**	4,247,739,095
Total Current Assets	**52,959,404,988**	40,742,301,249
Noncurrent Assets		
Noncurrent receivables (Notes 8, 22, 33 and 34)	**1,432,956,759**	3,775,948,572
Noncurrent contract assets (Notes 10 and 22)	**6,444,995,326**	–
Investment properties (Note 12)	**99,317,095,827**	92,153,768,070
Property and equipment (Note 13)	**7,844,144,072**	6,692,358,405
Investments in joint venture (Note 32)	**1,383,353,670**	–
Other noncurrent assets (Notes 14, 33 and 34)	**4,776,209,643**	4,762,171,506
Total Noncurrent Assets	**121,198,755,297**	107,384,246,553
	₱174,158,160,285	₱148,126,547,802
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 18, 33 and 34)	**₱896,700,000**	₱15,693,400,000
Accounts payable and accrued expenses (Notes 15, 33 and 34)	**14,324,566,708**	13,883,446,747
Contract liabilities (Note 16 and 22)	**12,931,513,843**	–
Deposits and other current liabilities (Notes 17, 22, 33 and 34)	**2,904,239,770**	3,783,534,816
Income tax payable	**1,037,345,923**	539,028,037
Current portion of loans payable (Note 18)	**15,000,000**	15,000,000
Total Current Liabilities	**32,109,366,244**	33,914,409,600
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 18, 33 and 34)	**36,473,539,001**	35,646,162,154
Deferred tax liabilities - net (Note 29)	**3,580,648,835**	2,865,190,187
Noncurrent contract liabilities (Note 16)	**2,378,690,953**	–
Deposits and other noncurrent liabilities (Note 19)	**5,696,198,747**	8,328,168,101
Total Noncurrent Liabilities	**48,129,077,536**	46,839,520,442
Total Liabilities	**80,238,443,780**	80,753,930,042
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 21)	**5,193,830,685**	4,111,528,685
Additional paid-in capital	**39,041,328,236**	20,392,532,781
Treasury stock (Note 21)	**–**	(221,834,657)
Other equity reserve (Note 21)	**(87,597,873)**	(87,597,873)
Other comprehensive income:		
Remeasurements of net defined benefit liability - net of tax (Note 31)	**(36,195,795)**	(63,719,597)
Fair value reserve of financial assets at FVOCI - net of tax (Note 34)	**8,822,352**	–
Cumulative translation adjustment	**74,843,981**	75,409,464
Retained earnings (Note 20)		
Unappropriated	**22,315,570,513**	18,385,021,808
Appropriated	**27,000,000,000**	24,500,000,000
	93,510,602,099	67,091,340,611
Non-controlling interest	**409,114,406**	281,277,149
	93,919,716,505	67,372,617,760
	₱174,158,160,285	₱148,126,547,802

See accompanying Notes to Consolidated Financial Statements.

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ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 AND FOR THE THREE MONTHS ENDED DECEMBER 31, 2016

	December 31,		
	2018 (One year)	**2017 (One year)**	2016 (Three months, see Note 2)
REVENUE (Note 6 and 23)			
Real Estate Operations			
Rental income (Notes 12 and 23)	**₱13,548,204,208**	₱11,581,560,401	₱2,718,339,596
Real estate sales (Notes 5 and 23)	**10,853,067,524**	5,973,248,023	1,472,300,349
Amusement income (Note 23)	**1,972,527,785**	1,802,643,181	431,783,166
Others (Note 23)	**1,189,376,460**	1,266,492,267	575,454,463
	27,563,175,977	20,623,943,872	5,197,877,574
Hotel Operations (Note 23)	**1,982,137,914**	1,892,873,758	496,892,214
	29,545,313,891	22,516,817,630	5,694,769,788
COSTS (Note 6 and 24)			
Real Estate Operations			
Cost of rental services	**5,072,692,446**	4,499,595,017	1,168,382,997
Cost of real estate sales (Notes 5 and 9)	**4,931,427,825**	3,143,037,387	1,072,837,533
Cost of amusement services	**906,006,116**	820,824,802	195,593,971
Others	**1,201,585,102**	812,417,065	111,686,938
	12,111,711,489	9,275,874,271	2,548,501,439
Hotel Operations (Note 24)	**1,556,880,775**	1,350,512,369	333,323,139
	13,668,592,264	10,626,386,640	2,881,824,578
	15,876,721,627	11,890,430,990	2,812,945,210
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6 and 25)	**3,996,352,869**	3,328,016,547	794,064,752
OPERATING INCOME	**11,880,368,758**	8,562,414,443	2,018,880,458
OTHER INCOME (LOSSES)			
Interest income (Note 7 and 28)	**196,286,629**	36,809,915	7,286,604
Gain on sale of property and equipment	**3,361,606**	–	–
Gain from insurance claims	**22,985,311**	28,397,634	130,020
Gain (loss) on foreign exchange	**2,290,232**	(14,019,285)	(1,404,592)
Interest expense and finance charges (Notes 18 and 28)	**(836,112,262)**	(778,194,869)	(384,139,651)
Equity in net loss of joint ventures (Note 32)	**(26,148,678)**	–	–
	(637,337,162)	(727,006,605)	(378,127,619)
INCOME BEFORE INCOME TAX	**11,243,031,596**	7,835,407,838	1,640,752,839
PROVISION FOR INCOME TAX (Note 29)	**3,019,067,011**	1,950,969,881	385,752,870
NET INCOME	**8,223,964,585**	5,884,437,957	1,254,999,969
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Cumulative translation adjustment	**(565,483)**	39,079,980	(5,750,284)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability (Note 31)	**39,319,717**	96,533,340	(20,806,359)
Fair value reserve of financial assets at FVOCI (Note 8)	**(9,064,944)**	–	–
Income tax effect (Note 29)	**(9,076,432)**	(28,960,002)	6,241,908
	21,178,341	67,573,338	(14,564,451)
Total Other Comprehensive Income (Loss)	**20,612,858**	106,653,318	(20,314,735)
TOTAL COMPREHENSIVE INCOME	**₱8,244,577,443**	₱5,991,091,275	₱1,234,685,234

(Forward)

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months, see Note 2)
Net Income Attributable to:			
Equity holders of Parent Company	**₱8,216,002,328**	₱5,881,150,728	₱1,254,917,783
Non-controlling interest in consolidated subsidiaries	**7,962,257**	3,287,229	82,186
	₱8,223,964,585	₱5,884,437,957	₱1,254,999,969
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱8,236,615,186**	₱5,987,804,046	₱1,234,603,048
Non-controlling interest in consolidated subsidiaries	**7,962,257**	3,287,229	82,186
	₱8,244,577,443	₱5,991,091,275	₱1,234,685,234
Basic/Diluted Earnings Per Share (Note 30)	**₱1.62**	₱1.44	₱0.31

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 AND FOR THE THREE MONTHS ENDED DECEMBER 31, 2016

	For the Year Ended December 31, 2018											
	Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 21)	Additional Paid-in Capital (Note 21)	Treasury Stock (Note 21)	Other Equity Reserve (Note 21)	Remeasurements of Net Defined Benefit Liability (Note 31)	Cumulative Translation Adjustment	Fair value reserve of financial assets at FVOCI (Note 3)	Unappropriated Retained Earnings (Note 20)	Appropriated Retained Earnings (Note 20)	Total	Non-controlling Interest	Total Equity
Balances at January 1, 2018, as previously reported	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱63,719,597)**	**₱75,409,464**	**₱–**	**₱18,385,021,808**	**₱24,500,000,000**	**₱67,091,340,611**	**₱281,277,149**	**₱67,372,617,760**
Effect of adoption of new accounting standard (Note 3)	–	–	–	–	–	–	**15,167,813**	**84,325,424**	–	**99,493,237**	–	**99,493,237**
Balances at January 1, 2018, as restated	**4,111,528,685**	**20,392,532,781**	**(221,834,657)**	**(87,597,873)**	**(63,719,597)**	**75,409,464**	**15,167,813**	**18,469,347,232**	**24,500,000,000**	**67,190,833,848**	**281,277,149**	**67,472,110,997**
Comprehensive income												
Net income	–	–	–	–	–	–		**8,216,002,328**	–	**8,216,002,328**	**7,962,257**	**8,223,964,585**
Other comprehensive income, net of tax	–	–	–	–	**27,523,802**	**(565,483)**	**(6,345,461)**	–	–	**20,612,858**	–	**20,612,858**
Total comprehensive income	–	–	–	–	**27,523,802**	**(565,483)**	**(6,345,461)**	**8,216,002,328**	–	**8,236,615,186**	**7,962,257**	**8,244,577,443**
Reversal of appropriation (Note 20)	–	–	–	–	–	–		**24,500,000,000**	**(24,500,000,000)**	–	–	–
Appropriation (Note 20)	–	–	–	–	–	–		**(27,000,000,000)**	**27,000,000,000**	–	–	–
Cash dividends (Note 20)	–	–	–	–	–	–		**(1,869,779,047)**	–	**(1,869,779,047)**	–	**(1,869,779,047)**
Issuance of capital stock (Note 21)	**1,082,302,000**	**18,648,795,455**	**221,834,657**	–	–	–		–	–	**19,952,932,112**	–	**19,952,932,112**
Acquisition of non-controlling interest	–	–	–	–	–	–		–	–	–	**120,000,000**	**120,000,000**
Sale of investment in subsidiary	–	–	–	–	–	–		–	–	–	**(125,000)**	**(125,000)**
Balances at December 31, 2018	**₱5,193,830,685**	**₱39,041,328,236**	**₱–**	**(₱87,597,873)**	**(₱36,195,795)**	**₱74,843,981**	**8,822,352**	**₱22,315,570,513**	**₱27,000,000,000**	**₱93,510,602,099**	**₱409,114,406**	**₱93,919,716,505**

	For the Year Ended December 31, 2017										
	Attributable to Equity Holders of the Parent Company										
	Capital Stock	Additional Paid-in Capital	Treasury Stock	Other Equity Reserve	Remeasurements of Net Defined Benefit Liability	Cumulative Translation Adjustment	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interest	Total Equity
Balances at January 1, 2017	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱131,292,935)	₱36,329,484	₱22,477,650,126	₱16,000,000,000	₱62,577,315,611	₱277,989,920	₱62,855,305,531
Comprehensive income											
Net income	–	–	–	–	–	–	5,881,150,728	–	5,881,150,728	3,287,229	5,884,437,957
Other comprehensive income	–	–	–	–	67,573,338	39,079,980	–	–	106,653,318	–	106,653,318
Total comprehensive income	–	–	–	–	67,573,338	39,079,980	5,881,150,728	–	5,987,804,046	3,287,229	5,991,091,275
Reversal of appropriation (Note 20)	–	–	–	–	–	–	16,000,000,000	(16,000,000,000)	–	–	–
Appropriation (Note 20)	–	–	–	–	–	–	(24,500,000,000)	24,500,000,000	–	–	–
Cash dividends (Note 20)	–	–	–	–	–	–	(1,473,779,046)	–	(1,473,779,046)	–	(1,473,779,046)
Balances at December 31, 2017	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱63,719,597)	₱75,409,464	₱18,385,021,808	₱24,500,000,000	₱67,091,340,611	₱281,277,149	₱67,372,617,760

	For the Year Ended December 31, 2016										
	Attributable to Equity Holders of the Parent Company										
	Capital Stock	Additional Paid-in Capital	Treasury Stock	Other Equity Reserve	Remeasurements of Net Defined Benefit Liability	Cumulative Translation Adjustment	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interest	Total Equity
Balances at October 1, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱116,728,484)	₱42,079,768	₱21,222,732,343	₱16,000,000,000	₱61,342,712,563	₱130,319,734	₱61,473,032,297
Comprehensive income											
Net income	–	–	–	–	–	–	1,254,917,783	–	1,254,917,783	82,186	1,254,999,969
Other comprehensive loss	–	–	–	–	(14,564,451)	(5,750,284)	–	–	(20,314,735)	–	(20,314,735)
Total comprehensive income	–	–	–	–	(14,564,451)	(5,750,284)	1,254,917,783	–	1,234,603,048	82,186	1,234,685,234
Issuance of capital stock	–	–	–	–	–	–	–	–	–	147,588,000	147,588,000
Balances at December 31, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱131,292,935)	₱36,329,484	₱22,477,650,126	₱16,000,000,000	₱62,577,315,611	₱277,989,920	₱62,855,305,531

See accompanying Notes to Consolidated Financial Statements.

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ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
AND FOR THE THREE MONTHS ENDED DECEMBER 31, 2016

	December 31,		
	2018 (One year)	2017 (One year, As restated - Note 2)	2016 (Three months, As restated - Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱11,243,031,596**	₱7,835,407,838	₱1,640,752,839
Adjustments for:			
Depreciation (Notes 12, 13, 24 and 26)	**4,456,732,645**	3,914,114,101	1,010,020,925
Interest expense and finance charges (Notes 18 and 28)	**836,112,262**	778,194,869	384,139,651
Accretion expense on security deposits (Notes 17 and 24)	**72,906,097**	56,147,861	21,327,753
Net movement in pension liabilities (Note 31)	**27,988,636**	38,986,245	10,962,639
Equity in net loss of joint ventures (Note 32)	**26,148,678**	–	–
Interest income (Notes 7 and 28)	**(1,138,588,624)**	(1,751,369,198)	(175,623,025)
Gain on sale of property and equipment (Note 13)	**(3,361,606)**	–	–
Operating income before working capital changes	**15,520,969,684**	10,871,481,716	2,891,580,782
Decrease (increase) in:			
Receivables - trade	**(5,585,120,862)**	(660,448,292)	464,207,718
Subdivision land, condominium and residential units for sale (inclusive of capitalized borrowing cost)	**(936,663,342)**	(1,705,159,967)	(139,739,329)
Other current assets	**(7,413,440,340)**	(986,266,081)	(128,405,195)
Increase (decrease) in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**(1,255,001,726)**	6,611,699,733	1,108,405,097
Customers' deposits	**13,822,253,016**	634,837,173	(291,349,521)
Cash generated from operations	**14,152,996,430**	14,766,144,282	3,904,699,552
Interest received from installment contract receivables (Note 23)	**942,301,995**	1,714,559,283	168,336,421
Income tax paid	**(1,805,290,477)**	(2,081,859,182)	(304,148,434)
Net cash flows provided by operating activities	**13,290,007,948**	14,398,844,383	3,768,887,539
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from cash and short-term investments	**77,230,423**	18,441,353	7,254,230
Decrease (increase) in:			
Receivables from affiliated companies (Notes 8 and 22)	**(184,215,751)**	(5,276,611)	(581,814)
Advances to suppliers and contractors (Notes 11 and 14)	**57,145,969**	522,468,189	(188,256,343)
Other noncurrent assets	**86,550,417**	(301,116,636)	(10,095,285)
Advances to lot owners (Notes 11 and 14)	**(1,603,678,636)**	(681,303,655)	(1,310,732,053)
Additions to:			
Investment properties and (inclusive of capitalized borrowing cost) (Note 12)	**(11,479,665,291)**	(22,110,417,355)	(2,694,665,019)
Property and equipment (Note 13)	**(1,965,253,586)**	(1,898,020,108)	(524,097,050)
Investments in joint ventures (Note 32)	**(2,400,000,000)**	–	–
Proceeds from:			
Noncontrolling interest for newly incorporated subsidiary	**120,000,000**	–	–
Disposal of property and equipment	**3,361,606**	–	–
Disposal of investment in subsidiary	**56,079,593**	–	–
Noncontrolling interest for increase in capital stock	**–**	–	147,588,000
Net cash flows used in investing activities	**(17,232,445,256)**	(24,455,224,823)	(4,573,585,334)

(Forward)

	December 31,		
	2018 (One year)	2017 (One year As restated - Note 2)	2016 (Three months, see Note 2)
CASH FLOWS FROM FINANCING ACTIVITIES (Note 37)			
Proceeds from availment of:			
Stock rights offering	**₱20,020,000,000**	₱–	₱–
Loans payable (Note 18)	**1,192,801,668**	12,340,263,710	–
Sale of lease-to-own receivables	**1,135,920,631**	901,570,286	
Short-term loans (Note 18)	**896,700,000**	15,693,400,000	16,010,000,000
Payments of:			
Short-term loans (Note 18)	**(15,693,400,000)**	(16,010,000,000)	(4,039,100,000)
Cash dividends (Notes 15 and 20)	**(1,867,464,936)**	(1,448,810,138)	–
Interest and finance charges	**(853,111,456)**	(764,240,887)	(206,797,257)
Loans payable (Note 18)	**(396,938,050)**	(10,000,000)	(10,000,000,000)
Stock issuance cost (Note 21)	**(67,067,888)**	–	–
Debt issue cost (Note 18)	–	(57,500,000)	–
Increase (decrease) in payable to affiliated companies and other noncurrent liabilities (Note 17)	**43,383,643**	50,941,415	(672,359,319)
Net cash flows provided by financing activities	**4,410,823,612**	10,695,624,386	1,091,743,424
NET INCREASE IN CASH AND CASH EQUIVALENTS	**468,386,304**	639,243,946	287,045,629
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,075,454,523**	1,436,210,577	1,149,164,948
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱2,543,840,827**	₱2,075,454,523	₱1,436,210,577

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Robinsons Land Corporation (the Parent Company) is a stock corporation organized and incorporated on June 4, 1980 with a corporate life of 50 years under the laws of the Philippines. The Parent Company and its subsidiaries are collectively referred herein as "the Group".

The Group is engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, shopping malls, commercial centers and housing projects, hotels and other variants and mixed-used property projects. The Group is 60.97% owned by JG Summit Holdings, Inc. (JGSHI or the Ultimate Parent Company). JGSHI is one of the country's largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation and financial services.

The Parent Company's shares of stock are listed and currently traded at the Philippine Stock Exchange (PSE).

The Parent Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

On May 10, 2016, the Board of Directors approved the change of Parent Company's reporting period from fiscal year ending September 30 to calendar year ending December 31.

On July 18, 2016, the Parent Company filed its Amended By-Laws with SEC, amending the Parent Company's year end from fiscal year ending September 30 to calendar year ending December 31 and the said amendments were approved by the SEC on the same day.

On August 1, 2016, the BIR issued a certificate granting the Parent Company the change in accounting period.

On April 20, 2018, the BOD approved the sale of the Parent Company's 80% share in Lingkod Pinoy Bus Liner, Inc. (LPBLI) to Gran Cruiser Bus Corp.

The consolidated financial statements as of December 31, 2018 and 2017 and for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 were authorized for issue by the Parent Company's Board of Directors (BOD) on April 3, 2019.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis except for financial assets that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), the Parent Company's functional currency. All amounts are rounded to the nearest Peso unless otherwise indicated.

The Group's short period financial statements for the three months ended December 31, 2016 were prepared pursuant to the Parent Company's change in accounting period from fiscal year ended September 30 to calendar year ended December 31 (see Note 1).

The amounts presented in the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows and related notes to consolidated financial statements are for three months and accordingly, are not comparable to the consolidated financial statements for the years ended December 31, 2018 and 2017.

Statement of Compliance
The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as of December 31, 2018 and 2017 and for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016.

The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not owned by the Group and are presented separately in consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests, including preferred shares and options under share-based transactions, if any.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as of December 31, 2018, 2017 and 2016:

	Country of Incorporation	Effective Percentage of Ownership		
		2018	**2017**	**2016**
Robinson's Inn Inc.	Philippines	**100%**	**100%**	**100%**
Robinsons Realty and Management Corp.	Philippines	**100%**	**100%**	**100%**
Robinsons Properties Marketing and Management Corp.	Philippines	**100%**	**100%**	**100%**
Manhattan Buildings and Management Corp.	Philippines	**100%**	**100%**	**100%**
Robinson's Land (Cayman), Ltd.	Cayman Islands	**100%**	**100%**	**100%**
Altus San Nicolas Corporation (ASNC)	Philippines	**100%**	**100%**	**100%**
Altus Mall Ventures, Inc.	Philippines	**100%**	**100%**	**100%**
Bonifacio Property Ventures,Inc.	Philippines	**100%**	–	–
Bacoor R and F Land Corporation (BRFLC)	Philippines	**70%**	–	–
Altus Angeles, Inc. (AAI)	Philippines	**51%**	**51%**	**51%**
GoHotels Davao, Inc. (GDI)	Philippines	**51%**	**51%**	**51%**
RLC Resources Ltd.	British Virgin Island	**100%**	**100%**	**100%**
Land Century Holdings Ltd.	Hong Kong	**100%**	**100%**	**100%**
World Century Enterprise Ltd.	Hong Kong	**100%**	**100%**	**100%**
First Capital Development Ltd. (First Capital)	Hong Kong	**100%**	**100%**	**100%**
Chengdu Xin Yao Real Estate Development, Co. Ltd. (Chengdu Xin Yao)	China	**100%**	**100%**	**100%**
Lingkod Pinoy Bus Liner, Inc. (LPBLI)	Philippines	–	**80%**	**80%**

The voting rights held by the Parent Company in the above subsidiaries is equivalent to its ownership interest.

On October 19, 2015, Chengdu Xin Yao, subsidiary of First Capital, was incorporated to engage in the business of real estate development of Wuhou District of Chengdu Province in China (see Note 9).

On April 7, 2016, Lingkod Pinoy Bus Liner, Inc. was incorporated to engage in land transportation for transportation of carriage of passengers, goods, and merchandise within any place in the Philippines.

On April 20, 2018, the BOD approved the sale of the Parent Company's 80% share in Lingkod Pinoy Bus Liner, Inc. (LPBLI) to Gran Cruiser Bus Corp.

On October 15, 2018, Bacoor R and F Land Corporation (BRFLC) was incorporated, where the Parent Company owns 70% of the subscribed capital stock. The primary purpose is to acquire, own, and hold real estate properties situated in Bacoor City, Province of Cavite or any other properties approved by the Board of Directors or stockholders of BRFLC, and to sell, lease, mortgage, alienate, or develop the parcels of land acquired by BRFLC.

On December 21, 2018, Bonifacio Property Ventures, Inc. (BPVI) was incorporated for the primary purpose to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other real estate and/or structures of whatever kind, together with their appurtenances. The Parent Company owns 100% of the subscribed capital stock of BPVI.

Voting rights held by non-controlling interest on AAI, GDI and BRFLC is equivalent to 49%, 49% and 30%, respectively. As of December 31, 2018 and 2017, the Group does not consider these subsidiaries as having material non-controlling interest that would require additional disclosures.

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of following new and amended PFRSs which became effective January 1, 2018.

The nature and impact of each new standard and amendment are described below:

- PFRS 15, *Revenue from Contracts with Customers*

  PFRS 15 supersedes PAS 11, *Construction Contracts*, PAS 18, *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

  PFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

On February 14, 2018, the Philippine Interpretations Committee (PIC) issued PIC Q&A 2018-12 (PIC Q&A) which provides guidance on some implementation issues of PFRS 15 affecting the real estate industry. On October 25, 2018 and February 8, 2019, the SEC issued SEC Memorandum Circular No. 14 Series of 2018 and SEC Memorandum Circular No. 3 Series of 2019, respectively, providing relief to the real estate industry by deferring the application of the following provisions of the above PIC Q&A for a period of three years until December 31, 2020:

a) Exclusion of land and uninstalled materials in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
b) Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c) Accounting for Common Usage Service Area (CUSA) Charges discussed in PIC Q&A No. 2018-12-H

Under the same SEC Memorandum Circular No. 3 Series of 2019, the adoption of PIC Q&A No. 2018-14: PFRS 15 – Accounting for Cancellation of Real Estate Sales was also deferred until December 31, 2020.

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

Except for the CUSA charges discussed under PIC Q&A No. 2018-12-H which applies to leasing transactions, the above deferral will only be applicable for real estate sales transactions.

Effective January 1, 2021, real estate companies will adopt PIC Q&A No. 2018-12 and PIC Q&A No. 2018-14 and any subsequent amendments thereof retrospectively or as the SEC will later prescribe.

As the Group already excludes land and uninstalled materials in the determination of POC, it availed of the deferral of adoption of provisions (b) and (c) of PIC Q&As. Had these provisions been adopted, it would have the following impact in the consolidated financial statements:

- The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments explicit in the contract to sell would constitute a significant financing component. Interest income would have been recognized for contract assets and interest expense for contract liabilities using effective interest rate method and this would have impacted retained earnings as at January 1, 2018 and the revenue from real estate sales in 2018. Currently, any significant financing component arising from the mismatch discussed above is not considered for revenue recognition purposes.
- The Group is acting as a principal for the provision of air-conditioning services. This would have resulted to the gross presentation of the related revenue and the related expenses and cost. Currently, the related revenue is presented net of costs and expenses. These would not result to any adjustment in the retained earnings as of January 1, 2018 and net income for 2018.

- Upon sales cancellation, the repossessed inventory would be recorded at fair value plus cost to repossess (or fair value less cost to repossess if this would have been opted). This would have increased retained earnings as at January 1, 2018 and gain from repossession in 2018. Currently, the Group records the repossessed inventory at its original carrying amount and recognize any difference between the carrying amount of the derecognized receivable and the repossessed property in profit or loss.

The Group adopted PFRS 15 using the modified retrospective method of adoption with the date of initial application of January 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at January 1, 2018.

The cumulative effect of initially applying PFRS 15 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PAS 11, PAS 18 and related Interpretations.

The effect of adopting PFRS 15 as at January 1, 2018, was as follows:

	As previously reported December 31, 2017	**Reference**	**Adjustment**	**As restated January 1, 2018**
Receivables				
Current	₱5,565,058,271	(a)	(3,788,065,844)	1,776,992,427
Noncurrent	3,775,948,572	(a)	(3,067,877,090)	708,071,482
Contract assets				
Current	–	(a)	₱3,788,065,844	₱3,788,065,844
Noncurrent	–	(a)	3,067,877,090	3,067,877,090
Contract liabilities				
Current	–	(a)	1,204,355,371	1,204,355,371
Noncurrent	–	(a)	1,220,643,793	1,220,643,793
Deposits and other current liabilities	3,783,534,816	(a)	(1,204,355,371)	2,579,179,445
Deposits and other noncurrent liabilities	8,328,168,101	(a)	(1,220,643,793)	7,107,524,308
Commission expense				
Cost to obtain contract	–	(b)	353,719,012	353,719,012
Commissions payable	–	(b)	269,393,588	269,393,588

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended December 31, 2018 as a result of the adoption of PFRS 15. The adoption of PFRS 15 did not have a material impact on the Group's consolidated statement of cash flows. The first column shows amounts prepared under PFRS 15 and the second column shows what the amounts would have been had PFRS 15 not been adopted:

Consolidated statement of financial position as of December 31, 2018

		Amounts prepared under		
	Reference	**PFRS 15**	Previous PFRS	Increase (Decrease)
ASSETS				
Current Assets				
Receivables (Notes 8, 22, 33 and 34)	(a)	**₱2,126,490,290**	₱7,214,846,950	(₱5,088,356,660)
Contract assets	(a)	**5,088,356,660**	–	5,088,356,660
Other current assets	(b)	**283,276,407**	–	283,276,407
Total Current Assets		**7,498,123,357**	7,214,846,950	283,276,407
Noncurrent Assets				
Noncurrent receivables (Notes 8, 22, 33 and 34)	(a)	**1,432,956,759**	7,877,952,085	(6,444,995,326)
Noncurrent contract asset	(a)	**6,444,995,326**	–	6,444,995,326
Total Noncurrent Assets		**7,877,952,085**	7,877,952,085	–
Total Assets		**₱15,376,075,442**	₱15,092,799,035	₱283,276,407
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	(b)	**₱231,632,590**	₱–	₱231,632,590
Deposits and other current liabilities (Notes 17, 22, 33 and 34)	(a)	**2,904,239,770**	15,835,753,613	(12,931,513,843)
Contract liabilities	(a)	**12,931,513,843**	–	12,931,513,843
Total Current Liabilities		**16,067,386,203**	15,835,753,613	231,632,590
Noncurrent Liabilities				
Deposits and other noncurrent liabilities (Notes 19, 31, 33 and 34)	(a)	**5,696,198,747**	8,074,889,700	(2,378,690,953)
Noncurrent contract liabilities	(a)	**2,378,690,953**	–	2,378,690,953
Total Noncurrent Liabilities		**8,074,889,700**	8,074,889,700	–
Total Liabilities		**₱24,142,275,903**	₱23,910,643,313	₱231,632,590

(a) The adjustments as at January 1, 2018 represents the Group's recording as contract asset (instead of installment contract receivables) any excess of progress of work over the right to an amount of consideration that is unconditional. Meanwhile, the excess of collection over progress of work is recorded as contract liability.

Before the adoption of PFRS 15, contract asset is not presented separately from trade receivables while contract liabilities are presented as deposits from real estate buyers.

(b) The Group has sales agents who are responsible for the marketing and sale of its real estate projects. These real estate sales agents typically receive sales commission equivalent to a certain percentage of the total contract price, paid based on milestone of payments by the customers. These are recorded as contract cost and are fully accrued based on the total expected payment. Contract cost is amortized using the percentage of completion method consistent with the measure of progress for revenue recognition. Before PFRS 15, the sales commissions are expensed as paid and there is no accrual for the unpaid portion of the total expected payment upon entering into the contract.

The adoption resulted to increase in commission payable under "Accounts payable and accrued expenses" of ₱269 million, increase in prepaid expense under "Other current assets" of ₱353 million and increase in retained earnings of ₱84 million in the consolidated statements of financial position as of January 1, 2018.

As at December 31, 2018, the adoption increased commission payable under "Accounts payable and accrued expenses" and prepaid expense under "Other Current Assets" by ₱232 million and ₱283 million, respectively. The adoption also increased commission expense by ₱33 million for the year ended December 31, 2018.

PIC Q&A on Advances to Contractors and PIC Q&A on Land Classification
The Group adopted PIC Q&A 2018-11, Classification of Land by Real Estate Developer and PIC Q&A 2018-15, PAS 1- Classification of Advances to Contractors in the Nature of Prepayments: Current vs. Non-current starting January 1, 2018. The impact of adoption is applied retrospectively which resulted to the following reclassifications in the consolidated statement of financial position. These reclassifications have no impact on prior year net income, total comprehensive income, equity, total assets, total liabilities and cash flows. Accordingly, no third consolidated statement of financial position as of January 1, 2017 has been presented.

		Reclassified to (from)	
December 31, 2017	Reference	Inventories/ Current Assets	Land Held for Future Development/ Noncurrent Assets
Land held for future development	(a)	₱2,221,414,792	(₱2,221,414,792)
Advances to contractors and suppliers	(b)	(1,143,602,854)	1,143,602,854
Advances to lot owners	(c)	(1,218,370,132)	1,218,370,132

		Reclassified to (from)	
January 1, 2017	Reference	Inventories/ Current Assets	Land Held for Future Development/ Noncurrent Assets
Land held for future development	(a)	₱2,310,382,571	(₱2,310,382,571)
Advances to contractors and suppliers	(b)	(1,579,225,818)	1,579,225,818
Advances to lot owners	(c)	(1,019,856,796)	1,019,856,796

a) Land held for future development previously presented as non-current asset includes land which the BOD has previously approved to be developed into residential development for sale. Before the adoption of PIC Q&A 2018-11, the classification was based on the Group's timing to start the development of the property. This was reclassified under inventories in the consolidated statement of financial position. Land with undetermined future use was retained in investment properties (see Notes 9 and 12).

b) Advances to contractors and suppliers previously presented under current assets, representing prepayments for the construction of investment property was reclassified to noncurrent asset. Before the adoption of PIC Q&A 2018-15, the classification of the Group is based on the timing of application of these advances against billings and timing of delivery of goods and services. This interpretation aims to classify the prepayment based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for (e.g. inventory, investment property, property plant and equipment) (see Notes 11 and 14).

c) Advances to lot owners previously presented under current assets consist of advance payments to land owners which will be applied against the costs of the real properties that will be acquired. Before the adoption of PIC Q&A 2018-15, the classification of the Group is based on the timing of the application of these advances which is expected to be within twelve (12) months after the reporting date. This interpretation aims to classify the prepayment based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for (e.g. inventory, investment property).

- PFRS 9, *Financial Instruments*

  PFRS 9 replaces PAS 39, *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

  The Group applied PFRS 9 using modified retrospective approach, with an initial application date of January 1, 2018. The Group has not restated the comparative information, which continues to be reported under PAS 39. Differences arising from the adoption of PFRS 9 have been recognized directly in retained earnings and other components of equity.

  The effect of adopting PFRS 9 as at 1 January 2018 was, as follows:

(a) Classification and measurement
Under PFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PFRS 9 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under PAS 39. Below pertains to the change in the classification of the Group's financial assets:

- Cash and cash equivalents, receivables, restricted cash – escrow included in Other current assets and refundable utility deposits previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as financial assets at amortized cost beginning January 1, 2018.
- Installment contract receivables classified as loans and receivables as at December 31, 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. As of January 1, 2018, the Parent Company has an agreement with an affiliate bank to sell the former's receivables from lease-to-own receivables on a without recourse basis through various tranches. These receivables were reclassified to financial assets at FVOCI (with recycling). The adjustment presented above includes the deferred tax implication. For the year ended December 31, 2018, the Parent Company sold a portion of its lease receivables to an affiliate bank. These receivables were reclassified from Held to collect to Held to collect and sell and valued at fair value through OCI.

In summary, upon adoption of PFRS 9, the Group had the following required or elected reclassifications as at January 1, 2018:

		PFRS 9 Measurement Categories	
PAS 39 Categories	December 31, 2017	Amortized cost	Fair value through OCI
Loans and receivables			
Cash and cash equivalents	₱2,075,454,523	₱2,075,454,523	₱–
Receivables	9,341,006,843	7,771,476,404	1,591,198,743
Refundable utility deposits	884,334,864	884,334,864	–
Restricted cash - escrow	4,257,265	4,257,265	–
	₱12,305,053,495	₱10,735,523,056	₱1,591,198,743

The classification of receivables from lease-to-own arrangements to fair value through OCI, previously from amortized cost, resulted to the recognition of fair value gain adjustment recorded in OCI as at January 1, 2018 amounting to ₱15 million (net of tax).

There were no changes to the classification and measurement of financial liabilities.

(b) Other adjustments
Other adjustments pertain to related unrealized gain on financial assets at FVOCI as of January 1, 2018, net of deferred tax liabilities, presented under the other comprehensive income of the Group. Below is the summary of the adjustments:

	As previously reported December 31, 2017	**Reference**	**Adjustment**	**As restated January 1, 2018**
Unrealized gain on financial assets at FVOCI, net of tax	₱–	(a), (b)	₱15,167,813	₱15,167,813

(c) Impairment
The adoption of PFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PFRS 9 requires the Group to record an allowance for impairment losses for all debt financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For installment contract receivables and contract assets, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Group used the vintage analysis accounts for expected credit losses by calculating the cumulative loss rates of a given residential and office development trade receivables and contract assets pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

In addition to life of loan loss data, primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on inflation and gross domestic product (GDP) growth rates and interest rates were added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers an installment contracts receivable and contract assets in default when customer receives a notice of cancellation and does not continue the payments. However, in certain cases, the Group may also consider a receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating loss given default, accounts are segmented based on facility/collateral type and completion. In calculating the recovery rates, the Group considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission, refurbishment, payment required under Maceda law and cost to complete (for incomplete units). As these are future cash flows, these are discounted back to the reporting date using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

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

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

There is no transition adjustment in relation to the impairment allowance as of January 1, 2018.

- Amendments to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based Payment Transactions*

  The Group has no share-based payment transaction with net settlement features for withholding tax obligations and has not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements

- Amendments to PFRS 4, *Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts*

  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. These amendments are not relevant to the Group.

- Amendments to PAS 28, *Investments in Associates and Joint Ventures, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)*

  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Retrospective application of the amendments is not required and is only permitted if this is possible without the use of hindsight.

  Since the Group's current practice is in line with the clarifications issued, the amendment does not have any impact on its consolidated financial statements.

- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

  The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transaction for each payment or receipt of advance consideration. Retrospective application of this interpretation is not required. Since the Group's current practice is in line with the clarifications issued, the amendments do not have any impact on its consolidated financial statements.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

  Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest (SPPI) on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

  The Group is currently assessing the impact of adopting this interpretation.

- PFRS 16, *Leases*

  PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of use asset.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases. PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

  A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group is currently assessing the impact of adopting this standard.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

  The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

  - Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

  The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

  The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

  The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

  The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, Investments in Associates and Joint Ventures.

  The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted. The Group is currently assessing the impact of adopting this interpretation.

- Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:

  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

  The Group is currently assessing the impact of adopting this interpretation.

- Annual Improvements to PFRSs 2015-2017 Cycle
  - Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*

    The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

    A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

    An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments are currently not applicable to the Group but may apply to future transactions.

- Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

  An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments are not relevant to the Group because dividends declared by the Group do not give rise to tax obligations under the current tax laws.

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

  The Group is currently assessing the impact of adopting this amendment.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  These amendments will apply on future business combinations of the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgments.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)

  - A simplified approach (the premium allocation approach) mainly for short-duration contracts.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

  The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. **Summary of Significant Accounting Policies**

Revenue and Cost Recognition
Revenue Recognition effective January 1, 2018

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

The following specific recognition criteria must also be met before revenue is recognized:

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

In measuring the progress of its performance obligation over time, the Group uses input method. Input methods recognize revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated development costs of the real estate project. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and development receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized trade receivables and contract assets is included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Real estate sales – Philippines Operations – Performance obligation is satisfied at a point in time
The Group also derives real estate revenue from sale of parcels of raw land and developed land. Revenue from the sale of these parcels of raw land are recognized at a point in time (i.e., upon transfer of control to the buyer) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use but the Group does not have an enforceable right to payment for performance completed to date. The Group is only entitled to payment upon delivery of the land to the buyer and if the contract is terminated, the Group has to return all payments made by the buyer.

Real estate sales – China Operations
Taking into account the contract terms per house purchase and sales contract, Chengdu Xin Yao's business practice and the legal and regulatory environment in China, most of the property sales contracts in China do not meet the criteria for recognizing revenue over time and therefore, revenue from property sales continues to be recognized at a point in time, while some property sales contracts meet the criteria for recognizing revenue over time as the properties have no alternative use to the Group due to contractual reasons and the Group has an enforceable right to payment from customer for performance completed to date. Under PFRS 15, revenue from property sales is generally recognized when the property is accepted by the customer, or deemed as accepted according to the contract, whichever is earlier, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

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

Amusement income
Revenue is recognized upon rendering of services or at a point in time.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered or at a point in time. Revenue from banquets and other special events are recognized when the events take place or at a point in time. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Other income
Other income is recognized when earned.

Costs Recognition

Cost Recognition effective January 1, 2018

Cost of Real Estate Sales

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

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

Costs and General and Administrative Expense

Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Contract Balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets

Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group's contract fulfillment assets pertain to connection fees and land acquisition costs.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within general and administrative expenses.

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

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

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Revenue Recognition prior to January 1, 2018
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

Real estate sales
Revenue from sales of real estate and cost from completed projects is accounted for using the percentage of completion (POC). In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1, the POC is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to buyer and the costs incurred or to be incurred can be measured reliably. Under the POC method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of project.

Revenue recognition commences when the construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the required buyer's equity is met. Buyer's equity represents the percentage of collection over the total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group.

If any of the criteria under the percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits from real estate buyers" account which is shown as part of the "Deposits and other current liabilities" and "Deposits and other noncurrent liabilities" account in the liabilities section of the consolidated statement of financial position.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

Amusement income
Revenue is recognized upon rendering of services.

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

Revenue from hotel operations

Revenue from hotel operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when the events take place. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income

Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Other income

Other income is recognized when earned.

Cost Recognition prior January 1, 2018

Cost of Real Estate Sales

Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision lots and housing units and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group’s in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Costs and General and Administrative Expense

Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Commission Expense

The Group recognizes commission expense when services are rendered by the broker and agent. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

<u>Fair Value Measurement</u>

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current and Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Financial Instruments - Initial Recognition and Subsequent Recognition effective January 1, 2018

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15. Refer to the accounting policies in section "Revenue from contracts with customers".

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

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, receivables (except for receivables from lease-to-own arrangements), restricted cash - escrow under other current assets and refundable utility deposits under other current and noncurrent assets.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes receivables from lease-to-own arrangements under Receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have non-listed equity investments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group does not have financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the consolidated statement of financial position) when:

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

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

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

Impairment of Financial Assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include accounts payable and accrued expenses, short-term loans, loans payables and deposits from lessees which are included under Deposits and other current liabilities and Deposits and other noncurrent liabilities.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

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

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

This category generally applies to short-term loans and loans payables.

The Group's other financial liabilities consists of accounts payable and accrued expenses, short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under "Deposit and other current liabilities" and "Deposit and other noncurrent liabilities".

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

Debt Issue Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Customers' Deposits
Deposits from lessees
Deposits from lessees are measured initially at fair value. After initial recognition, customers' deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the "Deposits and other liabilities" in the consolidated statement of financial position) and amortized using EIR amortization process.

Deposits from real estate buyers
Deposits from real estate buyers represent mainly reservation fees and advance payments. These deposits will be recognized as revenues in the profit or loss as the related obligations are fulfilled to the real estate buyers. The deposits are recorded as "Deposits from real estate buyers" and reported under the "Deposits and other liabilities" account in the consolidated statement of financial position as of December 31, 2017.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Financial Instruments – initial recognition and subsequent measurement prior to January 1, 2018

Financial Instruments
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial recognition of financial instruments
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs. The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, AFS financial assets and loans and receivables. The Group classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability.
In cases where variables used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Assets
Initial recognition and measurement
Financial assets are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investment, available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge as appropriate. All financial instruments are recognized initially at fair value plus, in the case of financial instruments not recorded at FVPL, transaction costs that are directly attributable to the acquisition of financial assets.

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

The Group's financial assets are of the nature of loans and receivables as of December 31, 2017.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

The Group's loans and receivables include cash and cash equivalents, receivables, restricted cash - escrow under "Other current assets" and refundable utility deposits included under "Other current assets" and "Other noncurrent assets".

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or,
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of Financial Assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes

the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or (loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include other financial liabilities as of December 31, 2017.

Other Financial Liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

The Group's other financial liabilities consists of accounts payable and accrued expenses, short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under "Deposit and other current liabilities" and "Deposit and other noncurrent liabilities".

Derecognition

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

Debt Issue Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Subdivision Land, Condominium and Residential Units for Sale
Subdivision land, condominium and residential units for sale in the ordinary course of business are carried at the lower of cost and net realizable value (NRV). Cost includes land costs, costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, contractor's fees and other professional fees, property transfer taxes, construction overheads and other related costs) and borrowing costs on loans directly attributable to the projects which were capitalized during construction.

NRV is the estimated selling price in the ordinary course of business less cost of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Prepaid expenses
Prepaid expenses pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

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

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statements of financial position.

Investment Properties
Investment properties – Land, Land Improvements, Buildings and Improvements and Construction in Progress
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the companies consolidated into the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Investment properties are depreciated and amortized using the straight-line method over their estimated useful lives (EUL) as follows:

	Years
Buildings	20 - 30
Building improvements	10
Land improvements	10

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the profit and loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

Investment Properties – Land held for future development
Land held for future development consist of raw land held by the Group which will be developed into investment properties in the future. Land held for future development is carried at cost less any impairment in value. Transfers are made to investment properties when there is commencement of construction of commercial centers or office building on the land property. Transfers are made from land held for future development to either property and equipment or subdivision land, condominium and residential units for sale when, and only when, there is change in use, as evidenced by owner occupation or upon commencement of real estate development with a view to sell.

Land held for future development are derecognized when either they have been disposed of or when the land is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of land held for future development is recognized in the profit and loss in the period of retirement or disposal.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition. Cost also includes interest and other charges on borrowed funds used to finance the construction of property and equipment to the extent incurred during the period of construction and installation.

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

Depreciation commences once the assets are available for use and is calculated on a straight-line basis over the estimated useful life of over the EUL as follow:

	Years
Buildings	20
Building improvements	10
Land improvements	5
Theater furniture and equipment	5
Other equipment	2.5

Assets under construction are transferred to a specific category of property and equipment when the construction and other related activities necessary to prepare the property and equipment for their intended use are completed and the property and equipment are available for service.

Other equipment includes china, glassware, silver and linen on stock used in hotel operations.

The useful life and depreciation method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that the Group's land held for future development, investment properties and property and equipment may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

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

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the consolidated statement of comprehensive income.

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

Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs (included in “Subdivision land, condominium and residential units for sale”, “Property and equipment” and “Investment properties” accounts in the Group’s consolidated statement of financial position). Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings.

All other borrowing costs are expensed in the period they occur and is recorded under “Interest expense.”

Equity
Capital stock is measured at par value for all shares issued. When the Group issues more than one capital stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to “Additional paid-in capital” account. Direct costs incurred related to equity issuance are chargeable to “Additional paid-in capital” account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend distribution when they are declared by the subsidiaries as approved by their respective BOD.

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

Other equity reserve
Other equity reserve pertains to the difference between the consideration paid and the carrying value of the non-controlling interest acquired.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered. The Group does not recognize deferred income tax assets that will reverse during the income tax holiday (ITH).

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

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension Expense

The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related liabilities). If the fair value of the plan assets is higher than the present value of the defined benefit liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for any of the scenarios above, and at the date of renewal or extension period for the second scenario.

Group as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss on a straight-line basis over the lease term. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based on the terms of the leased contract.

Group as a lessor

Leases where the Group retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. Indirect costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as the lease income.

Leases where the Group transfers substantially all the risk and benefits of ownership of the assets are classified as finance leases. The Group recognizes assets held under a finance lease in its consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. The lease payments received from the lessee are treated as repayments of principal and finance income. Initial direct costs may include commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging the lease. They are included in the measurement of the net investment in the lease at inception and reflected in the calculation of the implicit interest rate. The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Investments in Joint Ventures

Investments in joint ventures (investee companies) are accounted for under the equity method of accounting. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes a joint venture. On acquisition of investment, the excess of the cost of investment over the investor’s share in the net fair value of the investee’s identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor’s share of the net fair value of the investee’s identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

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

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies’ accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Foreign currencies
The Group's consolidated financial statements are presented in Philippine Peso, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation for consolidation
On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in the cumulative translation adjustment (CTA) in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss when the standard permits.

Earnings Per Share (EPS)
Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares.

Operating Segment
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

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

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change.

The effects of any change in judgments and estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

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

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

Real estate revenue recognition upon adoption of PFRS 15

Identifying performance obligation
In 2018, the Parent Company entered into a contract to sell covering a land upon which, site preparation will be performed prior to turnover to the buyer. The Group concluded that the revenue and cost of real estate sales should be recorded upon completion of the site preparation activities as specifically stated in the contract to sell, which is at a point in time, since there is only one performance obligation (i.e., developed land) and the Parent Company does not have a right to demand payment for work performed to date from the buyer (see Notes 22 and 32).

In 2018, the Parent Company entered into a contract to sell covering raw land. The Group concluded that there is one performance obligation in this contract, the raw land. Revenue and cost of real estate sales should be recorded upon delivery of the raw land to the buyer which is at a point in time (see Notes 22 and 32).

Revenue recognition method and measure of progress
For the revenue from real estate sales in the Philippines, the Group concluded that revenue is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised

to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

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

Principal versus agent considerations
The contract for the mall retail spaces and office spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air conditioning charges and common usage service area (CUSA) like maintenance, janitorial and security services.

For the electricity and water usage and CUSA, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company and to provide services such as maintenance, janitorial and security services. The utility and service companies, and not the real estate developer, are primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the provision of air conditioning, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of air conditioning to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the air conditioning charges. However, since the Group has availed of the relief to the real estate industry by deferring the application of accounting to CUSA charges discussed in PIC Q&A No. 2018-12-H, the Group retained its current assessment and accounting for air conditioning charges.

Revenue and cost recognition effective January 1, 2018
The Group's real estate sales is recognized overtime and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended and actual overhead incurred over the total expected project development cost. Actual costs also include incurred costs but not yet billed which are estimated by the project engineers. Expected project development costs include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Real estate revenue and cost recognition from pre-selling in Chengdu Project
In July 2018, Chengdu Xin Yao secured the license to sell the condominium units in Phase 1 of its residential development in Chengdu Xin Yao Ban Bian Jie. As of December 31, 2018, the deposits received from buyers amounted to ₱8,208 million.

Revenue from the sale of real estate units of Chengdu Xin Yao will be accounted for under a full accrual method (i.e., at a point in time) in the Group's consolidated financial statements. Under paragraph 35(c) of PFRS 15, "An entity shall consider the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date in accordance with paragraph 35 (c). The right to payment for performance completed to date does not need to be for a fixed amount. However, at all times throughout the duration of the contract, the entity must be entitled to an amount that at least compensates the entity for performance completed to date if the contract is terminated by the customer or another party for reasons other than the entity's failure to perform as promised." Based on management's assessment, throughout the duration of the contract term, Chengdu Xin Yao is only entitled to an amount that does not compensate Chengdu Xin Yao for performance completed to date if the contract is terminated by the buyer or another party for reasons other than Chengdu Xin Yao's failure to perform as promised.

Revenue and cost recognition on real estate sales – prior to January 1, 2018
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgment based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group.

Definition of default and credit-impaired financial assets – effective January 1, 2018
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria – for installment contracts receivable, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets 'unlikeliness to pay' criteria, which indicates the customer is in significant financial difficulty. These are instances where:
a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

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

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

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.
The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Joint Control
The Parent Company entered into various joint ventures with Shang Properties, Inc. and Hong Kong Land Group. The Parent Company considers that it has joint control over these arrangements since decisions about the relevant activities of the joint ventures require unanimous consent of the parties as provided for in the joint venture agreements and shareholders' agreements.

Operating leases commitments - Group as lessee
The Group has entered into lease contracts to develop commercial or office properties on the leased land premises. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased land are not transferred to the Group. In determining significant risks and benefits of ownership, the Group considered, among others, that there is no transfer of ownership of the asset to the lessee by the end of the lease term.

In addition, majority of the lease contract have lease term ranging from one year to ten years which is considered insignificant relative to the life of the asset (see Note 34).

Operating lease commitments - Group as lessor
The Group has entered into commercial and office property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases. In determining significant risks and benefits of ownership, the Group considered, among others, the significance of the lease term as compared with the EUL of the related asset.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee (see Note 36).

Distinction among real estate inventories, land held for future development and investment properties
The Group determines whether a property will be classified as Real estate inventories, Land held for future development and investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (Real estate inventories), whether it will be retained as part of the Group's strategic land banking activities for development or sale in the medium or long-term (Land held for future development) or whether it will be held to earn rentals or for capital appreciation (Investment properties). For land properties, the Group considers the purpose for which the land was acquired.

Finance lease commitments - Group as lessor

The Group has entered into property leases on some of its real estate condominium unit property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the bargain purchase option and minimum lease payments that the Group has transferred all the significant risks and rewards of ownership of these properties to the lessee and accounts for them as finance leases (see Note 36).

Recognition of deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning. Deferred tax assets recognized as of December 31, 2018 and 2017 amounted to ₱874 million and ₱818 million, respectively (see Note 29).

The Group has deductible temporary difference that is available for offset against taxable income or tax payable which deferred tax asset has not been recognized. This pertains to NOLCO of subsidiaries amounting to ₱3 million as of December 31, 2018 and 2017, respectively. The related deferred tax assets amounted to ₱1 million as of December 31, 2018 and 2017 (see Note 29).

Contingencies

The Group is currently involved in various legal proceedings and tax assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the internal and external counsel handling the defense on these matters and is based upon an analysis and judgment of potential results by the management. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, that future results of operations could be materially affected by changes in the judgement or in the effectiveness of the strategies relating to these proceedings (see Note 36).

Estimates

The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue and cost recognition

The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue and cost from real estate where performance obligation is satisfied over time and recognized based on the percentage of completion is measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of the project. For the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, the real estate sales recognized over time amounted to ₱8,346 million, ₱5,973 million and ₱1,472 million, respectively, while the related cost of real estate sales amounted to ₱4,533 million, ₱3,143 million and ₱1,073 million, respectively.

The Group also recognized revenue when control is passed on a certain point in time. The Group's revenue and cost of real estate sales were recognized upon transfer of control to the buyer. Real estate sale pertaining to this this transaction amounted to ₱2,507 million and the related cost of sale amounted to ₱398 million as of December 31, 2018.

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of December 31, 2018 and 2017, the Group’s subdivision land, condominium and residential units for sale amounted to ₱31,464 million and ₱28,854 million, respectively (see Note 9).

Provision for expected credit losses of trade receivables and contract assets
The Group uses a provision matrix to calculate ECLs for trade receivables other than installment contract receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

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

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

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology.

Estimation of useful lives of property and equipment and investment properties

The Group estimates the useful lives of its depreciable property and equipment and investment properties based on the period over which the assets are expected to be available for use. The EUL of the said depreciable assets are reviewed at least annually and are updated, if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the EUL of the depreciable property and equipment and investment properties would increase depreciation expense and decrease noncurrent assets.

The carrying balances of the Group's depreciable assets are disclosed in Notes 12 and 13 to the consolidated financial statements.

Impairment of nonfinancial assets

The Group assesses impairment on its nonfinancial assets (i.e., land held for future development, investment properties, property and equipment, other noncurrent assets and investments in joint venture) and considers the following important indicators:

- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results; and,
- Significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect the carrying amount of the assets.

The carrying values of the Group's investment properties, property and equipment, other noncurrent assets and investments in joint venture as of December 31, 2018 and 2017 are disclosed in Notes 12, 13, 14 and 32. No impairment was recognized for the Group's nonfinancial assets.

Pension cost

The determination of the obligation and cost of pension benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates (see Note 31).

The cost of defined benefit pension plan and the present value of the pension liabilities are determined using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

As of December 31, 2018 and 2017, the Group's present value of defined benefit obligations is shown in Note 31.

6. Operating Segments

Business Segments

The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest, income tax, depreciation and other income (losses) (EBITDA). The Group does not report its results based on geographical segments because the Group currently only has revenue generating activities in the Philippines as revenue recognition from the real estate development in China will commence upon completion of development activities.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS except for EBITDA.

Cost and expenses exclude interest, taxes and depreciation.

The Group derives its revenue from the following reportable units:

Commercial Center Division - develops, leases and manages shopping malls/commercial centers all over the Philippines.

Residential Division - develops and sells residential condominium spaces, as well as high-end horizontal residential projects.

Office Buildings Division - develops and leases out office spaces.

Hotels and Resorts Division - owns and operates a chain of hotels in various locations in the Philippines.

Industrial and Integrated Developments Division – focuses on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, and development of warehouse and logistics facilities.

The financial information about the operations of these business segments is summarized as follows:

	December 31, 2018 (One Year)						
	Commercial Center Division	**Residential Division**	**Office Buildings Division**	**Hotels and Resorts Division**	**Industrial and Integrated Developments**	**Intersegment Eliminating Adjustments**	**Consolidated**
Revenue							
Segment revenue:							
Revenues from contracts with customers	**₱1,972,527,785**	**₱8,345,617,524**	**₱–**	**₱1,982,137,914**	**₱2,507,450,000**	**–**	**₱14,807,733,223**
Rental income	**9,764,937,175**	**113,115,164**	**3,535,276,772**	**–**	**134,875,097**	**–**	**13,548,204,208**
Other income	**202,813,085**	**228,860,486**	**757,721,885**	**–**	**(18,996)**	**–**	**1,189,376,460**
Intersegment revenue	**42,846,948**	**–**	**–**	**2,471,781**		**(45,318,729)**	**–**
Total Revenue	**11,983,124,993**	**8,687,593,174**	**4,292,998,657**	**1,984,609,695**	**2,642,306,101**	**(45,318,729)**	**29,545,313,891**
Costs and expenses							
Segment costs and expenses	**4,274,831,274**	**6,478,178,974**	**532,882,081**	**1,308,642,999**	**613,677,160**	**–**	**13,208,212,488**
Intersegment costs and expenses	**–**	**42,846,948**	**(5,438,907)**	**7,910,688**	**–**	**(45,318,729)**	**–**
Total Costs and expenses	**4,274,831,274**	**6,521,025,922**	**527,443,174**	**1,316,553,687**	**613,677,160**	**(45,318,729)**	**13,208,212,488**
Earnings before interest, taxes and depreciation	**7,708,293,719**	**2,166,567,252**	**3,765,555,483**	**668,056,008**	**2,028,628,941**	**–**	**16,337,101,403**
Depreciation (Notes 24 and 26)	**3,420,651,538**	**81,030,767**	**693,501,790**	**248,237,776**	**13,310,774**	**–**	**4,456,732,645**
Operating income	**₱4,287,642,181**	**₱2,085,536,485**	**₱3,072,053,693**	**₱419,818,232**	**₱2,015,318,167**	**₱–**	**₱11,880,368,758**
Assets and Liabilities							
Segment assets	**₱73,959,589,978**	**₱53,680,024,065**	**₱19,462,199,172**	**₱7,881,486,731**	**₱19,174,860,339**	**₱–**	**₱174,158,160,285**
Investment in subsidiaries - at cost	**11,486,832,946**	**–**	**–**	**25,500,000**	**780,000,000**	**(12,292,332,946)**	**–**
Total segment assets	**₱85,446,422,924**	**₱53,680,024,065**	**₱19,462,199,172**	**₱7,906,986,731**	**₱19,954,860,339**	**(₱12,292,332,946)**	**₱174,158,160,285**
Total segment liabilities	**₱49,605,728,995**	**₱20,608,010,769**	**₱3,655,455,825**	**₱1,166,561,653**	**₱5,202,686,538**	**₱–**	**₱80,238,443,780**
Other segment information:							
Capital additions (Notes 12 and 13)							**₱13,444,918,877**
Additions to subdivision land, condominium and residential units for sale (Note 9)							**₱5,868,091,167**
Cash flows from:							
Operating activities	**₱9,325,467,987**	**(₱91,578,957)**	**₱3,550,353,853**	**₱720,903,816**	**(₱215,138,751)**	**₱–**	**₱13,290,007,948**
Investing activities	**(9,838,247,513)**	**(2,710,192,203)**	**(2,493,308,706)**	**(2,217,625,037)**	**26,928,203**	**–**	**(17,232,445,256)**
Financing activities	**946,746,362**	**2,720,437,095**	**(1,046,865,599)**	**1,507,780,576**	**282,725,178**	**–**	**4,410,823,612**

	December 31, 2017 (One Year; As Restated)						
	Commercial Center Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Industrial and Integrated Developments	Intersegment Eliminating Adjustments	Consolidated
Revenue							
Segment revenue:							
Revenues from contracts with customers	₱1,802,643,181	₱5,973,248,023	₱-	₱1,892,873,758	₱-	₱–	₱9,668,764,962
Rental income	8,809,667,773	89,680,665	2,668,883,078	–	13,328,885	–	11,581,560,401
Other income	177,019,084	489,898,273	598,571,854	–	1,003,056	–	1,266,492,267
Intersegment revenue	52,219,142	–	–	1,875,627		(54,094,769)	–
Total Revenue	10,841,549,180	6,552,826,961	3,267,454,932	1,894,749,385	14,331,941	(54,094,769)	22,516,817,630
Costs and expenses							
Segment costs and expenses	3,751,872,140	4,734,196,063	337,498,332	1,169,386,910	47,335,641	–	10,040,289,086
Intersegment costs and expenses	–	52,219,142	(5,924,414)	7,800,041	–	(54,094,769)	–
Total Costs and expenses	3,751,872,140	4,786,415,205	331,573,918	1,177,186,951	47,335,641	(54,094,769)	10,040,289,086
Earnings before interest, taxes and depreciation	7,089,677,040	1,766,411,756	2,935,881,014	717,562,434	(33,003,700)	–	12,476,528,544
Depreciation (Notes 24 and 26)	3,040,446,157	62,880,399	629,271,677	181,125,459	390,409	–	3,914,114,101
Operating income	₱4,049,230,883	₱1,703,531,357	₱2,306,609,337	₱536,436,975	(₱33,394,109)	₱–	₱8,562,414,443
Assets and Liabilities							
Segment assets	₱66,493,808,490	₱40,777,979,053	₱17,909,268,241	₱5,954,062,532	₱16,991,429,486	₱–	₱148,126,547,802
Investment in subsidiaries - at cost	11,486,332,946	–	–	25,500,000		(11,511,832,946)	–
Total segment assets	₱77,980,141,436	₱40,777,979,053	₱17,909,268,241	₱5,979,562,532	₱16,991,429,486	(₱11,511,832,946)	₱148,126,547,802
Total segment liabilities	₱62,143,777,422	₱9,113,640,640	₱3,002,130,903	₱1,010,470,775	₱5,483,910,302	₱–	₱80,753,930,042
Other segment information:							
Capital additions (Notes 12 and 13)							₱24,009,878,752
Additions to subdivision land, condominium and residential units for sale (Note 9)							₱4,846,756,065
Cash flows from:							
Operating activities	₱6,078,064,085	₱666,663,039	₱3,013,552,393	₱22,614,776	₱4,617,950,090	₱–	₱14,398,844,383
Investing activities	(10,399,659,284)	(731,233,889)	(3,208,653,145)	(863,716,944)	(9,251,961,561)	–	(24,455,224,823)
Financing activities	4,677,899,180	277,349,253	195,865,811	908,008,362	4,636,501,780	–	10,695,624,386

	December 31, 2016 (Three Months)					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue						
Revenues from contracts with customers	₱ 431,783,166	₱1,472,300,349	₱-	₱496,892,214	₱–	₱2,400,975,729
Rental income	2,087,992,078	24,221,425	606,126,093	–	–	2,718,339,596
Other income	137,689,336	297,872,233	139,892,894	–	–	575,454,463
Intersegment revenue	9,611,510	–	2,340,322	–	(11,951,832)	–
Total Revenue	2,667,076,090	1,794,394,007	748,359,309	496,892,214	(11,951,832)	5,694,769,788
Costs and expenses						
Segment costs and expenses	832,165,422	1,517,643,403	29,785,555	286,274,025	–	2,665,868,405
Intersegment costs and expenses	1,455,389	11,205,906	(2,471,010)	1,761,547	(11,951,832)	–
Total Costs and expenses	833,620,811	1,528,849,309	27,314,545	288,035,572	(11,951,832)	2,665,868,405
Earnings before interest, taxes and depreciation	1,833,455,279	265,544,698	721,044,764	208,856,642	–	3,028,901,383
Depreciation (Notes 24 and 26)	800,087,879	10,389,344	152,494,588	47,049,114	–	1,010,020,925
Operating income	₱1,033,367,400	₱255,155,354	₱568,550,176	₱161,807,528	₱–	₱2,018,880,458
Assets and Liabilities						
Segment assets	₱62,041,193,665	₱44,396,733,768	₱13,689,850,239	₱4,304,380,727	₱–	₱124,432,158,399
Investment in subsidiaries - at cost	11,009,215,946	–	–	25,500,000	(11,034,715,946)	–
Total segment assets	₱73,050,409,611	₱44,396,733,768	₱13,689,850,239	₱4,329,880,727	(₱11,034,715,946)	₱124,432,158,399
Total segment liabilities	₱50,795,652,791	₱7,837,493,381	₱2,173,027,970	₱770,678,726	₱–	₱61,576,852,868
Other segment information:						
Capital additions (Notes 12 and 13)						₱3,218,762,069
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱1,206,826,578
Cash flows from:						
Operating activities	₱1,113,402,908	₱969,715,502	₱1,138,646,423	₱547,122,706	₱–	₱3,768,887,539
Investing activities	(2,603,403,555)	(416,591,890)	(1,148,027,626)	(405,562,263)	–	(4,573,585,334)
Financing activities	1,661,922,878	(437,392,038)	–	(132,787,416)	–	1,091,743,424

The revenue of the Group consists of sales to domestic customers. Inter-segment revenue accounted for under PFRS arising from lease arrangements amounting ₱45 million, ₱54 million and ₱12 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively, are eliminated in consolidation.

The carrying amount of assets located outside the Philippines amounted to ₱22,379 million and ₱12,414 million as of December 31, 2018 and 2017, respectively.

No operating segments have been aggregated to form the above reportable segments. Capital additions consists of additions to property and equipment and investment properties.

Significant customers in lease arrangements under commercial centers division include the affiliated entities (see Note 22). Rental income arising from the lease of commercial properties to affiliated companies which are not part of the Group and therefore not eliminated amounted to ₱2,787 million, ₱2,337 million and ₱609 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively.

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
EBITDA	**₱16,337,101,403**	₱12,476,528,544	₱3,028,901,383
Depreciation (Notes 24 and 26)	**(4,456,732,645)**	(3,914,114,101)	(1,010,020,925)
Other losses	**(637,337,162)**	(727,006,605)	(378,127,619)
Income before income tax	**₱11,243,031,596**	₱7,835,407,838	₱1,640,752,839

7. Cash and Cash Equivalents

	2018	2017
Cash on hand and in banks	**₱1,129,430,200**	₱1,379,275,821
Short-term investments	**1,414,410,627**	696,178,702
	₱2,543,840,827	₱2,075,454,523

Cash in banks earns annual interest at the prevailing bank deposit rates. Short-term investments are invested for varying periods of up to three months and earn interest at the prevailing short-term investment rates ranging from 0.20% to 3.90%, 1.25% to 3.0% and 0.3% to 1.2% for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively.

Interest earned from cash in banks and short-term investments for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016 amounted to ₱157 million, ₱37 million and ₱7 million, respectively (see Note 28).

8. Receivables

	2018	2017
Trade		
Installment contract receivables	**₱283,447,326**	₱7,272,408,707
Rental receivables (Note 22)	**1,426,650,345**	793,963,283
Accrued rent receivables	**1,256,405,124**	886,325,031
Hotel operations	**168,058,728**	185,203,621
	3,134,561,523	9,137,900,642
Affiliated companies (Note 22)	**207,635,524**	23,419,773
Others		
Receivable from condominium corporations	**161,311,324**	125,144,625
Advances to officers and employees	**51,749,347**	39,526,617
Receivable for insurance	**30,687,835**	6,723,297
Others	**21,178,097**	55,968,490
	3,607,123,650	9,388,683,444
Less allowance for impairment losses	**47,676,601**	47,676,601
	3,559,447,049	9,341,006,843
Less noncurrent portion	**1,432,956,759**	3,775,948,572
	₱2,126,490,290	₱5,565,058,271

Installment contract receivables consist of accounts collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost, except for receivables from lease-to-own arrangements which are carried at fair value through OCI. The title of the real estate property, which is the subject of the installment contract receivable due beyond 12 months, passes to the buyer once the receivable is fully paid. Upon adoption of PFRS 15, the Group records any excess of progress of work over the right to an amount of consideration that is unconditional as contract asset (see Note 10).

Rental receivables from affiliated companies included under ‘Rental receivables’ amounted to about ₱168 million and ₱114 million as of December 31, 2018 and 2017, respectively (see Note 22).

Accrued rent receivables represent the portion of the lease as a consequence of recognizing income on a straight-line basis. As of December 31, 2018 and 2017, the noncurrent portion of accrued rent receivable amounted to ₱1,243 million and ₱708 million, respectively.

Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage and transportation services. These are normally collectible within thirty (30) to ninety (90) days.

The receivables from officers and employees are advances related to conduct of business activities subject to liquidation and for personal loans which are collected through salary deduction.

Other receivables consist primarily of insurance claims and advances to brokers.

Allowance for impairment losses on trade receivables follows:

	Rental Receivables	Hotels Operations	Installment Contract Receivables	Total
Balances at December 31, 2018 and 2017	**₱13,905,027**	**₱14,771,574**	**₱19,000,000**	**₱47,676,601**

Aging Analysis

The aging analysis of the Group's receivables follows:

	December 31, 2018						
		Neither	**Past Due But Not Impaired**				**Past**
	Total	**Past Due nor Impaired**	**Less than 30 days**	**30 to 60 days**	**61 to 90 days**	**Over 90 days**	**Due and Impaired**
Trade receivables							
Installment contract receivables	**₱283,447,326**	**₱–**	**₱38,452,136**	**₱20,243,920**	**₱28,004,369**	**₱177,746,901**	**₱19,000,000**
Rental receivables (Note 22)	**1,426,650,345**	**694,942,129**	**210,303,407**	**43,311,363**	**21,620,631**	**442,567,788**	**13,905,027**
Accrued rent receivables	**1,256,405,124**	**1,256,405,124**	**–**	**–**	**–**	**–**	**–**
Hotel operations	**168,058,728**	**49,736,994**	**31,718,550**	**17,266,655**	**5,210,532**	**49,354,423**	**14,771,574**
Affiliated companies (Note 22)	**207,635,524**	**207,635,524**	**–**	**–**	**–**	**–**	**–**
Others	**264,926,603**	**264,926,603**	**–**	**–**	**–**	**–**	**–**
	₱3,607,123,650	**₱2,473,646,374**	**₱280,474,093**	**₱80,821,938**	**₱54,835,532**	**₱669,669,112**	**₱47,676,601**

	December 31, 2017						
		Neither	Past Due But Not Impaired				Past
	Total	Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Due and Impaired
Trade receivables							
Installment contract receivables	₱7,272,408,707	₱6,855,942,934	₱93,685,610	₱76,414,224	₱51,280,219	₱176,085,720	₱19,000,000
Rental receivables (Note 22)	793,963,283	197,449,461	118,969,392	32,200,417	33,809,261	397,629,725	13,905,027
Accrued rent receivables	886,325,031	886,325,031	–	–	–	–	–
Hotel operations	185,203,621	75,600,122	29,206,995	13,020,649	7,151,953	45,452,328	14,771,574
Affiliated companies (Note 22)	23,419,773	23,419,773	–	–	–	–	–
Others	227,363,029	227,363,029	–	–	–	–	–
	₱9,388,683,444	₱8,266,100,350	₱241,861,997	₱121,635,290	₱92,241,433	₱619,167,773	₱47,676,601

A summary of the movements in the receivables of the Group categorized as fair value through other comprehensive income is as follows:

Beginning balance, as previously reported	₱1,569,530,439
Transition adjustment on fair value - credited to other comprehensive income	21,668,304
Beginning balance, as restated	1,591,198,743
Additions	220,241,407
Sale of lease-to-own receivables	(1,017,153,531)
Fair value adjustment – other comprehensive income	(9,064,944)
Ending balance	₱785,221,675

9. Subdivision Land, Condominium and Residential Units for Sale

	2018	2017 (as restated)
Land and condominium units	**₱11,600,778,843**	₱12,891,326,496
Land use right and development cost	**13,793,027,024**	11,710,995,852
Residential units and subdivision land	**3,306,112,679**	2,030,312,220
Land held for development	**2,764,535,752**	2,221,414,792
	₱31,464,454,298	₱28,854,049,360

The subdivision land, condominium and residential units for sale are carried at cost.

Land held for development previously presented as non-current asset includes land which the BOD has approved to be developed into residential development for sale. Before the adoption of PIC Q&A 2018-11, the classification was based on the Group's timing to start the development of the property. This was reclassified to inventories in the consolidated statement of financial position. Land with undetermined future use was retained in investment properties.

A summary of the movement in inventory is set out below:

	2018	2017 (as restated)
Beginning balance (as previously reported)	**₱28,854,049,360**	₱25,983,487,629
Reclassification from non-current asset (Note 2)	**–**	2,310,382,571
Beginning balance, as restated	**28,854,049,360**	28,293,870,200
Construction and development costs incurred	**5,868,091,167**	4,846,756,065
Transfers (to) / from		
Investment properties (Note 12)	**2,072,054,274**	(1,105,957,609)
Unrealized land cost (sale to SRPI)	**(398,312,678)**	(37,581,909)
Cost of real estate sales (Note 24)	**(4,931,427,825)**	(3,143,037,387)
	₱31,464,454,298	₱28,854,049,360

Borrowing cost capitalized amounted to ₱548 million, ₱490 million and ₱98 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 is 4.50%, 4.02% and 3.87%, respectively. These amounts were included in the construction and development costs incurred (see Note 18).

The amount of subdivision land, condominium and residential units for sale recognized as cost of real estate sales in the consolidated statements of comprehensive income amounted to ₱4,931 million, ₱3,143 million and ₱1,073 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 24).

On October 20, 2015, the Chinese government awarded the Contract for Assignment of the Rights to the Use of State-Owned Land to the Group. In May 2016, the Masterplan had been completed and was submitted for approval to the Chinese government in the same month. The Chinese government approved the Masterplan in the first quarter of 2017 and construction activities have commenced.

Under the Contract, the Group is entitled to transfer, lease, mortgage all or part of the state-owned construction land use right to a third party. Upon receipt of the Certificate of State-owned Land Use Right Assignment, the land title will be subdivided into Individual Property Titles which will be issued to unit owners one year after completion of the development and turn-over of the units to the buyers. When all or part of the state-owned construction land use right is transferred, through sale of commercial units and high-rise condominium units to buyers, the rights and obligations specified in the Contract and in the land registration documents shall be transferred accordingly to the buyer. The use term will be the remaining years as of the date of transfer based on the original use term specified in the Contract.

When the use term under the Contract expires (residential: 70 years and commercial: 40 years) and the land user continues using the assigned land under the Contract, an application for renewal shall be submitted to the Chinese government not less than one (1) year prior to the expiration of the use term.

The land use right amounting to ₱10,221 million as at December 31, 2018 and 2017 is pledged as security to the Renminbi (RMB)216 million (₱1,651 million) loan from Agricultural Bank of China (Note 18). Other than this, there are no subdivision land, condominium and residential units for sale that are pledged as security to liabilities as of December 31, 2018 and 2017.

10. Contract Assets

As at December 31, 2018, the Group has current and noncurrent contract assets amounting to ₱5,088 million and ₱6,445 million, respectively.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contract receivables when the monthly amortization of the customer is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period, increase in percentage of completion, less reclassification of installment contract receivable.

11. **Other Current Assets**

	2018	2017 (as restated)
Restricted cash – escrow	**₱7,607,789,241**	₱4,257,265
Input VAT – net	**1,418,062,733**	2,338,956,212
Prepaid expenses (Note 23)	**986,336,548**	212,715,201
Advances to suppliers and contractors	**866,819,174**	907,945,154
Advances to lot owners	**748,273,145**	665,791,569
Supplies	**60,511,778**	64,628,699
Utility deposits (Notes 33 and 34)	**7,831,041**	9,989,072
Others	**40,639,253**	43,455,923
	₱11,736,262,913	₱4,247,739,095

Restricted cash - escrow includes the deposits of buyers of Chengdu Xin Yao which will mainly be used for construction of real estate inventories.

Input VAT - net of output VAT can be applied against future output VAT.

Prepaid expenses consist mainly of prepayments for taxes and insurance and cost to obtain contract in relation to the Group's real estate sales.

Advances to suppliers and contractors consist of advance payment which will be applied against the final billing and are expected to occur within the year. Advances to contractors and suppliers previously presented under current assets, representing prepayments for the construction of investment property was reclassified to noncurrent asset in accordance with PIC Q&A 2018-15 which aims to classify the prepayment based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Supplies consist mainly of office and maintenance materials.

Utility deposits consist primarily of bid bonds and meter deposits.

Others consist primarily of creditable withholding taxes and refundable deposit made by the Group.

12. **Investment Properties**

Investment properties is composed of the following:

	2018	2017 (as restated)
Land	**₱16,401,461,680**	₱13,714,664,107
Land improvements	**218,207,864**	110,801,165
Buildings and improvements	**54,738,728,644**	46,631,477,330
Construction in progress	**6,314,587,588**	9,011,361,402
	77,672,985,776	69,468,304,004
Land held for future development	**21,644,110,051**	22,685,464,066
	₱99,317,095,827	₱92,153,768,070

Land, Land Improvements, Buildings and Improvements and Construction in Progress
A summary of the movement in land, land improvements, buildings and improvements and construction in progress is set out below:

	December 31, 2018				
	Land	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost					
Balances at January 1, 2018	**₱13,714,664,107**	**₱244,495,794**	**₱74,912,347,677**	**₱9,011,361,402**	**₱97,882,868,980**
Additions	**3,829,988**	**54,642,249**	**4,211,032,313**	**5,022,122,827**	**9,291,627,377**
Reclassification and transfers - net (Notes 9, 11 and 13)	**2,682,967,585**	**72,560,324**	**7,575,892,446**	**(7,718,896,641)**	**2,612,523,714**
Balances at December 31, 2018	**16,401,461,680**	**371,698,367**	**86,699,272,436**	**6,314,587,588**	**109,787,020,071**
Accumulated Depreciation					
Balances at January 1, 2018	**–**	**133,694,629**	**28,280,870,347**	**–**	**28,414,564,976**
Depreciation (Notes 24 and 26)	**–**	**19,795,874**	**3,679,673,445**	**–**	**3,699,469,319**
Balances at December 31, 2018	**–**	**153,490,503**	**31,960,543,792**	**–**	**32,114,034,295**
Net Book Value	**₱16,401,461,680**	**₱218,207,864**	**₱54,738,728,644**	**₱6,314,587,588**	**₱77,672,985,776**

	December 31, 2017 (as restated)				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at January 1, 2017	₱10,847,928,424	₱232,690,307	₱65,445,762,502	₱4,717,861,720	₱81,244,242,953
Additions	–	11,805,487	1,367,205,964	11,276,771,771	12,655,783,222
Reclassification and transfers - net (Notes 9, 11 and 13)	2,866,735,683	–	8,099,379,211	(6,983,272,089)	3,982,842,805
Balances at December 31, 2017	13,714,664,107	244,495,794	74,912,347,677	9,011,361,402	97,882,868,980
Accumulated Depreciation					
Balances at January 1, 2017	–	115,195,251	25,047,078,773	–	25,162,274,024
Depreciation (Notes 24 and 26)	–	18,499,378	3,233,791,574	–	3,252,290,952
Balances at December 31, 2017	–	133,694,629	28,280,870,347	–	28,414,564,976
Net Book Value	₱13,714,664,107	₱110,801,165	₱46,631,477,330	₱9,011,361,402	₱69,468,304,004

Investment properties consisted mainly of shopping malls/commercial centers and office buildings that are held to earn rentals. Land held for future development pertains to land held for capital appreciation and land banking activities for development.

The construction in progress reclassified during the years ended December 31, 2018 and 2017 amounted to ₱7,719 million and ₱6,983 million, respectively. This year's reclassification represents malls in Ormoc, Iloilo, Tuguegarao and Bukidnon and office building in Ortigas and Quezon City that have been completed during the year ended December 31, 2018 and transferred to the corresponding assets accounts such as buildings and buildings improvements and land improvements. The remaining construction in progress represents new and expansion projects in various cities in Metro Manila and other parts of Luzon and Visayas regions.

For the year ended December 31, 2018, the Group reclassified investment properties to subdivision land, condominium and residential units for sale amounting to ₱114 million and on December 31, 2017 reclassified from subdivision land, condominium and residential units for sale to investment properties amounting to ₱1,017 million, respectively (see Note 9).

Depreciation expense charged to operations amounted to ₱3,699 million, ₱3,252 million and ₱839 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Notes 24 and 26).

Borrowing costs capitalized amounted to ₱323 million, ₱472 million and ₱34 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively. These amounts were included in the consolidated statements of cash flows under additions to investment properties. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 is 4.50%, 4.02% and 3.87%, respectively.

The fair value of investment properties which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The fair value as of December 31, 2018 and 2017 amounted to ₱168,572 million and ₱161,767 million, respectively, are based on independent third party appraisal reports, dated December 31, 2017. The fair value measurement using unobservable data in active market is Level 3 of the fair value hierarchy.

The fair value of the investment properties was arrived at using the Market Value Approach as of the date of the appraisal reports. Market Value which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Rental income derived from investment properties amounted to ₱13,548 million, ₱11,582 million and ₱2,718 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 23).

Property operations and maintenance costs arising from investment properties amounted to ₱791 million, ₱710 million and ₱184 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 24).

There are no investment properties as of December 31, 2018 and 2017 that are pledged as security to liabilities.

Land Held for Future Development

A summary of the movement in land held for future development is set out below:

	2018	2017 (as restated)
Beginning balance	**₱22,685,464,066**	₱17,730,922,918
Reclassification to inventories	**−**	(2,310,382,571)
Beginning balance, as restated	**22,685,464,066**	15,420,540,347
Acquisitions	**2,188,037,914**	9,454,634,133
Transfers (to)/from investment properties (Note 12)	**(3,229,391,929)**	(2,189,710,414)
Ending balance	**₱21,644,110,051**	₱22,685,464,066

The fair value of land held for future development which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The fair value as of December 31, 2018 and 2017 amounted to ₱37,584 million are based on independent third party appraisal reports dated December 31, 2017. The fair value measurement using unobservable data in active market is Level 3 of the fair value hierarchy.

The fair value of the land held for future development was arrived at using the Market Value Approach as of the date of the appraisal reports. Market Value which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

13. **Property and Equipment**

	December 31, 2018				
	Land Improvements	**Buildings and Improvements**	**Theater Furniture and Equipment**	**Other Equipment**	**Total**
Cost					
Balances at January 1, 2018	**₱8,975,133**	**₱7,531,420,307**	**₱1,012,987,465**	**₱4,124,232,121**	**₱12,677,615,026**
Additions	**645,871**	**1,453,993,898**	**50,854,444**	**459,759,373**	**1,965,253,586**
Write-off	**–**	**–**	**–**	**(63,810,257)**	**(63,810,257)**
Reclassifications	**80,000**	**(140,757,262)**	**–**	**140,677,262**	**–**
Balances at December 31, 2018	**9,701,004**	**8,844,656,943**	**1,063,841,909**	**4,660,858,499**	**14,579,058,355**
Accumulated Depreciation					
Balances at January 1, 2018	**5,429,407**	**2,299,060,389**	**745,329,815**	**2,935,437,010**	**5,985,256,621**
Depreciation (Notes 24 and 26)	**812,725**	**215,398,242**	**90,377,694**	**450,674,665**	**757,263,326**
Write-off	**–**	**–**	**–**	**(7,605,664)**	**(7,605,664)**
Balances at December 31, 2018	**6,242,132**	**2,514,458,631**	**835,707,509**	**3,378,506,011**	**6,734,914,283**
Net Book Value	**₱3,458,872**	**₱6,330,198,312**	**₱228,134,400**	**₱1,282,352,488**	**₱7,844,144,072**

	December 31, 2017				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at January 1, 2017	₱8,420,371	₱5,919,585,396	₱890,473,932	₱3,850,923,849	₱10,669,403,548
Additions	554,762	1,500,133,951	122,513,533	274,817,862	1,898,020,108
Write-off	–	–	–	(1,286)	(1,286)
Reclassifications and transfers (Note 12)	–	111,700,960	–	(1,508,304)	110,192,656
Balances at December 31, 2017	8,975,133	7,531,420,307	1,012,987,465	4,124,232,121	12,677,615,026
Accumulated Depreciation					
Balances at January 1, 2017	4,754,878	2,112,090,225	635,563,407	2,571,026,248	5,323,434,758
Depreciation (Notes 24 and 26)	674,529	186,970,164	109,766,408	364,412,048	661,823,149
Write-off	–	–	–	(1,286)	(1,286)
Balances at December 31, 2017	5,429,407	2,299,060,389	745,329,815	2,935,437,010	5,985,256,621
Net Book Value	₱3,545,726	₱5,232,359,918	₱267,657,650	₱1,188,795,111	₱6,692,358,405

Depreciation expense charged to operations amounted to ₱757 million, ₱662 million and ₱171 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Notes 24 and 26).

Borrowing cost capitalized amounted to ₱63 million, ₱72 million and ₱4 million for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively.

The following are the costs of property and equipment that are fully depreciated as of December 31, 2018 and 2017 but still used in operations:

	2018	2017
Building and improvements	**₱790,193,546**	₱780,821,421
Other equipment	**432,481,792**	346,790,615
Land improvements	**698,241**	698,241
	₱1,223,373,579	₱1,128,310,277

There are no property and equipment items as of December 31, 2018 and 2017 that are pledged as security to liabilities.

14. Other Noncurrent Assets

	2018	2017 (As restated)
Advances to suppliers and contractors	**₱1,947,197,919**	₱1,963,217,908
Advances to lot owners	**1,471,892,243**	1,408,448,709
Utility deposits (Notes 33 and 34)	**792,181,009**	874,345,792
Prepaid rent	**435,964,979**	382,799,970
Others (Note 32)	**128,973,493**	133,359,127
	₱4,776,209,643	₱4,762,171,506

Advances to suppliers and contractors represents prepayments for the construction of investment properties and property and equipment.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Utility deposits consist primarily of bill and meter deposits. These are deposits to utility companies in order to continue the availment of their services.

Prepaid rent pertains to advance rentals of the 25-year operating lease agreement between Bases Conversion and Development Authority (BCDA) and ASNC (a wholly-owned subsidiary) and 25-year operating lease agreement between the Province of Bulacan and the Parent Company. The contract is for the long-term and development of approximately 5,000 sqm Lawton Corporate Center along Lawton Avenue, Bonifacio South, Taguig City. Subsequently, the said contract was assigned to the Parent Company through a Deed of Assignment wherein ASNC assigns all its rights, interests, and obligations on the contract of lease with approval of BCDA as provided for under the contract.

Upon the expiration of the initial lease period, the Parent Company has the option to purchase the property or to renew its lease term. Should the Parent Company exercise its option to purchase the property, the purchase price shall be based on the fair market value including the permanent improvements. Otherwise, the ownership of all buildings and permanent improvements constructed by the Parent Company on the property shall automatically be transferred to BCDA.

Therefore, should the Parent Company opt to renew its lease over the property, the new lease rate for the 25-year extension period shall cover the land as well as the buildings and permanent improvements transferred to BCDA.

In 2018, the Parent Company paid ₱100 million upfront fee to the province of Malolos, Bulacan in relation to the lease agreement entered into during the year for the lease of contiguous land situated at Brgy. Bulihan, City of Malolos, owned by the Province of Bulacan, pursuant to Proclamation No. 832 dated July 17, 2014. The project shall involve the lease of the project site and development and utilization thereof by the Parent Company for (a) shopping mall/ terminal, (b) convention center, (c) hotel and (d) IT-BPM/BPO office buildings/dormitories.

The lease period of the project site shall be for the twenty-five years (25) commencing on the third (3rd) project year counted from the commencement of the Construction Date, and terminating on the date 25 years thereafter. The lease shall be automatically renewed for another 25 years upon mutual agreement by the parties. The payment will be offset against the rent due starting on the first (1st) year of operation of the Parent Company in the said property which is expected to occur beyond 1 2 months after the reporting date.

Others include deposit to various joint venture partners representing share in an ongoing real estate development which will be liquidated at the end of joint venture agreement. This deposit will be realized through the Group's share in the completed units or share in the sales proceeds of the units, depending on the agreement with the other party.

15. Accounts Payable and Accrued Expenses

	2018	2017
Accounts payable (Note 22)	**₱9,429,727,930**	₱9,685,757,998
Taxes and licenses payable	**2,128,522,470**	2,110,601,784
Accrued rent expense	**844,364,680**	806,830,746
Accrued contracted services	**491,610,543**	364,666,444
Accrued interest payable	**322,322,878**	370,835,301
Accrued salaries and wages	**308,964,942**	160,574,858
Commissions payable	**231,632,590**	–
Dividends payable	**43,304,321**	40,990,210
Other accrued payable	**524,116,354**	343,189,406
	₱14,324,566,708	₱13,883,446,747

Accounts payable mainly includes unpaid billings from suppliers and contractors related to construction activities.

Taxes and licenses payable, accrued salaries and wages, accrued interest payable and accrued contracted services are normally settled within one (1) year.

Accrued rent expense represents accrual for film rentals.

Commissions payable arises from obligations from contracts which were qualified for revenue recognition. The Company uses percentage of completion method in amortizing sales commissions consistent with PFRS 15.

Other accrued payable includes insurance payable and accrued utilities.

16. **Contract Liabilities**

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred by Group based on percentage of completion. Current and noncurrent contract liabilities as of December 31, 2018 is ₱12,932 million and ₱2,379 million, respectively. The movement in the contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold from increase in percentage of completion.

The amount of revenue recognized from the amounts included in contract liabilities at the beginning of the year amounted to ₱1,663 million.

17. **Deposits and Other Current Liabilities**

	2018	2017
Deposits from lessees (Notes 19, 33 and 34)	**₱2,658,678,992**	₱2,356,241,519
Payables to affiliated companies (Notes 22, 33 and 34)	**231,800,778**	185,692,813
Deposits from real estate buyers (Note 3)	**–**	1,204,355,371
Others	**13,760,000**	37,245,113
	₱2,904,239,770	₱3,783,534,816

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. Deposits from real estate buyers also include cash collections in excess of the installment contract receivables recognized under the percentage-of-completion method.

Deposits from lessees (including noncurrent portion shown in Note 19) represent cash received in advance equivalent to three (3) to six (6) month rent which shall be refunded to lessees at the end of lease term. These are initially recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of instruments. The accretion expense on these deposits, recognized in “accretion of security deposit” under cost of rental services, amounted to ₱73 million, ₱56 million and ₱21 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 24).

Included in the “Deposit from lessees” are unearned rental income amounting to ₱604 million and ₱373 million as of December 31, 2018 and 2017, respectively. Amortization of unearned rental income included in “Rental income” amounted to ₱97 million, ₱64 million and ₱16 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively.

Others pertain to amount payable to the Parent Company’s co-stockholders in its subsidiaries.

18. **Loans Payable**

Short-term loans

	2018	2017
Short-term loan obtained from local banks that will mature in January 2019. Interest rate is at 5.25% per annum.	**₱896,700,000**	₱–
Short-term loan obtained from local banks that will mature in January 2018. Interest rate is at 2.80% per annum.	–	14,454,500,000
Short-term loan obtained from a local bank that will mature in February 2018. Interest rate is at 2.60% per annum.	–	1,238,900,000
	₱896,700,000	₱15,693,400,000

Long-term loans

Details of the principal amount of the long-term loans follow:

	2018	2017
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	**₱10,635,500,000**	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears	**7,000,000,000**	7,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	**6,500,000,000**	6,500,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in annual installment amounting to ₱10 million for six years and the balance upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	**4,980,000,000**	4,990,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable in annual installment amounting to ₱5 million for nine years and the balance upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	**4,495,000,000**	4,500,000,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000
Five-year loan maturing in August 2022. Principal of RMB216 million as of December 31, 2018 and RMB60 million as of December 31, 2017, payable upon maturity, with fixed rate at 4.7500%.	**1,651,127,328**	458,325,660
Three-year loan maturing in December 2019. Principal of RMB50 million payable upon maturity, with fixed rate at 4.7500%.	–	381,938,050
	36,626,127,328	35,830,263,710
Less debt issue costs	**137,588,327**	169,101,556
Long-term loans net of debt issue costs	**₱36,488,539,001**	₱35,661,162,154
Less current portion	**15,000,000**	15,000,000
Noncurrent portion of long-term loans	**₱36,473,539,001**	₱35,646,162,154

The Group's loans payable are all unsecured, except for the five-year loan from Agricultural Bank of China amounting to ₱1,651 million which the Group has guaranteed with its land use rights in China under Chengdu Xin Yao (see Note 9).

Debt issue costs are deferred and amortized using effective interest method over the term of the related loans.

Total interest cost expensed out from short-term and long-term loans amounted to ₱836 million, ₱778 million and ₱384 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 28).

Capitalized borrowing cost amounted to ₱934 million, ₱1,034 million and ₱136 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Notes 9, 12 and 13).

<u>Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022</u>

On February 23, 2015, the Group issued ₱10,636 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants

The Group is required to maintain a debt-to-equity ratio not exceeding 2:1 as referenced from its consolidated financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

<u>Seven-year term loan from Metropolitan Bank and Trust Company maturing on March 15, 2024</u>

On March 15, 2017, the Group borrowed ₱7,000 million under Term Loan Facility Agreements with Metropolitan Bank and Trust Company.

The loan amounting to ₱7,000 million was released on March 15, 2017 which bears interest rate at 4.7500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants

The Group is required to maintain a ratio of consolidated total borrowings to consolidated shareholders' equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its calendar year end December 31 and the consolidated interim financial statements as of March 31, June 30, and September 30. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

<u>Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021</u>

On July 8, 2016, the Group borrowed ₱6,500 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The loan was released on July 8, 2016 amounting to ₱3,000 million and on September 27, 2016 amounting to ₱3,500 million with interest rate at 3.8327% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Seven-year term loan from Bank of the Philippine Islands maturing on August 10, 2023
On August 10, 2016, the Group borrowed ₱5,000 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The ₱5,000 million loan was released on August 10, 2016 with interest rate at 3.8900% per annum and shall be payable quarterly, computed on the basis of a 360-day year and on the actual number of days elapsed.
Partial payments for this loan amounting to ₱10 million each were made in 2018 and 2017.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Ten-year term loan from BPI maturing on February 13, 2027
On February 10, 2017, the Group borrowed ₱4,500 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The loan was released on February 10, 2017 amounting to ₱4,500 million with interest rate at 4.9500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Partial payment for this loan amounting to ₱5 million was made on February 13, 2018.

Debt Covenants
The Group is required to maintain a ratio of net debt-to-equity not exceeding 2:1 as measured at each fiscal year-end date based on the audited consolidated financial statements. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025
On February 23, 2015, the Group issued ₱1,365 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants
The Group is required to maintain a debt-to-equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Five-year loan from Agricultural Bank of China (ABC) maturing in August 2022
In 2017, Chengdu Xin Yao entered into a facility loan agreement with ABC amounting to RMB500 million. On August 22, 2017, Chengdu Xin Yao made a drawdown which amounting to RMB60 million (₱458 million) which is payable after a period of 5 years. Interest on the loan shall be based on the rates released by the People's Bank of China which is 4.75% per annum as of loan agreement date.

In 2018, Chengdu Xin Yao made an additional drawdown amounting to RMB156 million (₱1,193 million) which is payable on August 19, 2022.

As of December 31, 2018, total drawdown from this loan agreement is RMB216 million.

Debt Covenants
Chengdu Xin Yao is required to maintain the following financial indicators: (a) actual revenue in its operating period which should not be lower than 20%; (b) debt-asset ratio should not equal or exceed 70%; (c) the borrower should not have a bad credit; and (d) borrower contingent liability ratio should not exceed 4%. Chengdu Xin Yao has complied with the debt covenant as of December 31, 2018 and 2017.

Three-year entrusted loan from Chengdu Ding Feng Real Estate Development Co. Ltd. Maturing in December 2019
In 2017, Chengdu Xin Yao entered into a loan agreement with Chengdu Ding Feng Real Estate Development Co. Ltd. amounting to RMB50 million (₱382 million). Interest on the loan is 4.75%.

The said loan was preterminated on December 13, 2018.

Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019
On July 8, 2014, the Group borrowed ₱9,000 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The ₱9,000 million loan was released in two tranches amounting to ₱5,000 million and ₱4,000 million on July 14, 2014 and August 27, 2014, respectively. The interest rate is at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. On October 17, 2016, the Group preterminated the ₱9,000 million loan.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019
On July 8, 2014, the Group borrowed ₱1,000 million under Term Loan Facility Agreements with BDO Leasing and Finance, Inc.

The ₱1,000 million loan was released on July 14, 2014 with interest rate at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. On October 17, 2016, the Group preterminated the ₱1,000 million loan.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

Pre-termination of term loans from BDO Unibank, Inc. and BDO Leasing & Finance, Inc.
On October 17, 2016, the Group pre-terminated the outstanding balance of the ₱9,000 million five-year term loan from BDO Unibank, Inc. and ₱1,000 million five-year term loan from BDO Leasing and Finance, Inc. Pursuant to the Term Loan Facility Agreement between the Group, BDO Unibank, Inc. and BDO Leasing and Finance, Inc. dated July 8, 2014, the Group may prepay the loan in part or full together with accrued interest thereof to prepayment date subject to the penalty of one percent (1%). The Group paid a prepayment charge amounting to ₱100 million which is included in finance charges under "Other income (losses)" (see Note 28).

Details of the Group's loans payable by maturity follow:

Long-term loans

	Within 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
December 31, 2018	**₱15,000,000**	**₱15,000,000**	**₱6,515,000,000**	**₱12,301,627,328**	**₱17,779,500,000**	**₱36,626,127,328**
December 31, 2017	₱15,000,000	₱396,938,050	₱15,000,000	₱6,515,000,000	₱28,888,325,660	₱35,830,263,710

Debt issue cost

	2018	2017
Beginning balance	**₱169,101,556**	₱138,522,322
Additions	**–**	57,500,000
Amortizations	**(31,513,229)**	(26,920,766)
Ending balance	**₱137,588,327**	₱169,101,556

19. Deposits and Other Noncurrent Liabilities

	2018	2017
Deposits from lessees (Notes 17, 33 and 34)	**₱2,650,771,913**	₱2,341,568,583
Accrued rent expense	**1,608,663,933**	1,458,843,803
Accounts payable (Note 22)	**645,174,274**	2,536,748,920
Pension liabilities (Note 31)	**325,012,487**	324,547,653
Advances for marketing and promotional fund	**220,031,526**	199,189,605
Others	**246,544,614**	246,625,744
Deposits from real estate buyers (Note 3)	**–**	1,220,643,793
	₱5,696,198,747	₱8,328,168,101

Accounts payable mainly consists of retentions payable which represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

Accrued rent expense represents the portion of the lease as a consequence of recognizing expense on a straight-line basis. These pertain to various lease of land entered by the Group where the malls are located.

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. The deposits from real estate buyers which are expected to be applied to the contract price within one year are classified as current. As of December 31, 2018, the 'deposits from real estate buyers' account wass reported as 'contract liabilities' in the consolidated statements of financial position under the modified retrospective approach.

Advances for marketing and promotional fund represents advances from suppliers for sales promotions and marketing programs.

Others include payable to the non-controlling interests of the Parent Company's subsidiaries.

20. Retained Earnings

The declarable dividend of Parent Company amounted to ₱23,395 million and ₱18,491 million as of December 31, 2018 and 2017, respectively.

Restriction

A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱2,223 million and ₱1,793 million as of December 31, 2018 and 2017, respectively, are not available for dividend declaration by the Parent Company until received in the form of dividends.

Also ₱27,000 million and ₱24,500 million as of December 31, 2018 and 207, respectively, of retained earnings appropriated for future and ongoing expansions are not available for dividends.

Dividends declared

The BOD declared cash dividends in favor of all its stockholders for the years ended December 31, 2018 and 2017 as follows:

	December 31, 2018	December 31, 2017
Date of declaration	**April 6, 2018**	March 3, 2017
Date of payment	**May 23, 2018**	May 2, 2017
Ex-dividend rate	**April 26, 2018**	April 3, 2017
Dividend per share	**₱0.36**	₱0.36
Total dividends	**₱1,869,779,047**	₱1,473,779,046

Appropriation

On December 14, 2018, the BOD approved the reversal of the retained earnings it appropriated in 2017 amounting to ₱24,500 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱27,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in December 2018. These projects and acquisitions are expected to be completed in various dates in 2019 up to 2023.

On December 12, 2017, the BOD approved the reversal of the retained earnings it appropriated in 2016 amounting to ₱16,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱24,500 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2018 up to 2022.

21. Capital Stock and Other Equity Reserve

The details of the number of common shares as of December 31, 2018 and 2017 follow:

	December 31, 2018		December 31, 2017	
	Shares	**Amount**	Shares	Amount
Authorized - at ₱1 par value	**8,200,000,000**	**₱8,200,000,000**	8,200,000,000	₱8,200,000,000
Issued and outstanding				
Common shares	**5,193,830,685**	**₱5,193,830,685**	4,111,528,685	₱4,111,528,685
Treasury shares	**–**	**–**	(17,698,000)	(221,834,657)
	5,193,830,685	**₱5,193,830,685**	4,093,830,685	₱3,889,694,028

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2018:

	Number of shares registered	Issue/ offer price	Date of SEC approval	Number of holders of securities as of year end
Balance before Initial public offering	300,000,000			
Initial public offering	200,000,000	₱1.00/share	February 10, 1989	
Increase in offer price		₱5.81/share	June 3, 1989	
Add:				
1:1 stock rights offering	500,000,000	₱2.50/share	March 15, 1991	
20% stock dividend	200,000,000	₱1.00/share	June 16, 1993	
1:2 stock rights offering	600,000,000	₱2.50/share	March 21, 1995	
Exchange for shares of JGSHI in MMHLC and in RII	496,918,457		April 3, 1997	
1:2 New share offering	450,000,000	₱12.00/share	September 25, 2006	
1:2 stock rights offering	1,364,610,228	₱10.00/share	May 17, 2011	
October 1, 2016	4,111,528,685			1,086
Add (deduct) movement	–			(7)
December 31, 2016	4,111,528,685			1,079
Add (deduct) movement	–			(13)
December 31, 2017	4,111,528,685			1,066
Add: Stock rights offering (SRO)	1,082,302,000	₱18.20/share	February 8, 2018	(5)
December 31, 2018	5,193,830,685			1,061

JGSHI - JG Summit Holdings, Inc.
MMHLC - Manila Midtown Hotels and Land Corporation
RII - Robinson's Inn Inc.
Note: Inclusive of 17,698,000 treasury shares

Stock rights offering
On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the SRO to finance the acquisition of land located in various parts of the country for all its business segments.

The Company obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the SRO was obtained on December 14, 2017. The following are the key dates of the SRO:
- Pricing date - January 24, 2018
- Ex-date - January 26, 2018
- Record date - January 31, 2018
- Offer period - February 2 to 8, 2018
- Listing date - February 15, 2018

The Parent Company successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

Additional Paid-In Capital Stock
As a result of the SRO, the Group incurred total issuance cost of ₱90 million of which ₱69 million was charged to Additional Paid-In Capital while the ₱21 million was charged to expense.

Below is the movement of the Additional Paid-In Capital:

	2018	2017
Beginning Balance	**₱20,392,532,781**	₱20,392,532,781
Proceeds of SRO in excess of par		
From new shares issued	**18,615,594,400**	–
From treasury shares	**100,268,943**	–
Stock issuance costs	**(67,067,888)**	–
	₱39,041,328,236	₱20,392,532,781

Treasury Shares
On October 22, 2009, the Parent Company's BOD approved the creation and implementation of a share buy-back program allotting up to ₱1,000 million to reacquire a portion of the Parent Company's issued and outstanding common shares, representing approximately 3.1% of current market capitalization.

As of December 31, 2017, the Parent Company had a total of 17,698,000 treasury shares with a total purchase price of ₱222 million at an average price of ₱12.53 per share.

The Company reissued these treasury shares during the SRO in 2018.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity attributable to the equity holders of the Parent Company. Following is a computation of the Group's debt-to-capital ratio as of December 31, 2018 and 2017.

	2018	2017
(a) Loans payable (Note 18)	**₱37,522,827,328**	₱51,523,663,710
(b) Capital	**₱93,510,602,099**	₱67,091,340,611
(c) Debt-to-capital ratio (a/b)	**0.40:1**	0.77:1

As of December 31, 2018 and 2017, the Group is compliant with its debt covenants with lenders.

Other Equity Reserve

On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in Altus San Nicolas Corp. (ASNC), increasing its ownership interest from 80% to 100%. Cash consideration of ₱198 million was paid to the non-controlling shareholders. The total carrying value of the net assets of ASNC at the date of acquisition was ₱578 million, and the 20% equivalent of the carrying value of the remaining non-controlling interest acquired was ₱111 million. The difference of ₱87 million between the consideration and the carrying value of the interest acquired was booked in "Other equity reserve" account within equity.

22. Related Party Transactions

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities. Transactions are generally settled in cash, unless otherwise stated.

The amounts and balances arising from significant related party transactions are as follows:

	December 31, 2018 (One Year)			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
Ultimate Parent Company				
a) Rental income/receivable	**₱57,964,248**	**₱4,495,516**	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances from	**45,808,682**	**(201,313,407)**	Non-interest bearing; due and demandable	Unsecured
Under common control of Ultimate Parent Company				
c) Cash and cash equivalents				
• Cash in banks	**327,025,906**	**811,808,669**	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	**1,414,410,627**	**1,414,410,627**	Interest bearing at prevailing market rate; at 1.25% to 3.00% per annum due and demandable	Unsecured; no impairment
• Interest income	**53,029,144**	**337,080**		
a) Rental income/receivable	**2,728,947,022**	**163,069,995**	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**292,051,648**	**17,635,524**	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	**299,283**	**(30,487,371)**	Non-interest bearing; due and demandable	Unsecured
d) Sale of lease receivables	**1,017,153.531**	–	Non-interest bearing; payable in installments	Unsecured; no impairment
Joint ventures in which the Parent Company is a venturer				
b) Advances to	**190,000,000**	**190,000,000**	Interest-bearing at PDST R2 of applicable interest period	Unsecured; no impairment
f) Sale of land - contract liabilities	**2,705,550,000**	**(2,705,550,000)**	Non-interest bearing; due in one year	Unsecured; no impairment
Elimination of excess of gain on sale against investment in joint venture	–	**(1,118,639,671)**		
f) Sale of land - contract assets	**2,507,450,000**	**4,011,920,000**	Interest bearing at 4% interest rate; due in 4 annual installment	Unsecured; no impairment
Interest income from sale of land - contract assets	**39,317,438**	**78,634,875**		
Elimination of excess of interest income against investment in joint venture – contract liabilities	–	**(39,317,437)**		
		₱2,597,004,400		

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		December 31, 2017 (One Year)			
		Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company					
a)	Rental income/receivable	₱51,766,433	₱3,189,986	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b)	Advances from	51,979,442	(155,504,725)	Non-interest bearing; due and demandable	Unsecured
e)	Accounts payable	6,544,360,000	(4,842,826,400)	Non-interest bearing; payable within three years	Unsecured
Under common control					
	c) Cash and cash equivalents				
	• Cash in banks	182,113,340	484,782,763	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
	• Short-term investments	528,119,065	528,119,065	Interest bearing at prevailing market rate; at 1.25% to 3.00% per annum due and demandable	Unsecured; no impairment
	• Interest income	2,730,662	10,546		
	a) Rental income/receivable	2,284,829,922	110,555,182	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b)	Advances to	5,276,611	23,419,773	Non-interest bearing; due and demandable	Unsecured; no impairment
b)	Advances from	4,501,086	(30,188,088)	Non-interest bearing; due and demandable	Unsecured
d)	Sale of lease receivables	891,045,585	–	Non-interest bearing; payable in installments	Unsecured; no impairment
			(₱3,878,441,898)		

Outstanding balances consist of the following:

	December 31	
	2018	2017
Cash and cash equivalents (Note 7)	**₱2,226,219,296**	₱1,012,901,828
Receivable from affiliated companies (Note 8)	**207,635,524**	23,419,773
Rental receivables (Note 8)	**167,902,591**	113,755,714
Contract assets (Note 10)	**4,090,554,875**	–
Contract liabilities (Note 16)	**(3,863,507,108)**	–
Payable to affiliated companies (Note 17)	**(231,800,778)**	(185,692,813)
Accounts payable and accrued expenses (Note 15)	–	(2,600,000,000)
Deposits and other noncurrent liabilities (Note 19)	–	(2,242,826,400)
	₱2,597,004,400	(₱3,878,441,898)

Significant transactions with related parties are as follows:

a) Rental income
The Group leases commercial properties to affiliated companies with a lease term of three to five years based on prevailing market lease rates.

b) Advances to (from) affiliated companies
The Group, in the normal course of business, has transactions with its major stockholders, Ultimate Parent Company and its affiliated companies consisting principally of lease arrangements and advances principally for working capital requirement, financing for real estate development, and purchase of investment properties.

In October 2018, the Parent Company entered a Loan Agreement with RHK Land Corporation, a joint venture with Hong Kong Land Group, to make available a loan facility amounting to ₱1,400 million. As of December 31, 2018, total drawdown from this credit facility is ₱190 million.

The Group also made an advance payment to one of its joint venture's stockholder for the purchase of land amounting to ₱297 million as of December 31, 2018

c) Cash and cash equivalents
The Group maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

There are no other arrangements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled to under the Group's pension plan.

d) Sale of lease receivables
On May 26, 2017, the Parent Company entered into a master agreement with an affiliate bank to sell the former's installment contracts receivable on a without recourse basis through various tranches. For the year ended December 31, 2018, the Parent Company sold its lease receivables with a carrying value of ₱1,017 million to the affiliate bank which resulted to a gain amounting to ₱119 million.

e) Accounts payable to Ultimate Parent
In December 2017, the Parent Company entered into a Deed of Absolute Sale with JGSHI, wherein JGSHI sold to the Parent Company its 130,965 square-meter parcels of land for a total selling price of ₱6,544 million plus 12% VAT on an installment basis for three years. In 2018, the Parent Company paid the entire outstanding payable to JGSHI.

f) Sale of Land
On June 2018, the Parent Company entered into a contract to sell two (2) adjoining parcels of land located at Bonifacio, Global City Taguig, with Shang Robinsons Properties Inc. (SRPI), a joint venture with Shang Properties, Inc. (SPI). Total selling price is ₱5,015 million (net of value added tax) and shall be payable in five (5) annual installments, with interest at a rate of 4% per annum on the unpaid amount of the purchase price. Out of the amount of selling price and cost of land, ₱2,507 million and ₱398 million were recognized in real estate sales and cost of real estate sales, respectively. These amounts represent the portion sold to SPI by virtue of its 50% ownership in SRPI. The remaining 50% will be recognized as the SRPI starts to sell to its customers - ₱990 million was charged against the carrying value of the Investment in SRPI and ₱1,119 million is currently presented under noncurrent contract liabilities as of December 31, 2018 (see Note 32). As of December 31, 2018, outstanding balance for the purchase price amounted to ₱4,012 million presented under contract assets while interest from the said receivable amounted to ₱39 million.

During the year, the Parent Company also entered into a contract to sell a parcel of land located within the Bridgetowne Complex in Pasig City with RHK Land Corporation. Total purchase price of the land is ₱2,706 million (net of value added tax) which was fully paid as of December 31, 2018 and presented as contract liabilities in consolidated statements of financial position.

Terms and conditions of transactions with related parties
There have been no guarantees provided or received for any related party receivables or payables. The Group has not recognized any impairment losses on amounts receivables from related parties for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.
Compensation of key management personnel by benefit type follows:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Short-term employee benefits	**₱971,417,842**	₱863,112,728	₱258,657,149
Post-employment benefits	**61,807,906**	55,303,477	10,962,639
	₱1,033,225,748	₱918,416,205	₱269,619,788

23. Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time, respectively, in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Revenue from contracts with customers			
Recognized over time			
Residential development	**₱8,345,617,524**	₱5,973,248,023	₱1,472,300,349
Recognized at a point in time			
Industrial and integrated development	**2,507,450,000**	–	–
Hotels and resorts	**1,982,137,914**	1,892,873,758	496,892,214
Amusement income	**1,972,527,785**	1,802,643,181	431,783,166
	6,462,115,699	3,695,516,939	928,675,380
Total revenue from contracts with customers	**14,807,733,223**	9,668,764,962	2,400,975,729
Rental income	**13,548,204,208**	11,581,560,401	2,718,339,596
Other income	**1,189,376,460**	1,266,492,267	575,454,463
	₱29,545,313,891	₱22,516,817,630	₱5,694,769,788

Performance obligations
Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the (i) serviced lot; (ii) service lot and house and (ii) condominium unit and Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

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

Within one year	₱11,833,678,481
More than one year	3,476,526,315
	₱15,310,204,796

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three years and five years, respectively, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

Residential development

Type of Product	**December 31,**		
	2018	2017	2016
	(One year)	(One year)	(Three months)
Residences	**₱5,118,889,727**	₱3,239,567,530	₱624,258,905
Communities	**1,380,754,562**	1,368,215,466	574,033,260
Luxuria	**961,311,272**	602,867,325	102,536,115
Homes	**884,661,963**	762,597,702	171,472,069
	₱8,345,617,524	₱5,973,248,023	₱1,472,300,349

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Real estate sales include interest income from installment contracts receivable amounting to ₱942 million, ₱1,715 million and ₱168 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016. These are also recognized over time.

Industrial and Integrated Developments

The real estate revenue from the sale of land amounting to ₱2,507 million in 2018 pertains to the sale of two (2) adjoining parcels of land which was recognized at a point in time (see Note 22).

Hotels and resorts

Type of Product	**2018 (One year)**	2017 (One year)	2016 (Three months)
	December 31,		
Rooms	**₱1,312,576,731**	₱1,210,221,728	₱303,155,640
Food and beverage	**593,105,042**	621,883,904	181,876,204
Franchise revenue	**16,819,902**	16,838,778	408,028
Others	**59,636,239**	43,929,348	11,452,342
	₱1,982,137,914	₱1,892,873,758	₱496,892,214

Costs to obtain contract

The balances below pertain to the cost to obtain contract presented in the consolidated financial statements.

Balance at the beginning of the year	₱354,758,625
Additions	653,599,770
Amortization (Note 25)	(725,081,987)
	₱283,276,408

24. Costs

	2018 (One year)	2017 (One year)	2016 (Three months)
	December 31,		
Real Estate Operations			
Cost of Rental Services			
Depreciation (Note 26)	**₱4,208,494,869**	₱3,732,988,642	₱962,971,811
Property operations and maintenance costs (Note 12)	**791,291,480**	710,458,514	184,083,433
Accretion of security deposit (Note 17)	**72,906,097**	56,147,861	21,327,753
	5,072,692,446	4,499,595,017	1,168,382,997
Cost of Real Estate Sales (Note 9)	**4,931,427,825**	3,143,037,387	1,072,837,533
Cost of Amusement Services			
Film rentals expense	**906,006,116**	820,824,802	195,593,971
Others			
Contracted services	**363,415,700**	253,137,260	32,508,845
Others	**838,169,402**	559,279,805	79,178,093
	1,201,585,102	812,417,065	111,686,938
	12,111,711,489	9,275,874,271	2,548,501,439

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Hotel Operations			
Cost of Room Services			
Property operations and maintenance costs	**₱425,605,463**	₱386,759,727	₱48,267,241
Depreciation (Note 26)	**248,237,776**	181,125,459	47,049,114
	673,843,239	567,885,186	95,316,355
Cost of Food and Beverage	**320,069,980**	353,667,814	99,516,430
Others			
Salaries and wages (Note 27)	**97,141,168**	60,005,353	48,551,120
Contracted services	**85,818,160**	69,033,445	31,856,217
Management fee	**73,189,792**	64,430,314	18,583,900
Supplies	**37,493,390**	21,336,897	14,480,280
Commission	**15,255,321**	8,709,538	9,428,004
Others	**254,069,725**	205,443,822	15,590,833
	562,967,556	428,959,369	138,490,354
	1,556,880,775	1,350,512,369	333,323,139
	₱13,668,592,264	₱10,626,386,640	₱2,881,824,578

Others under costs of real estate operations and hotel operations include expenses for utilities, and other overhead expenses.

25. General and Administrative Expenses

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Salaries and wages (Notes 22, 27 and 31)	**₱936,084,580**	₱858,410,852	₱221,068,668
Commission	**800,153,709**	588,617,839	132,465,128
Taxes and licenses	**732,215,601**	688,653,834	72,327,507
Advertising and promotions	**655,239,141**	520,144,547	169,868,301
Rent (Note 36)	**245,990,220**	52,014,409	43,593,841
Insurance	**132,096,341**	140,294,103	9,852,203
Association dues	**117,117,754**	105,739,200	29,696,574
Supplies	**104,142,986**	133,003,519	30,349,451
Light, water and communication	**97,834,528**	105,103,790	21,619,899
Travel and transportation	**77,071,904**	69,776,197	12,630,360
Entertainment, amusement and recreation	**18,231,929**	21,153,204	13,504,404
Others	**80,174,176**	45,105,053	37,088,416
	₱3,996,352,869	₱3,328,016,547	₱794,064,752

26. Depreciation

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Real estate (Notes 12, 13 and 24)	**₱4,208,494,869**	₱3,732,988,642	₱962,971,811
Hotel operations (Notes 13 and 24)	**248,237,776**	181,125,459	47,049,114
	₱4,456,732,645	₱3,914,114,101	₱1,010,020,925

27. **Personnel Expenses**

Personnel expenses consist of (see Notes 24 and 25):

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Salaries, wages and other staff costs	**₱917,284,253**	₱811,588,387	₱243,588,858
Pension expense (Note 31)	**61,807,906**	55,303,477	10,962,639
SSS contributions, PAG-IBIG contributions, premiums and others	**54,133,589**	51,524,341	15,068,291
	₱1,033,225,748	₱918,416,205	₱269,619,788

The above amounts are distributed as follows:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
General and administrative (Note 25)	**₱936,084,580**	₱858,410,852	₱221,068,668
Hotel operations (Note 24)	**97,141,168**	60,005,353	48,551,120
	₱1,033,225,748	₱918,416,205	₱269,619,788

28. **Other Income (Losses)**

Interest income consists of:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Interest income:			
Bank deposits (Note 7)	**₱156,969,192**	₱36,809,915	₱7,286,604
Receivable from affiliates	**39,317,437**	–	–
Interest income from installment contract receivable - recognized under real estate sales (Note 23)	**942,301,995**	1,714,559,283	168,336,421
	₱1,138,588,624	₱1,751,369,198	₱175,623,025

Interest expense consists of (see Notes 17 and 19):

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Loans payable (Note 18)	**₱836,112,262**	₱778,194,869	₱237,171,367
Finance charges (Note 18)	**–**	–	146,968,284
	₱836,112,262	₱778,194,869	₱384,139,651

Capitalized borrowing costs for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 are discussed in Notes 9, 12, 13 and 18.

Interest income pertains to the Group's interest received from cash and cash equivalents.

29. **Income Tax**

The Group's provision for income tax includes the regular corporate income tax (RCIT), minimum corporate income tax (MCIT) and final tax paid at the rate of 20% for peso deposits and 7.50% for foreign currency deposits which are final withholding tax on gross interest income. Details follow:

	December 31,		
	2018 (One year)	2016 (One year)	2016 (Three months)
Current			
RCIT	**₱2,305,197,006**	₱1,771,169,116	₱444,558,754
Final tax	**14,307,463**	6,460,001	365,067
MCIT	**403,217**	315,448	251,922
	2,319,907,686	1,777,944,565	445,175,743
Deferred	**699,159,325**	173,025,316	(59,422,873)
	₱3,019,067,011	₱1,950,969,881	₱385,752,870

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.41)**	(0.01)	(0.01)
Tax exempt real estate sales	**(0.22)**	(0.11)	(0.16)
Income subjected to BOI, PEZA and lower tax	**(2.52)**	(4.98)	(6.32)
Effective income tax rate	**26.85%**	24.90%	23.51%

Deferred taxes as of December 31, 2018 and 2017 relate to the tax effects of the following:

	2018	2017
Deferred tax assets:		
Accrued rent expense	**₱507,821,606**	₱474,822,924
Accrued interest expense	**242,597,937**	220,795,887
Pension liabilities	**107,369,265**	106,170,155
Allowance for impairment loss	**14,302,980**	14,302,980
MCIT	**2,168,956**	2,168,956
	874,260,744	818,260,902
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(1,961,848,143)**	(1,878,456,323)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(1,870,869,852)**	(1,277,103,559)
Accrued rent income	**(439,867,823)**	(330,627,337)
Unamortized debt issuance cost	**(44,102,089)**	(53,556,058)
Fair value reserve of financial assets at FVOCI	**(3,781,008)**	–
Prepaid rent (Note 14)	**(134,440,664)**	(143,707,812)
	(4,454,909,579)	(3,683,451,089)
Net deferred tax liabilities	**(₱3,580,648,835)**	(₱2,865,190,187)

Provision for deferred tax relating to remeasurements of defined benefit liability recognized directly in equity amounted to (₱12) million, (₱29) million and ₱6 million for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively.

The Group has deductible temporary difference that is available for offset against taxable income or tax payable for which deferred tax asset has not been recognized. This deductible temporary difference with no deferred tax assets recognized in the consolidated financial statements pertains to NOLCO of subsidiaries amounting to ₱3 million and P4 million as of December 31, 2018 and 2017, respectively. The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱1 million as of December 31, 2018 and 2017.

The carryforward benefits of NOLCO, which can be claimed as a deduction by the Group against future taxable income for the next three (3) years from the year of incurrence, are as follows:

Period of recognition	Amount	Period of expiration
NOLCO		
December 31, 2018	₱–	December 31, 2021
December 31, 2017	517,845	December 31, 2020
December 31, 2016	540,064	December 31, 2019
September 30, 2016	1,796,845	September 30, 2019
	₱2,854,754	

Period of recognition	Amount	Period of expiration
MCIT		
December 31, 2018	₱456,442	December 31, 2021
December 31, 2017	315,448	December 31, 2020
December 31, 2016	63,272	December 31, 2019
September 30, 2016	227,828	September 30, 2019
	₱1,062,990	

Movement in NOLCO and MCIT follows:

NOLCO	**2018**	2017
Beginning balances	**₱3,754,601**	₱4,248,915
Additions	–	517,845
Expirations	**(899,847)**	(1,012,159)
Ending balances	**₱2,854,754**	₱3,754,601

MCIT	**2018**	2017
Beginning balances	**₱1,404,339**	₱1,296,774
Additions	**456,442**	315,448
Expirations	**(797,791)**	(207,883)
Ending balances	**₱1,062,990**	₱1,404,339

30. Basic/Diluted Earnings Per Share

Earnings per share amounts were computed as follows:

		December 31,		
		2018 (One year)	2017 (One year)	2016 (Three months)
a.	Net income attributable to equity holders of Parent Company	**₱8,216,002,328**	₱5,881,150,728	₱1,254,917,783
b.	Weighted average number of common shares outstanding adjusted (Note 21)	**5,056,330,685**	4,093,830,685	4,093,830,685
c.	Earnings per share (a/b)	**₱1.62**	₱1.44	₱0.31

There were no potential dilutive shares for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016.

31. Employee Benefits

Pension Plans

The Group has funded, noncontributory, defined benefit pension plans covering all of its regular employees.

It provides benefits based on a number of month's salary for every year of service. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with Robinsons Bank Corporation (RBC) as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Group, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions.

The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. RBC manages the plan assets based on the mandate as defined in the trust agreement.

The components of pension expense (included in "Personnel expenses" under "Costs and General and administrative expenses" in the consolidated statements of comprehensive income) follow:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Service cost	**₱43,783,555**	₱42,269,949	₱8,074,069
Net interest cost	**18,024,351**	13,033,528	2,888,570
Pension expense	**₱61,807,906**	₱55,303,477	₱10,962,639

There are no plan amendments, curtailments or settlements for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016.

The amounts recognized as pension liabilities included under "Deposit and other noncurrent liabilities" in the consolidated statements of financial position follow:

	2018	2017
Present value of defined benefit obligation	**₱464,993,377**	₱470,681,322
Fair value of plan assets	**(139,980,890)**	(146,133,669)
Pension liabilities	**₱325,012,487**	₱324,547,653

Changes in net defined benefit liability of funded funds follow:

	December 31, 2018 (One Year)		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Balance at January 1, 2018	**₱470,681,322**	**₱146,133,669**	**₱324,547,653**
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	**43,783,555**	**–**	**43,783,555**
Net interest cost	**25,565,458**	**7,541,107**	**18,024,351**
Subtotal	**69,349,013**	**7,541,107**	**61,807,906**
Benefits paid	**(32,771,253)**	**(10,747,898)**	**(22,023,355)**
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	**8,541,377**	**–**	**8,541,377**
Actuarial changes arising from changes in financial/demographic assumptions	**(50,807,082)**	**–**	**(50,807,082)**
Return on plan assets	**–**	**(2,945,988)**	**2,945,988**
Subtotal	**(42,265,705)**	**(2,945,988)**	**(39,319,717)**
Balance at December 31, 2018	**₱464,993,377**	**₱139,980,890**	**₱325,012,487**

	December 31, 2017 (One Year)		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at January 1, 2017	₱510,599,931	₱157,465,185	₱353,134,746
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	42,269,949	–	42,269,949
Net interest cost	19,296,205	6,262,677	13,033,528
Subtotal	61,566,154	6,262,677	55,303,477
Benefits paid	(6,537,538)	(4,285,569)	(2,251,969)
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	(3,493,005)	₱–	(3,493,005)
Actuarial changes arising from changes in financial/demographic assumptions	(91,454,220)	–	(91,454,220)
Return on plan assets	–	1,586,115	(1,586,115)
Subtotal	(94,947,225)	1,586,115	(96,533,340)
Others	–	(14,894,739)	14,894,739
Balance at December 31, 2017	₱470,681,322	₱146,133,669	₱324,547,653

	December 31, 2016 (Three Months)		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at October 1, 2016	₱479,132,556	₱151,524,900	₱327,607,656
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	8,074,069	–	8,074,069
Net interest cost	4,033,638	1,145,068	2,888,570
Subtotal	12,107,707	1,145,068	10,962,639
Contributions	–	6,241,908	(6,241,908)
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience adjustments	16,299,125	–	16,299,125
Actuarial changes arising from changes in financial/demographic assumptions	3,060,543	–	3,060,543
Return on plan assets	–	(1,446,691)	1,446,691
Subtotal	19,359,668	(1,446,691)	20,806,359
Balance at December 31, 2016	₱510,599,931	₱157,465,185	₱353,134,746

The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

	2018	2017
Cash and cash equivalents:		
Savings deposit account	**₱12,029,790**	₱38,313,660
Other securities	**72,112,909**	22,606,464
	84,142,699	60,920,124
Investment in debt instruments:		
Fixed rate bonds	**40,496,961**	72,214,780
Other debt instruments	**593,429**	140,807
	41,090,390	72,355,587
Accrued interest receivable	**1,292,771**	595,215
Prepaid tax	**86,384**	-
Other assets	**13,357,745**	12,274,270
Accrued trust and management fee payable	**10,901**	(11,527)
	₱139,980,890	₱146,133,669

The composition of the fair value of the Fund includes:

- Cash and cash equivalents - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas.
- Investment in debt instruments - include investment in long-term debt notes and retail bonds issued by locally listed entities.
- Accrued interest receivable and other receivable - include interest earned from investments and receivable from affiliated companies.
- Accrued trust and management fee payable - pertains mainly to charges of trust or in the management of the plan.

The fund has no investment in the Parent Company as of December 31, 2018 and 2017.

The plan assets have diverse investments and do not have any concentration risk.

The management performs an asset-liability matching strategy annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The overall expected rates of return on assets are based on the market expectations prevailing as at the reporting date, applicable to the period over which the obligation is settled.

The Group expects to contribute ₱65 million to the defined benefit pension plans in 2019.

The average duration of the defined benefit obligation of the Group as of December 31, 2018 and 2017 is 17 and 15 years, respectively.

The principal assumptions used to determine the pension benefits of the Group follow:

	December 31, 2018 (One Year)	December 31, 2017 (One Year)
Discount rate	**7.22% to 7.47%**	5.63% to 5.80%
Rate of salary increase	**5.70%**	5.50%

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of December 31, 2018 and 2017, assuming if all other assumptions were held constant.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The balances below show the addition/reduction in pension obligation assuming assumptions are changed:

		Increase (decrease) on pension liabilities	
		December 31, 2018	December 31, 2017
Discount rates	+1.00%	**(₱429,489,169)**	(₱435,084,092)
	-1.00%	**495,647,840**	511,246,772
Salary increase rates	+1.00%	**₱498,939,922**	₱514,060,694
	-1.00%	**(426,064,803)**	(431,994,139)

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

	December 31, 2018	December 31, 2017
Less than 1 year	**₱35,924,617**	₱33,835,830
More than 1 years to 5 years	**206,215,578**	166,775,205
More than 5 years to 10 years	**359,644,904**	335,554,425
More than 10 years to 15 years	**462,759,453**	423,658,912
More than 15 years to 20 years	**333,364,369**	311,502,005
More than 20 years	**607,938,614**	600,038,794

32. **Interest in Joint Ventures and Joint Operations**

A. Interest in Joint Ventures

This account consists of the following:

Investment in stocks - cost:	
Balance at beginning of year	₱–
Additions	2,400,000,000
Elimination of interest income on the sale of land	(39,317,438)
Elimination of gain on sale of land to joint venture	(951,180,215)
Balance at end of year	1,409,502,348
Accumulated equity in net earnings:	
Balance at beginning of year	–
Equity in net loss during the year	(26,148,678)
Balance at end of year	(26,148,678)
	₱1,383,353,670

Joint Venture with Shang Properties, Inc.
On November 13, 2017, the Parent Company's BOD approved the agreement with Shang Properties, Inc. (SPI) to form a joint venture corporation (JVC).

On May 23, 2018, Shang Robinsons Properties, Inc. (SRPI), the JVC, was incorporated. Both RLC and SPI each own 50% of the outstanding shares in SRPI. The office address of SRPI is at Lower Ground Floor, Cyber Sigma Building, Lawton Avenue, Fort Bonifacio Taguig.

RLC and SPI, through SRPI, shall build and develop a property situated at McKinley Parkway corner 5th Avenue and 21st Drive at Bonifacio Global City, Taguig, Metro Manila. The project is intended to be a mixed-use development and may include residential condominium units, serviced apartments and commercial retail outlets. SRPI also plans to pursue other development projects.

The investment in the SRPI is accounted as joint venture using equity method of accounting because the contractual arrangement between the parties establishes joint control.

In accordance with the joint venture agreement with SPI, the Parent Company agrees to extend loan to SRPI, at fair and commercial rates comparable to loans extended by third party banks and financial institutions, an amount of ₱1,000 million annually starting April 1, 2019 up to April 1, 2022. As of December 31, 2018, the Parent Company has not yet extended a loan to SRPI.

Summarized financial information of SRPI, presented in Philippine Peso, which is its functional and presentation currency and prepared in accordance with PFRS as at December 31, 2018 and for the period May 23, 2018 to December 31, 2018 are as follows:

Current assets	₱863,605,652
Noncurrent assets	5,158,809,613
Current liabilities	(1,032,479,961)
Noncurrent liabilities	(3,008,940,000)
Equity	1,980,995,304
Proportion of Group's ownership	50.00%
Group's share in identifiable net assets	990,497,652
Carrying amount of investment	₱–

Reconciliation of the carrying amount of investment in SRPI as of December 31, 2018 is as follows:

Initial investment in SRPI	₱1,000,000,000
Equity in net loss	(9,502,348)
	990,497,652
Elimination of gain on sale of land (Note 22)	(990,497,652)
Carrying amount of investment, December 31, 2018	₱–

Gain on sale of land to SRPI attributable to the Parent Company was offset against the remaining carrying amount of investment in SRPI. The excess of the gain on sale of land amounting to ₱1,119 million was presented as noncurrent contract liability as of December 31, 2018.

Joint Venture with Hong Kong Land Group

On February 5, 2018, the Parent Company's BOD approved the agreement with Hong Kong Land Group (HKLG) represented by Hong Kong Land International Holdings, Ltd. and its subsidiary Ideal Realm Limited to form a joint venture corporation (JVC).

On June 14, 2018, RHK Land Corporation (RHK Land), the JVC, was incorporated. RLC and HKLG owns 60% and 40%, respectively, of the outstanding shares in RHK Land. The principal office of the JVC is at 12F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Ortigas Center, Pasig City.

RLC and HKLG, through RHK Land, shall engage in the acquisition, development, sale and leasing of real property. RHK Land shall initially undertake the purchase of a property situated in Block 4 of Bridgetowne East, Pasig City, develop the property into a residential enclave and likewise carry out the marketing and sales of the residential units. RHK Land also plans to pursue other development projects.

On October 2018, the Parent Company entered into a Shareholder Loan Agreement with RHK Land to make available a loan facility of ₱1,400 million which RHK Land may draw from time to time subject to the terms and conditions set out in the agreement. On November 6, 2018, RHK Land has made a drawdown amounting to ₱190 million from the said facility with a repayment date falling on the fifth anniversary of the effective date.

The investment in the JVC is accounted as joint venture using equity method of accounting because the contractual arrangement between the parties establishes joint control.

Summarized financial information of RHK Land, presented in Philippine Peso, which is its functional and presentation currency and prepared in accordance with PFRS as at December 31, 2018 and for the period June 14, 2018 to December 31, 2018 are as follows:

Current assets	₱394,474,314
Noncurrent assets	2,763,931,339
Current liabilities	(6,149,537)
Noncurrent liabilities	(380,000,000)
Equity	2,772,256,116
Proportion of Group's ownership	60.00%
Group's share in identifiable net assets	1,663,353,670
Carrying amount of investment	₱1,383,353,670

B. Joint Operations

The Group has entered into joint venture agreements with various landowners and other companies with various percentage interests in these joint operations depending on the value of the land or investment against the estimated development costs. These joint venture agreements entered into by the Group relate to the development and sale of subdivision land, condominium and residential units, with certain level of allocation of condominium unites/lots to be sold to buyers with provisions for sharing in the cash collection on the sale of allocated developed unites.

The Group's joint venture agreements typically require the joint venture partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all the cost related to the land development and the construction of subdivision land, condominium and residential units, including the facilities.

Sales and marketing costs are allocated to both the Group and the joint operations partner. The projects covering the joint venture agreement are expected to be completed within two to three years. Each joint operations party has committed to contribute capital based on the terms of the joint venture agreement.

Interest in joint projects with Horizon Land Property & Development Corporation, formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (Jointly Controlled Operations)

On February 7, 2011, the Parent Company entered into a joint venture agreement with Horizon Land Property & Development Corporation (HLPDC), formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (FLI) to develop Axis Residences (the Project) located along Pioneer Street in Mandaluyong City. The construction of the planned 2-phase residential condominium has commenced in March 2012. One tower of first phase was completed on September 2015.

The agreed contributions of the parties follow:

a. The Parent Company: Road lot valued at ₱89 million and development costs amounting ₱1,390 million
b. FLI: Development costs amounting ₱739 million
c. HLPDC, an affiliate of FLI: Four (4) adjoining parcels of land valued at ₱739 million located along Pioneer St., Mandaluyong City, 21,109 sqm

Further, the sharing of saleable units (inventories) of real estate revenue, cost of real estate sales and any common expenses incurred, are as follows: the Parent Company-50% and FLI-50%. Based on the foregoing, the Parent Company accounted for the joint arrangement as a jointly controlled operations and accordingly, recognized its share in the installment contracts receivables, subdivision land, condominium and residential units for sale, deposits to joint venture partners, accounts payable, real estate sales and cost of real estate sales of the joint operations.

On December 6, 2017, the Parent Company executed an addendum agreement with HLPDC and FLI to discontinue the development of Phase II.

The following were the agreements included in the addendum:

a. The development of the Project shall be limited to Phase 1;
b. The discontinuance shall be without fault on either of the Parties. Accordingly, HLPDC and FLI shall reimburse RLC the amount of ₱193 million representing the non-development of four (4) towers of Phase II;
c. Ownership and right of possession of the parcels of land corresponding to Phase II shall remain to be with HLPDC and shall be excluded from the provisions of the JVA.
d. The perpetual right to use RLC's land contribution is limited to Phase I and to the adjacent properties owned by HLPDC, FLI or its affiliates.

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33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, comprise of loans payable, deposit from lessees, receivables from affiliated companies, payables to affiliated companies, utility deposits, receivables and cash and cash equivalents. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks currently arising from the Group's financial instruments are foreign currency market risk, liquidity risk, interest rate risk and credit risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below, together with the related risk management structure.

<u>Risk Management Structure</u>
The Group's risk management structure is closely aligned with that of the Parent Company.
The BOD of the Parent Company and the respective BODs of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks.

The risk management framework encompasses environmental scanning, the identification and assessment of business risks, development of risk management strategies, design and implementation of risk management capabilities and appropriate responses, monitoring risks and risk management performance, and identification of areas and opportunities for improvement in the risk management process.

Each BOD has created the board-level Audit Committee (AC) to spearhead the managing and monitoring of risks.

Audit Committee

The AC shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.

The AC also aims to ensure that:

a. financial reports comply with established internal policies and procedures, pertinent accounting and audit standards and other regulatory requirements;
b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management;
c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and
d. the Group's BOD is properly assisted in the development of policies that would enhance the risk management and control systems.

Enterprise Risk Management Group (ERMG)

To systematize the risk management within the Group, the ERMG was created to be primarily responsible for the execution of the enterprise risk management framework. The ERMG's main concerns include:

a. recommending risk policies, strategies, principles, framework and limits;
b. managing fundamental risk issues and monitoring of relevant risk decisions;
c. providing support to management in implementing the risk policies and strategies; and
d. developing a risk awareness program.

Support groups have likewise been created to explicitly manage on a day-to-day basis specific types of risks like trade receivables, supplier management, etc.

Compliance with the principles of good corporate governance is also one of the objectives of the BOD. To assist the BOD in achieving this purpose, the BOD has designated a Compliance Officer who shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

<u>Risk Management Policies</u>

The main risks arising from the use of financial instruments are foreign currency risk, liquidity risk, interest rate risk and credit risk. The Group's policies for managing the aforementioned risks are summarized below.

Market risk

Foreign Currency Risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from financial instruments that are denominated in United States Dollar (USD) which result primarily from movement of the Philippine Peso (PHP) against the USD.

The Group does not have any foreign currency hedging arrangements.

The table below summarizes the Group's exposure to foreign currency risk:

	December 31, 2018		December 31, 2017	
Assets				
Cash and cash equivalents	**$547,927**	**₱28,809,976**	$1,204,233	₱60,115,324
Liabilities				
Accounts payable and accrued expenses	**431,915**	**22,710,086**	442,277	22,078,499
Net foreign currency-denominated assets	**$116,012**	**₱6,099,890**	$761,956	₱38,036,825

	December 31, 2018		December 31, 2017	
Assets				
Cash and cash equivalents	**RMB15,032,760**	**₱114,850,286**	RMB88,379,546	₱675,219,731
Restricted cash - escrow	**995,642,536**	**7,606,708,972**	–	–
Liabilities				
Accounts payable and accrued expenses	**77,008,156**	**588,342,313**	33,926,080	259,195,249
Loans payable	**216,116,142**	**1,651,127,328**	110,000,000	840,263,710
Net foreign currency-denominated assets	**RMB717,550,997**	**₱5,482,089,617**	(RMB55,546,534)	(₱424,239,228)

	December 31, 2018		December 31, 2017	
Assets				
Cash and cash equivalents	**SGD3,512**	**₱135,501**	SGD–	₱–

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of December 31, 2018 and 2017 follow:

	December 31, 2018	December 31, 2017
US Dollar - Philippine Peso exchange rate	**₱52.58 to US$1.00**	₱49.92 to US$1.00

	December 31, 2018	December 31, 2017
Chinese Yuan - Philippine Peso exchange rate	**₱7.64 to RMB1.00**	₱7.64 to RMB1.00

	December 31, 2018	December 31, 2017
Singaporean Dollar - Philippine Peso exchange rate	**₱38.58 to SGD1.00**	-

The following table sets forth the impact of the range of reasonably possible changes in the USD-PHP exchange rate on the Group's income before income tax for the year ended December 31, 2017 and for the three months ended December 31, 2016.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2018 (One year)	
2.0% PHP appreciation	**(₱121,998)**
2.0% PHP depreciation	**121,998**
December 31, 2017 (One year)	
2.0% PHP appreciation	(₱760,737)
2.0% PHP depreciation	760,737

Reasonably Possible Changes in RMB-PHP Exchange Rates	Change in OCI
December 31, 2018 (One year)	
2.0% PHP appreciation	**(₱109,560,034)**
2.0% PHP depreciation	**109,560,034**
December 31, 2017 (One year)	
2.0% PHP appreciation	(₱8,311,819)
2.0% PHP depreciation	8,311,819

Reasonably Possible Changes in SGD-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2018 (One year)	
2.0% PHP appreciation	**(₱2,710)**
2.0% PHP depreciation	**2,710**

Sensitivity to foreign exchange rates is calculated on the Group's foreign currency denominated assets and liabilities, assuming a more likely scenario of foreign exchange rate of USD-PHP that can happen within 12 months after reporting date using the same balances of financial assets and liabilities as of reporting date.

The Group does not expect the impact of the volatility on other currencies to be material.

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2018 and 2017, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant.

	December 31, 2018					
	On Demand	**1 to 3 months**	**4 to 12 months**	**More than 1 year but less than 5 years**	**5 years or more**	**Total**
Cash and cash equivalents	**₱1,129,430,200**	**₱1,414,410,627**	**₱–**	**₱–**	**₱–**	**₱2,543,840,827**
Receivables						
Trade	**1,085,800,675**	**682,336,457**	**75,791,031**	**629,176,753**	**613,780,006**	**3,086,884,922**
Affiliated companies	**207,635,524**	**–**	**–**	**–**	**–**	**207,635,524**
Others	**30,590,863**	**167,861,293**	**66,474,447**	**–**	**–**	**264,926,603**
Other assets						
Restricted cash - escrow	**7,607,789,241**	**–**	**–**	**–**	**–**	**7,607,789,241**
Utility deposits	**7,831,041**	**–**	**–**	**558,738,138**	**233,442,871**	**800,012,050**
Total financial assets	**10,069,077,544**	**2,264,608,377**	**142,265,478**	**1,187,914,891**	**847,222,877**	**14,511,089,167**
Contract assets	**–**	**2,351,957,764**	**2,736,398,896**	**5,683,109,009**	**761,886,317**	**11,533,351,986**
Total financial assets and contract assets	**₱10,069,077,544**	**₱4,616,566,141**	**₱2,802,873,343**	**₱6,871,023,900**	**₱1,609,109,194**	**₱26,044,441,153**
Accounts payable and accrued expenses	**₱2,958,788,007**	**₱5,386,449,769**	**₱3,850,806,462**	**₱908,418,034**	**₱1,670,432,660**	**₱14,774,894,932**
Payables to affiliated companies and others (included under Deposits and other current liabilities)	**245,560,778**	**–**	**–**	**–**	**–**	**245,560,778**
Deposits from lessees	**–**	**1,326,597,382**	**1,332,081,610**	**1,847,971,470**	**802,800,443**	**5,309,450,905**
Loans payable and future interest payment	**–**	**1,450,394,536**	**1,057,821,292**	**4,509,498,021**	**631,982,342**	**7,649,696,191**
Other financial liabilities	**₱3,204,348,785**	**₱8,163,441,687**	**₱6,240,709,364**	**₱7,265,887,525**	**₱3,105,215,445**	**₱27,979,602,806**

	December 31, 2017					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Loans and receivables						
Cash and cash equivalents	₱1,379,275,821	₱696,178,702	₱–	₱–	₱–	₱2,075,454,523
Receivables						
Trade	1,074,906,493	2,579,540,392	1,659,828,584	2,577,739,263	1,198,209,309	9,090,224,041
Affiliated companies	23,419,773	–	–	–	–	23,419,773
Others	24,330,885	140,654,800	62,377,344	–	–	227,363,029
Other assets						
Utility deposits	9,989,072	–	–	635,179,895	239,165,897	884,334,864
Restricted cash - escrow	4,257,265	–	–	–	–	4,257,265
Total financial assets	₱2,516,179,309	₱3,416,373,894	₱1,722,205,928	₱3,212,919,158	₱1,437,375,206	₱12,305,053,495
Accounts payable and accrued expenses	₱2,359,183,403	₱4,629,264,792	₱4,784,396,768	₱2,814,683,963	₱1,505,456,413	₱16,092,985,339
Payables to affiliated companies and others (included under Deposits and other current liabilities)	222,937,926	–	–	–	–	222,937,926
Deposits from lessees	892,315,691	208,108,544	1,255,817,284	1,454,412,903	887,155,680	4,697,810,102
Loans payable and future interest payment	–	16,237,677,001	1,030,191,134	11,229,814,365	13,479,678,832	41,977,361,332
Other financial liabilities	₱3,474,437,020	₱21,075,050,337	₱7,070,405,186	₱15,498,911,231	₱15,872,290,925	₱62,991,094,699

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both onshore and offshore.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligation with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts, whenever it's advantageous to the Group.

The Group has no financial instruments with variable interest rates exposed to interest rate risk as of December 31, 2018 and 2017.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.
In addition, receivable balances are monitored on an ongoing basis. These measures result in the Group's exposure to impairment loss as not significant.

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2018 and 2017 without considering the effects of collaterals and other credit risk mitigation techniques:

	2018	2017
Cash and cash equivalents (net of cash on hand)	**₱2,514,810,790**	₱2,049,551,271
Receivables - net		
Trade receivables		
Installment contract receivable	**264,447,326**	7,253,408,707
Rental receivables	**1,412,745,318**	780,058,256
Accrued rent receivable	**1,256,405,124**	886,325,031
Hotel operations	**153,287,154**	170,432,047
Affiliated companies	**207,635,524**	23,419,773
Other receivables	**264,926,603**	227,363,029
Other assets		
Restricted cash - escrow	**7,607,789,241**	4,257,265
Utility deposits	**800,012,050**	884,334,864
	₱14,482,059,130	₱12,279,150,243

The credit risk on installment contracts receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

Applying the expected credit risk model did not result in the recognition of an impairment loss for all financial assets at amortized cost in 2018.

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risks.

c. Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as of December 31, 2018 and 2017, gross of allowance for credit and impairment losses:

	December 31, 2018					
	Neither Past Due Nor Impaired					
	High Grade	**Standard Grade**	**Substandard Grade**	**Past Due but not Impaired**	**Past Due and Impaired**	**Total**
Cash and cash equivalents	**₱2,514,810,790**	**₱–**	**₱–**		**₱–**	**₱2,514,810,790**
Receivables:						
Trade receivables						
Installment contract receivables	**–**	**–**	**–**	**264,447,326**	**19,000,000**	**283,447,326**
Rental receivables	**694,942,129**	**–**	**–**	**717,803,189**	**13,905,027**	**1,426,650,345**
Accrued rent receivables	**1,256,405,124**	**–**	**–**	**–**	**–**	**1,256,405,124**
Hotel operations	**49,736,994**	**–**	**–**	**103,550,160**	**14,771,574**	**168,058,728**
Affiliated companies	**207,635,524**	**–**	**–**	**–**	**–**	**207,635,524**
Other receivables	**264,926,603**	**–**	**–**	**–**	**–**	**264,926,603**
Other assets						
Restricted cash - escrow	**7,607,789,241**	**–**	**–**	**–**	**–**	**7,607,789,241**
Utility deposits	**800,012,050**	**–**	**–**	**–**	**–**	**800,012,050**
	₱13,396,258,455	**₱–**	**₱–**	**₱1,085,800,675**	**₱47,676,601**	**₱14,529,735,731**

	December 31, 2017					
	Neither Past Due Nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Past Due and Impaired	Total
Loans and receivables						
Cash and cash equivalents	₱2,049,551,271	₱–	₱–		₱–	₱2,049,551,271
Receivables:						
Trade receivables						
Installment contract receivables	6,855,942,934	–	–	397,465,773	19,000,000	7,272,408,707
Rental receivables	197,449,461	–	–	582,608,795	13,905,027	793,963,283
Accrued rent receivables	886,325,031	–	–		–	886,325,031
Hotel operations	75,600,122	–	–	94,831,925	14,771,574	185,203,621
Affiliated companies	23,419,773	–	–		–	23,419,773
Other receivables	227,363,029	–	–		–	227,363,029
Other assets						
Utility deposits	884,334,864	–	–		–	884,334,864
Restricted cash - escrow	4,257,265	–	–		–	4,257,265
	₱11,204,243,750	₱–	₱–	₱1,074,906,493	₱47,676,601	₱12,326,826,844

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in foreign and local banks belonging to the top ten (10) banks, including an affiliate bank, in the Philippines in terms of resources, profitability and credit standing.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Receivable from installment contract receivables are considered high grade as title of the real estate property of the subject receivable passes to the buyer once fully paid. Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up actions and extended payment terms.

34. Financial Instruments

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, utility deposits, receivable and payable to affiliated companies and accounts payable and accrued expenses are approximately equal to their fair value due to the short-term nature of the transaction.

Set out below is a comparison of carrying amounts and fair values of installment contracts receivables, deposits from lessees and loans payable that are carried in the consolidated financial statements.

	December 31, 2018		December 31, 2017	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable				
Measured at amortized cost	**₱283,447,326**	**₱265,449,828**	₱7,253,408,707	₱6,693,558,292
Measured at FVOCI	**785,221,675**	**785,221,675**	1,569,530,440	1,591,198,742
Deposits from lessees	**5,309,450,905**	**4,570,524,401**	4,697,810,102	4,272,486,127
Loans payable	**37,385,239,001**	**7,649,696,191**	51,354,562,154	41,977,361,332

The fair values of installment contract receivables, customers' deposits and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date. The discount rates used range from 6.8% to 7.0% as of December 31, 2018 and 3.0% to 4.7% as of December 31, 2017.

Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of financial instruments:

Level 1: - quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of installment contracts receivables, deposits from lessees and loans payable disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy. There has been no reclassification from Level 1 to Level 2 or 3 category.

35. Registration with the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA)

Certain operations of the Group are registered with the BOI and PEZA as preferred pioneer and non-pioneer activities. As registered enterprises, these consolidated subsidiaries are subject to some requirements and are entitled to certain tax and non-tax incentives which are considered in the computation of the provision for income tax.

Go Hotel, Dumaguete
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Dumaguete)” on a Non-Pioneer status at a capacity of one hundred two (102) rooms, under Certificate of Registration No. 2012-020 dated February 1, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Bacolod
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Bacolod)” on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-039 dated March 13, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to July 2016.

Go Hotel, Palawan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Palawan)” on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-017 dated January 25, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel- Go Hotel, Tacloban)” on a Non-Pioneer status at a capacity of ninety eight (98) rooms, under Certificate of Registration No. 2011-250 dated November 23, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2012 to April 2016.

Go Hotel, Iloilo
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iloilo)” on a Non-Pioneer status at a capacity of one hundred sixty seven (167) rooms, under Certificate of Registration No. 2014-016 dated January 29, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2014 to January 2018.

Go Hotel, Butuan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Butuan)” on a Non-Pioneer status at a capacity of one hundred four (104) rooms, under Certificate of Registration No. 2014-214 dated December 5, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2015 to December 2019.

Azalea Place, Gorordo Avenue,Cebu City
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of three hundred eight (308) units, under Certificate of Registration No. 2011-203 dated September 15, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to June 2016.

The Pearl Place - Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of six hundred twenty five (625) units, under Certificate of Registration No. 2012-008 dated January 11, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2013 to September 2016.

Escalades East Tower
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of two hundred twenty six (226) units, under Certificate of Registration No. 2014-197 dated November 6, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 10, 2014 to November 9, 2017.

Axis Residences (Phase 1)-Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of four hundred fifty six (456) units, under Certificate of Registration No. 2015-048 dated February 26, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from February 27, 2015 to February 26, 2018.

The Pearl Place - Tower B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of four hundred forty six (446) units, under Certificate of Registration No. 2016-159 dated August 3, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2016 to October 2019.

Acacia Escalades-(Phase 2)-Building B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of two hundred eighty-six (286) units, under Certificate of Registration No. 2016-264 dated December 22, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from January 2018 to January 2021.

Axis Residences (Phase 1)-Tower B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of four hundred fifty-six (456) units, under Certificate of Registration No. 2016-263 dated December 22, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from August 2018 to August 2021.

Go Hotels Davao, Inc.
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Go Hotels Lanang - Davao City)" on a Non-Pioneer status at a capacity of one hundred eighty three (183) rooms, under Certificate of Registration No. 2015-266 dated December 3, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2016 to December 2019.

Summit Hotel Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Summit Hotel Tacloban)" on a Non-Pioneer status at a capacity of one hundred thirty eight (138) rooms, under Certificate of Registration No. 2017-236 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

Go Hotel, Iligan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iligan)" on a Non-Pioneer status at a capacity of one hundred (100) rooms, under Certificate of Registration No. 2017-235 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

Robinsons Cyberpark
The Group is also registered with PEZA (beginning October 1, 2004) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 68,596 square meters of land located at EDSA corner Pioneer Street, Mandaluyong City as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Center
The Group is also registered with PEZA (beginning February 8, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 11,125 square meters of land located at Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental as an IT Park to be known as The Robinsons Cybergate Center. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Place Lipa
The Group is also registered with PEZA (beginning November 3, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 65,399 square meters of land located at JP Laurel Highway, Mataas na Lupa, Lipa City, Batangas as an IT Park to be known as The Robinsons Place Lipa. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Big Supercenter Cainta Junction
The Group is also registered with PEZA (beginning October 28, 2005) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 19,522 square meters of land located at Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Luisita
The Group is also registered with PEZA (beginning January 5, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 16-694 dated December 9, 2016, for the construction of an additional floor area of 6,306 square meters, more or less, for annexation to the existing Robinsons Luisita IT Center located along McArthur Highway, San Miguel, Tarlac City. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Naga
The Group is also registered with PEZA (beginning May 12, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 15-715 dated December 17, 2015, for creating and designating a building, which stands on a 24,807-square meter, more or less, lot located at Naga Diversion Road corner Almeda Highway, Brangay Triangulo, Naga City as an IT Center, to be known as Robinsons Cybergate Naga. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cyberpark Davao
The Group is also registered with PEZA (beginning October 3, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 16-377 dated June 28, 2016, for creating and designating 12,022 square meters, more or less, of land located along J.P. Laurel Avenue, Davao City as an IT Park, to be known as Robinsons Cyberpark Davao. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Galleria Cebu
The Group is also registered with PEZA (beginning July 12, 2013) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 12-001 dated January 17, 2012, for creating and designating a building with an area of 46,345 square meters, more or less, located at General Maxilom Avenue, Cebu City as Information Technology (IT) Center, to be known as Robinsons Galleria Cebu. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives under RA 7916, as amended.

Robinsons Place Ilocos Norte Expansion
The Group is also registered with PEZA (beginning May 28, 2016) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 15-271 dated May 13, 2016, for creating and designating a building located at Barangay 1 San Francisco, San Nicolas, Ilocos Norte, with an aggregate land area of 26,537 square meters, more or less, as Information Technology (IT) Center, to be known as Robinsons Place Ilocos Norte Expansion. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Cyberscape Gamma
The Group is also registered with PEZA (beginning July 16, 2015) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 15-377 dated January 16, 2015, for creating and designating a building which stands on a 1,954.50 square meters, more or less, lot located at Topaz and Ruby Roads, Ortigas Center, Pasig City as Information Technology (IT) Center, to be known as Cyberscape Gamma. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Starmills Pampanga
The Group is also registered with PEZA (beginning September 11, 2007) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 06-544 dated November 28, 2006, for creating and designating a building established on parcels of land containing an aggregate area of 238,324 square meters, more or less, located at Gapan-Olongapo Road, Brgy. San Jose, San Fernando, Pampanga as an Information Technology (IT) Center, to be known as Robinsons Starmills Pampanga. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

On May 23, 2017, the Group also registered for the construction, operation, and management of a 6-level building with a gross floor area of 12,503.25 square meters to be annexed into its existing Robinsons Starmills Pampanga IT Center under resolution No. 17-276. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime

JG Summit Center
The Group is also registered with PEZA (beginning September 1, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 04-387 dated November 22, 2004, for creating and designating a building which stands on two parcels of land with an aggregate area of 2,430 square meters, more or

less, lot located at 6783 Ayala Avenue, Salcedo Village, Barangay Bel-Air, Makati City, as Information Technology (IT) Building, to be known as JG Summit Center. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Equitable Tower
The Group is also registered with PEZA (beginning July 21, 2003) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 03-129 dated May 28, 2003, for creating and designating a 2,832 square meters parcel of land with an existing 43 storey condominium office building, located at ADB Avenue corner Poveda Street, Pasig city, as an Information Technology (IT) Zone to be known as Robinsons Equitable Tower. Under the terms of its registration, the Group, as the Developer/Operator of the IT Zone, shall not be entitled to PEZA incentives.

Cyberscape Alpha
The Group is also registered with PEZA (beginning January 4, 2013) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 11-665 dated November 25, 2011, for creating and designating a building located at Sapphire and Garnet Roads, Ortigas Center, Pasig City, as Information Technology (IT) Center, to be known as Cyberscape Alpha. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Cyberscape Beta
The Group is also registered with PEZA (beginning November 22, 2012) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 11-624 dated November 8, 2011, for creating and designating a building located at Topaz and Ruby Roads, Ortigas Center, Pasig City, containing an area of 1,955 square meter, more or less (a portion of Lot 2-C) as an Information Technology (IT) Center, henceforth to be known as Cyberscape Beta. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Cybergate Cebu
The Group is also registered with PEZA (beginning October 28, 2009) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 08-312 dated June 26, 2008, for creating and designating 4,772 square meter, more or less, of land located at Don Gil Street, Barangay Capitol Site, Cebu City, as an Information Technology Center, to be known as Robinsons Cybergate Cebu. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Bridgetowne
The Group is also registered with PEZA (beginning June 26, 2015) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 13-182 dated March 22, 2013, for creating and designating several parcels of land located along C-5 Road, Ugong Norte, Quezon City, with an aggregate area of 79,222 square meters as Information Technology (IT) Park, to be known as Bridgetowne. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

36. Commitments and Contingencies

Operating Lease Commitments - Group as Lessee
The Group entered into long-term operating leases of land with lease terms ranging from 25 to 50 years. Total rent expense amounted to ₱246 million, ₱52 million and ₱44 million for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively. There is no contingent rent. Future minimum rentals payable under noncancellable operating leases are as follows:

	December 31	
	2018	2017
Within one (1) year	**₱128,337,691**	₱92,616,575
After one (1) year but not more than five (5) years	**589,327,721**	414,556,934
After more than five (5) years	**5,953,173,907**	5,823,064,725
	₱6,670,839,319	₱6,330,238,234

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. These noncancellable leases have remaining noncancellable lease terms of between 1 and 10 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent, which is a certain percentage of actual monthly sales or minimum monthly gross sales, whichever is higher. Total rent income amounted to ₱13,548 million, ₱11,582 million and ₱2,718 million for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively. Total percentage rent recognized as income for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016 amounted to ₱3,515 million, ₱3,067 million and ₱751 million, respectively.

Future minimum rentals receivable under noncancellable operating leases follows:

	December 31	
	2018	2017
Within one (1) year	**₱11,590,512,976**	₱6,263,952,404
After one (1) year but not more than five (5) years	**17,971,125,898**	8,250,489,462
After more than five (5) years	**2,377,232,451**	923,369,939
	₱31,938,871,325	₱15,437,811,805

Finance Lease Commitments - Group as Lessor

The Group has significantly entered into residential property leases on its residential condominium unit's portfolio. These leases have lease period of 5 to 10 years and the lessee is given the right to purchase the property anytime within the lease period provided that the lessee any arrears in rental payment, condominium dues and other charges.

Future minimum lease payments under finance lease with the present value of future minimum lease payment as of December 31, 2018 and 2017 follow:

	December 31, 2018	
	Minimum Lease Payments	**Present Value of Minimum Lease Payments**
Within one (1) year	**₱552,580,889**	**₱517,494,745**
After one (1) year but not more than five (5) years	**302,637,036**	**247,180,550**
After more than five (5) years	**81,800,866**	**58,213,995**
Total minimum lease payments	**₱937,018,791**	**₱822,889,290**

	December 31, 2017	
	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one (1) year	₱311,429,745	₱302,265,068
After one (1) year but not more than five (5) years	270,312,270	238,254,749
After more than five (5) years	72,498,624	57,502,961
Total minimum lease payments	₱654,240,639	₱598,022,778

Capital Commitments

The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱7,219 million and ₱15,742 million as of December 31, 2018 and 2017, respectively. Moreover, the Group has contractual obligations amounting to ₱5,646 million and ₱1,411 million as of December 31, 2018 and 2017, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies

The Group has various collection cases or claims against or from its customers and certain tax assessments, arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The Group does not believe that such assessments will have a material effect on its operating results and financial condition. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments.

37. Notes to the Consolidated Statements of Cash Flows

Noncash investing activities pertain to the following:

- Transfers from investment properties to subdivision land, condominium and residential units for sale amounting to P114 million for the year ended December 31, 2018 and transfers from subdivision land, condominium and residential units for sale to investment properties amounting to ₱1,017 million for the year ended December 31, 2017;
- Transfers from other current assets to investment properties amounting to nil and ₱758 million and for the year ended December 31, 2018 and 2017, respectively;
- Transfers from other current assets to property and equipment amounting to ₱532 million for the three months ended December 31, 2016;
- Transfers from subdivision land, condominium and residential units for sale to property and equipment amounting to ₱38 million ₱50 million for the years ended December 31, 2017 and 2016, respectively.
- Transfers from investment properties to property and equipment amounting to ₱43 million for the year ended December 31, 2016;
- Transfers from investment properties to subdivision land, condominium and residential units for sale amounting to ₱113 million for the year ended December 31, 2016.

Details of the movement in cash flows from financing activities follow:

	For the Year Ended December 31, 2018					
			Non-cash Changes			
	January 1, 2018	Cash flows	Foreign exchange movement	Changes on fair values	Other	December 31, 2018
Loans payable	₱35,661,162,154	₱858,890,076	₱–	₱–	(₱31,513,229)	₱36,488,539,001
Short term loans	15,693,400,000	(14,796,700,000)	–	–	–	896,700,000
Advances for marketing and promotional fund and others	445,815,349	(2,929,317)	–	–	–	442,886,032
Accrued interest payable	370,835,301	(853,111,456)	–	–	804,599,033	322,322,878
Payables to affiliated companies and others	222,937,926	53,870,732	–	–	–	276,808,658
Dividends payable	40,990,210	(1,867,464,936)	–	–	1,869,779,047	43,304,321
Total liabilities from financing activities	₱52,435,140,940	(₱16,607,444,901)	₱–	₱–	₱2,642,864,851	₱38,470,560,890

	For the Year Ended December 31, 2017					
			Non-cash Changes			
	January 1, 2017	Cash flows	Foreign exchange movement	Changes on fair values	Other	December 31, 2017
Loans payable	₱23,361,477,678	₱12,272,763,710	₱–	₱–	₱26,920,766	₱35,661,162,154
Short term loans	16,010,000,000	(316,600,000)	–	–	–	15,693,400,000
Advances for marketing and promotional fund and others	448,744,666	(2,929,317)	–	–	–	445,815,349
Accrued interest payable	356,881,319	(764,240,887)	–	–	778,194,869	370,835,301
Payables to affiliated companies and others	169,067,194	53,870,732	–	–	–	222,937,926
Dividends payable	16,021,302	(1,448,810,138)	–	–	1,473,779,046	40,990,210
Total liabilities from financing activities	₱40,362,192,159	₱9,794,054,100	₱–	₱–	₱2,278,894,681	₱52,435,140,940

Other includes amortization of debt issue cost, declaration of dividends and accrual of interest expense on loans.

38. **Events After the Reporting Period**

Joint Venture with DMCI Project Developers, Inc.

In October 2018, the Parent Company entered into a Joint Venture Agreement with DMCI Project Developers, Inc. (DMCI PDI) to develop, construct, manage, and sell a residential condominium situated in Las Pinas City. Both parties agreed to incorporate a joint venture corporation where each party will hold a 50% ownership.

On March 18, 2019, RLC DMCI Property Ventures, Inc. was incorporated as the joint venture company (JVC) between RLC and DMCI PDI. RLC DMCI Property Ventures, Inc., shall purchase, lease and develop real estate properties situated in Las Pinas City. The proposed project is intended to be a multi-tower residential condominium and may include commercial spaces. RLC and DMCI PDI have agreed to put in an initial capitalization of ₱500 million each.

SGV
Building a better working world

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ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at December 31, 2018 and 2017 and for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 have issued our report thereon dated April 3, 2019. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta
Partner
CPA Certificate No. 0112825
SEC Accreditaton No. 1744-A (Group A),
March 14, 2019, valid until March 13, 2022
Tax Identification No. 301-106-775
BIR Accreditation No. 08-001998-130-2018,
February 9, 2018, valid until February 8, 2021
PTR No. 7332516, January 3, 2019, Makati City

April 3, 2019

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

DECEMBER 31, 2018

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

The Group does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as of December 31, 2018.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

The Group does not have Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties) above ₱100,000 as of December 31, 2018.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2018:

	Volume of Transactions		Receivable	Terms
Robinsons Properties Marketing and Management Corporation (RPMMC)	Share in expenses	(₱155,101,986)	₱58,009,893	Non-interest bearing and to be settled within one year
Altus Angeles, Inc. (AAI)	Advances	(27,939,740)	27,643,498	Non-interest bearing and to be settled within one year
Altus San Nicolas Corp (ASNC)	Advances	(22,599,101)	1,191,157	Non-interest bearing and to be settled within one year
Purchase of investment property			283,020,984	Non-interest bearing and to be settled within one year
Lingkod Pinoy Bus Liner, Inc. (LPBL)	Sale of Lingkod Pinoy	(49,727,238)	-	Non-interest bearing and to be settled within one year
GoHotels Davao, Inc. (GHDI)	Share in expenses	1,689,427	2,157,286	Non-interest bearing and to be settled within one year
Robinsons Realty and Management Corporation (RRMC)	Share in Expenses	17,782	623,964	Non-interest bearing and to be settled within one year
Bonifacio Property Ventures, Inc. (BPVI)	Advances	2,021,260	2,021,260	Non-interest bearing and to be settled within one year
RLC Resources Limited (RLCRL)	Advances	(1,126,732)	-	Non-interest bearing and to be settled within one year
		(₱252,766,328)	₱374,668,042	

	Balance at beginning of period	Additions	Collections	Balance at end of period
RPMMC	₱213,111,879	₱-	(₱155,101,986)	₱58,009,893
AAI	55,583,238	–	(27,939,740)	27,643,498
ASNC	333,680,668	–	(49,468,527)	284,212,141
LPBL	49,727,238	–	(49,727,238)	–
GHDI	467,859	–	(467,859)	–
RRMC	606,182	1,551,104	–	2,157,286
BPVI	–	2,021,260	–	2,021,260
RLCRL	1,126,732	–	(502,768)	623,964
	₱654,303,796	₱ 3,572,364	(₱283,208,118)	₱374,668,042

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses, marketing fees and advances for cost of equipment. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

<u>Related Party Transactions</u>

Due from related parties

Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of December 31, 2018:

	Nature	Balance at end of period
Under common control of Ultimate Parent Company		
Robinsons Recreation Corporation	B	₱11,334,271
Universal Robina Corporation	A	1,543,831
JG Summit Capital Markets Corporation	A	1,520,227
Robinsons Savings Bank	A	–
Express Holdings, Inc.	A	973,513
Oriental Petroleum & Mining Corp.	A	754,095
Robinsons Pharmacies, Inc.	A	586,618
Others	A, B	922,969
Joint ventures in which the Parent Company is a venturer		
Shang Robinsons Properties, Inc.	C	4,090,554,875
RHK Land Corporation	D	190,000,000
		₱4,298,190,399

Other receivables from affiliates account consist primarily of receivables from Robinsons Handyman, Inc., Cebu Pacific and other affiliates.

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements.
(c) Sale of land – this pertains to the receivable from the sale of land to the joint venture.
(d) Shareholders' loan – this pertains to the loan extended to the joint venture in accordance with the joint venture agreement.

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2018.

Schedule D. Intangible Assets

The Group does not have intangible assets as of December 31, 2018.

Schedule E. Long-term debt

Below is the schedule of long-term debt of the Group as of December 31, 2018:

	Amount	Current	Noncurrent
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	₱10,635,500,000	₱–	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears.	7,000,000,000	–	7,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	6,500,000,000	–	6,500,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in annual installment amounting to ₱10 million for six years and the balance upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	4,980,000,000	–	4,980,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable in annual installment amounting to ₱5 million for nine years and the balance upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	4,495,000,000	–	4,495,000,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	1,364,500,000	–	1,364,500,000
Five-year loan maturing in August 2022. Principal of RMB216 million as of December 31, 2018 and RMB60 million as of December 31, 2017, payable upon maturity, with fixed rate at 4.7500%.	1,651,127,328	–	1,651,127,328
	₱36,626,127,328	₱–	₱36,626,127,328

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)

Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of December 31, 2018:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Westpoint Industrial Mills	Under common control of the Ultimate Parent Company	A	₱22,753,985	₱22,753,985
JG Summit Holdings, Inc.	Ultimate Parent Company	A, C	4,998,331,125	201,313,407
Others	Under common control of the Ultimate Parent Company	A, B	7,434,103	7,733,386
			₱5,028,519,213	₱231,800,778

Others consist of payables to Robinsons Department Store, Robinsons Supermarket and Robinsons Savings Bank, among others

Due to JG Summit Holdings, Inc. mainly due to share in IT and corporate expenses.

Nature of intercompany transactions
The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements
(c) Management and marketing fee

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2018.

Schedule G. Guarantees of Securities of Other Issuers
The Group does not have guarantees of securities of other issuers as of December 31, 2018.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	8,200,000,000	5,193,830,685	–	3,166,806,886	16,739,176	2,010,284,623

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

RECONCILIATION OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION DECEMBER 31, 2018

Unappropriated Retained Earnings, beginning, as previously reported		**₱16,964,627,458**
Effect of the adoption of PFRS 15		84,325,424
Unappropriated Retained Earnings, beginning, as restated		**17,048,952,882**
Adjustments:		
Other unrealized expense as a result of transactions accounted for under PFRS:		
	Straight line adjustment for rental expense (PAS 17)	1,539,350,222
	Discounting effect on installment contract receivable (PAS 39)	871,068,298
	Straight line adjustment rental income (PAS 17)	(883,254,992)
	Discounting effect on security deposits (PAS 39)	(769,336)
Unappropriated Retained Earnings as adjusted, beginning		18,575,347,074
Net income actually earned/realized during the year		
Net income during the year closed to Retained Earnings		9,218,999,087
Less:	Non-actual/unrealized income, net of tax	
	Equity in net income of associate/joint venture	
	Unrealized foreign exchange gain - net	
	Unrealized actuarial gain	
	Fair value adjustment (M2M gains)	
	Fair value adjustment of Investment Property resulting to gain	
	Adjustment due to deviation from PFRS/GAAP - gain	
	Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	
	Straight line adjustment for rental expense (PAS 17)	109,995,606
	Discounting effect on installment contract receivable (PAS 39)	215,595,947
	Straight line adjustment rental income (PAS 17)	(368,550,619)
	Discounting effect on security deposits (PAS 39)	(13,088,378)
Add:	Non-actual losses	
	Movements in deferred tax assets	
	Depreciation on revaluation increment (after tax)	
	Adjustment due to deviation from PFRS/GAAP - loss	
	Loss on fair value adjustment of investment property (after tax)	
		9,162,951,643
Less:	Cash dividend declaration during the year	(1,869,779,047)
	Reversal of appropriation	24,500,000,000
	Additional appropriation during the year	(27,000,000,000)
Total Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2018		**₱23,368,519,670**

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2, Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4, Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts		✓	
PFRS 15	Revenue from Contracts with Customers	✓		
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 12	Income Taxes	✓		
PAS 16	Property, Plant and Equipment	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
PAS 17	Leases	✓		
PAS 19	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
PAS 23	Borrowing Costs	✓		
PAS 24	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27	Separate Financial Statements	✓		
PAS 28	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property	✓		
	Amendments to PAS 40, Transfers of Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
Philippine Interpretation IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Interpretation IFRIC-2	Members' Shares in Co-operative Entities and Similar Instruments			✓
Philippine Interpretation IFRIC-4	Determining whether an Arrangement contains a Lease	✓		
Philippine Interpretation IFRIC-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
Philippine Interpretation IFRIC-6	Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment			✓
Philippine Interpretation IFRIC-7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
Philippine Interpretation IFRIC-10	Interim Financial Reporting and Impairment	✓		
Philippine Interpretation IFRIC-12	Service Concession Arrangements			✓
Philippine Interpretation IFRIC-14	PAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
Philippine Interpretation IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✓
Philippine Interpretation IFRIC-17	Distributions of Non-cash Assets to Owners			✓
Philippine Interpretation IFRIC-19	Extinguishing Financial Liabilities with Equity Instruments			✓
Philippine Interpretation IFRIC-20	Stripping Costs in the Production Phase of a Surface Mine			✓
Philippine Interpretation IFRIC-21	Levies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of December 31, 2018**		**Adopted**	**Not Adopted**	**Not Applicable**
Philippine Interpretation IFRIC-22	Foreign Currency Transactions and Advance Consideration	✓		
Philippine Interpretation SIC-7	Introduction of the Euro			✓
Philippine Interpretation SIC-10	Government Assistance—No Specific Relation to Operating Activities			✓
Philippine Interpretation SIC-15	Operating Leases—Incentives	✓		
Philippine Interpretation SIC-25	Income Taxes—Changes in the Tax Status of an Entity or its Shareholders			✓
Philippine Interpretation SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
Philippine Interpretation SIC-29	Service Concession Arrangements: Disclosures			✓
Philippine Interpretation SIC-32	Intangible Assets—Web Site Costs			✓

Financial Soundness Indicator

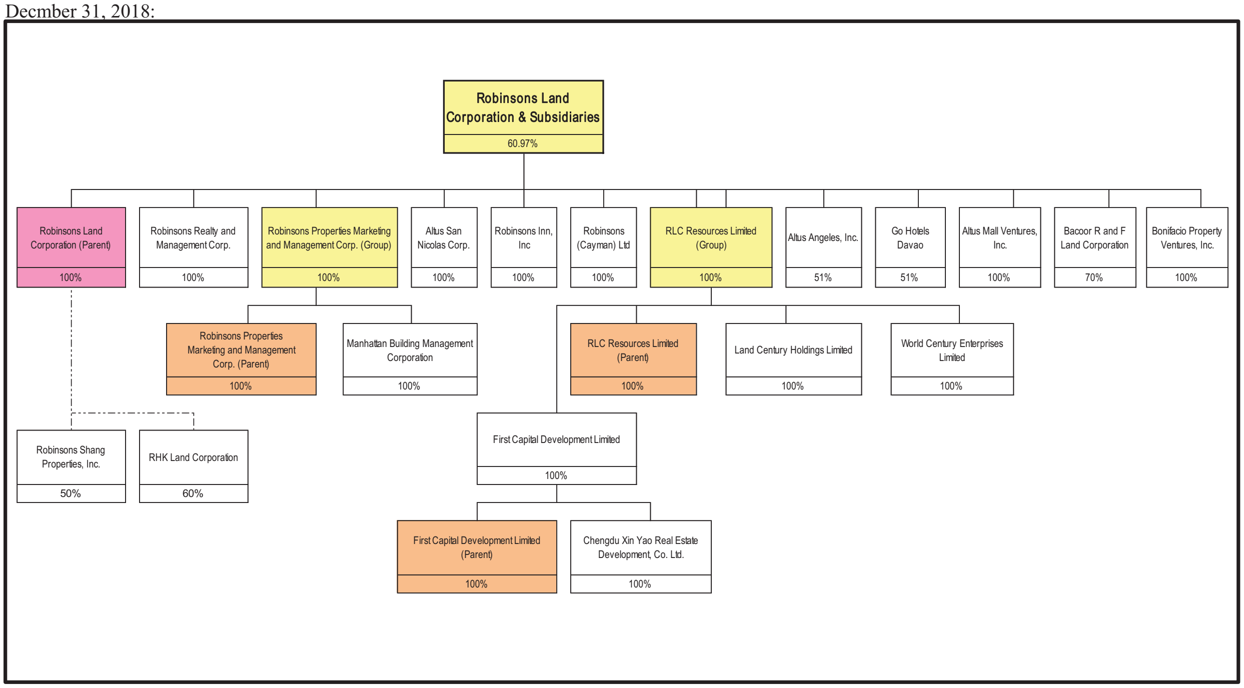
Below are the financial ratios that are relevant to the Group for the year ended December 31, 2018 and 2017:

Financial ratios		2018	2017
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	18.00	16.39
Current ratio	Total Current Assets / Total Current Liabilities	1.65	1.20
Debt to equity ratio	Total Loans Payable / Total Equity	0.40	0.76
Asset to equity ratio	Total Assets / Total Equity	1.85	2.20

		December 31,		
		2018	2017	2016
Financial ratios		(One Year)	(One Year)	(Three Months)
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	1.62	1.44	0.31
Interest coverage ratio	EBIT / Interest expense	6.71	4.72	5.41
Operating margin ratio	Operating income (EBIT) / Revenue	0.40	0.38	0.35

Map of the Relationships of the Company within the Group

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of Decmber 31, 2018:



INDEX TO EXHIBITS
Form 17-A

∗ These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has nine subsidiaries as of December 31, 2018:

		% OWNERSHIP		COUNTRY OF
SUBSIDIARY	**BUSINESS**	**DIRECT**	**EFFECTIVE**	**INC. OR RESIDENCE**
Robinson's Inn, Inc. [1]	Apartelle Operation	100	-	Philippines
Robinsons Realty and Management Corporation	Property development	100	-	Philippines
Robinsons (Cayman) Limited	Property development	100	-	Cayman Islands
Robinsons Properties Marketing and Management Corporation	Marketing of office and residential units	100	-	Philippines
Altus Angeles, Inc.	Property management	51	-	Philippines
Altus Mall Ventures, Inc.	Property management	100	-	Philippines
Altus San Nicolas Corp.	Property management	100	-	Philippines
GoHotels Davao, Inc.	Hotel Operation	51	-	Philippines
RLC Resources Ltd.	Property management	100	-	British Virgin Islands
Bonfacio Property Ventures, Inc.	Property management	100	-	Philippines
Bacoor R and F Land Corporation	Property management	70	-	Philippines

[1] Closed operations effective August 31, 2007

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱2,146,762,580**	₱2,543,840,827
Receivables (Note 7)	**2,081,941,631**	2,126,490,290
Subdivision land, condominium and residential units for sale (Note 8)	**31,817,550,963**	31,464,454,298
Contract assets (Note 9)	**5,162,243,701**	5,088,356,660
Other current assets (Note 10)	**10,018,699,010**	11,736,262,913
Total Current Assets	**51,227,197,885**	52,959,404,988
Noncurrent Assets		
Noncurrent receivables (Note 7)	**1,379,306,643**	1,432,956,759
Noncurrent contract assets (Note 9)	**6,473,145,382**	6,444,995,326
Investment properties (Note 11)	**99,894,420,690**	99,317,095,827
Property and equipment (Note 12)	**8,039,745,228**	7,844,144,072
Investments in joint venture (Note 13)	**1,881,556,796**	1,383,353,670
Other noncurrent assets (Note 14)	**5,295,876,695**	4,776,209,643
Total Noncurrent Assets	**122,964,051,434**	121,198,755,297
	₱174,191,249,319	₱174,158,160,285
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 18)	**₱896,700,000**	₱896,700,000
Accounts payable and accrued expenses (Note 15)	**14,069,088,852**	15,361,912,631
Contract liabilities (Note 16)	**13,830,971,306**	12,931,513,843
Deposits and other current liabilities (Note 17)	**3,072,324,605**	2,904,239,770
Current portion of loans payable (Note 18)	**15,000,000**	15,000,000
Total Current Liabilities	**31,884,084,763**	32,109,366,244
Noncurrent Liabilities		
Noncurrent contract liabilities (Note 16)	**2,424,187,824**	2,378,690,953
Deposits and other noncurrent liabilities (Note 19)	**5,640,832,317**	5,696,198,747
Loans payable - net of current portion (Note 18)	**34,729,932,671**	36,473,539,001
Deferred tax liabilities - net	**3,755,839,853**	3,580,648,835
Total Noncurrent Liabilities	**46,550,792,665**	48,129,077,536
Total Liabilities	**78,434,877,428**	80,238,443,780
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 21)	**5,193,830,685**	5,193,830,685
Additional paid-in capital	**39,041,328,236**	39,041,328,236
Other equity reserve (Note 21)	**(87,597,873)**	(87,597,873)
Other comprehensive income	**47,470,538**	47,470,538
Retained earnings (Note 20)		
Unappropriated	**24,147,191,959**	22,315,570,513
Appropriated	**27,000,000,000**	27,000,000,000
	95,342,223,545	93,510,602,099
Non-controlling interest	**414,148,346**	409,114,406
	95,756,371,891	93,919,716,505
	₱174,191,249,319	₱174,158,160,285

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For Three Months Ended March 31	
	2019	2018
REVENUES		
Real Estate Operations		
Rental income	**₱3,618,564,149**	₱3,119,893,310
Real estate sales	**1,896,700,134**	2,024,793,815
Amusement income	**423,365,735**	450,836,834
Others	**319,731,261**	286,323,385
	6,258,361,279	5,881,847,344
Hotel Operations	**521,511,224**	474,620,027
	6,779,872,503	6,356,467,371
COSTS		
Real Estate Operations		
Cost of rental services	**1,184,384,595**	1,183,869,337
Cost of real estate sales	**906,041,795**	1,115,124,707
Cost of amusement services	**184,328,953**	202,242,609
Others	**401,081,638**	188,918,475
	2,675,836,981	2,690,155,128
Hotel operations	**427,754,302**	370,436,190
	3,103,591,283	3,060,591,318
	3,676,281,220	3,295,876,053
GENERAL AND ADMINISTRATIVE EXPENSES	**1,098,181,728**	1,033,513,290
OPERATING INCOME	**2,578,099,492**	2,262,362,763
OTHER INCOME (LOSSES)		
Interest income	**90,043,168**	17,473,236
Gain (loss) on foreign exchange	**(6,715,566)**	6,993,354
Equity in net loss of joint ventures	**(4,092,443)**	–
Interest expense	**(190,072,521)**	(205,735,528)
	(110,837,362)	(181,268,938)
INCOME BEFORE INCOME TAX	**2,467,262,130**	2,081,093,825
PROVISION FOR INCOME TAX	**630,606,744**	535,043,793
NET INCOME	**1,836,655,386**	1,546,050,032
OTHER COMPREHENSIVE INCOME	**–**	(62,090)
TOTAL COMPREHENSIVE INCOME	**₱1,836,655,386**	₱1,545,987,942
Net Income Attributable to:		
Equity holders of Parent Company	**₱1,831,621,446**	₱1,542,889,088
Non-controlling interest in consolidated subsidiaries	**5,033,940**	3,160,944
	₱1,836,655,386	₱1,546,050,032
Total Comprehensive Income Attributable to:		
Equity holders of Parent Company	**₱1,831,621,446**	₱1,542,826,998
Non-controlling interest in consolidated subsidiaries	**5,033,940**	3,160,944
	₱1,836,655,386	₱1,545,987,942
Basic/Diluted Earnings Per Share (Note 22)	**₱0.35**	₱0.33

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2019 AND 2018

	For the Three Months Ended March 31, 2019								
	Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 21)	**Additional Paid-in Capital**	**Other Equity Reserve** (Note 21)	**Other Comprehensive Income**	**Unappropriated Retained Earnings** (Note 20)	**Appropriated Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
Balances at January 1, 2019	**₱5,193,830,685**	**₱39,041,328,236**	**(₱87,597,873)**	**₱47,470,538**	**₱22,315,570,513**	**₱27,000,000,000**	**₱93,510,602,099**	**₱409,114,406**	**₱93,919,716,505**
Comprehensive income									
Net income	–	–	–	–	**1,831,621,446**	–	**1,831,621,446**	**5,033,940**	**1,836,655,386**
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	**1,831,621,446**	–	**1,831,621,446**	**5,033,940**	**1,836,655,386**
Balances at March 31, 2019	**₱5,193,830,685**	**₱39,041,328,236**	**(₱87,597,873)**	**₱47,470,538**	**₱24,147,191,959**	**₱27,000,000,000**	**₱95,342,223,545**	**₱414,148,346**	**₱95,756,371,891**

	For the Three Months Ended March 31, 2018									
	Attributable to Equity Holders of the Parent Company									
	Capital Stock	Additional Paid-in Capital	Treasury Stock	Other Equity Reserve	Other Comprehensive Income	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interest	Total Equity
Balances at January 1, 2018	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	₱11,689,867	₱18,385,021,808	₱24,500,000,000	₱67,091,340,611	₱281,277,149	₱67,372,617,760
Comprehensive income										
Net income	–	–	–	–	–	1,542,889,088	–	1,542,889,088	3,160,944	1,546,050,032
Other comprehensive income	–	–	–	–	(62,090)	–	–	(62,090)	–	(62,090)
Total comprehensive income	–	–	–	–	(62,090)	1,542,889,088	–	1,542,826,998	3,160,944	1,545,987,942
Issuance of capital stock	1,082,302,000	18,629,941,862	221,834,657	–	–	–	–	19,934,078,519	–	19,934,078,519
Balances at March 31, 2018	₱5,193,830,685	₱39,022,474,643	₱–	(₱87,597,873)	₱11,627,777	₱19,927,910,896	₱24,500,000,000	₱88,568,246,128	₱284,438,093	₱88,852,684,221

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱2,467,262,130**	₱2,081,093,825
Adjustments for:		
Depreciation	**1,174,883,376**	1,076,771,175
Interest expense	**190,072,521**	205,735,528
Equity in net loss of joint ventures	**4,092,443**	–
Interest income	**(90,043,168)**	(17,473,236)
Operating income before working capital changes	**3,746,267,302**	3,346,127,292
Decrease (increase) in:		
Receivables - trade	**2,497,813**	(995,911,682)
Subdivision land, condominium and residential units for sale	**(353,096,665)**	(113,976,946)
Other current assets	**1,852,571,219**	289,226,271
Increase in:		
Accounts payable and accrued expenses and other noncurrent liabilities	**(1,478,680,422)**	(3,526,754,738)
Customers' deposits	**1,223,503,359**	1,645,842,230
Cash generated from operations	**4,993,062,606**	644,552,427
Income tax paid	**(353,122,421)**	(302,182,497)
Net cash flows provided by operating activities	**4,639,940,185**	342,369,930
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from cash and short-term investments	**90,073,646**	17,030,003
Decrease (increase) in:		
Advances to lot owners	**(663,768,582)**	(9,091,270)
Advances to suppliers and contractors	**43,337,735**	72,063,941
Receivables from affiliated companies	**(6,366,613)**	(19,792,906)
Other noncurrent assets	**(34,243,521)**	(153,129,506)
Additions to:		
Investment properties (inclusive of capitalized borrowing cost)	**(1,552,248,038)**	(2,648,876,865)
Property and equipment	**(388,905,007)**	(310,761,964)
Investment in joint venture	**(500,000,000)**	–
Net cash flows used in investing activities	**(3,012,120,380)**	(3,052,558,567)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of:		
Stock rights offering	**–**	20,020,000,000
Loans payable	**–**	305,550,440
Payment of:		
Loans payable	**(1,750,262,680)**	(5,000,000)
Interests	**(327,562,000)**	(390,749,852)
Short-term loans	**–**	(15,693,400,000)
Stock issuance cost	**–**	(85,921,481)
Increase in payable to affiliated companies and other liabilities	**52,926,628**	18,445,103
Net cash flows provided by (used in) financing activities	**(2,024,898,052)**	4,168,924,210
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(397,078,247)**	1,458,735,573
CASH AND CASH EQUIVALENTS AT JANUARY 1	**2,543,840,827**	2,075,454,523
CASH AND CASH EQUIVALENTS AT MARCH 31	**₱2,146,762,580**	₱3,534,190,096

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

Annex “A”

Business Overview of Robinsons Land Corporation and Altus Mall Ventures, Inc.

Robinsons Land Corporation

Robinsons Land Corporation (RLC, the Parent Company or the Company) is a stock corporation organized under the laws of the Philippines and has eleven (11) consolidated subsidiaries.

The Parent Company’s principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The Group has 2,415 and 2,130 employees as of December 31, 2018 and 2017, respectively.

RLC is one of the Philippines’ leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls, offices, hotels and warehouse facilities; and the development of mixed-use properties, residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an “investment” component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings, hotels and warehouse facilities); and a “development” component, in which RLC develops real estate projects for sale (principally residential condominiums, serviced lots, house and lot packages and commercial lots).

RLC’s operations are divided into its five business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of December 31, 2018, RLC operates fifty-one (51) shopping malls, comprising of nine (9) malls in Metro Manila and forty-two (42) malls in other urban areas throughout the Philippines, and has another four (4) new malls and three (3) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of December 31, 2018, RLC’s Residential Division has seventy-three (73) residential condominium buildings/towers/housing projects and thirty-eight (38) housing subdivisions of which eighty-nine (89) have been completed and twenty-two (22) are still ongoing with two (2) projects that are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of December 31, 2018, this division has completed twenty (20) office developments, located in Quezon City, Ortigas Central Business District in Pasig City, Mandaluyong City, Makati Central Business District in Makati City, Fort Bonifacio in Taguig City, Cebu City, Ilocos Norte, Tarlac City, Naga City and Davao City. These office projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels and Resorts Division has a diverse portfolio covering three brand segments: upscale international deluxe hotels, mid-market boutique city and resort hotels, and essential service value hotels. In the international deluxe category, Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria, both managed by the Intercontinental Hotels Group, are key players in the hotel market in the Ortigas business district in Pasig City, Metro Manila. The Company's mid-market Summit Hotels and Resorts brand operates Summit Ridge Tagaytay, Summit Circle Cebu, Summit Hotel Magnolia, Summit Galleria Cebu and the recently-opened Summit Hotel Tacloban. The third brand segment is the popular Go Hotels that is present in 16 key locations across the Philippines.

- The Industrial and Integrated Developments Division focuses on mixed-used developments and masterplanned communities. These developments incorporate different property formats such as residences, work places, commercial centers, logistics facilities and other institutional developments into a single setting. Another major role of this division is to seek business opportunities brought about by Public-Private Partnerships. As of December 31, 2018, this division has organized the ground breaking of Sierra Valley in Taytay and Cainta municipalities. The division is also completing the ongoing developments of two (2) integrated developments located in the cities of Pasig and Quezon and in Porac, Pampanga.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.3 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of calendar year 2018.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the SRO to finance the acquisition of land located in various parts of the country for all its business segments.

The Company has obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the offer was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date – January 24, 2018
- Ex-date – January 26, 2018
- Record date – January 31, 2018
- Offer period – February 2 to 8, 2018
- Listing date – February 15, 2018

The Company has successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

b) Business

RLC has five business divisions – Commercial Centers, Residential, Office Buildings, Hotels and Resorts, and Industrial and Integrated Developments.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱11.94 billion or 40% of RLC's revenues and ₱7.67 billion or 47% of RLC's EBITDA in calendar year 2018 and ₱10.79 billion or 48% of RLC's revenues and ₱7.04 billion or 56% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱73.96 billion.

During calendar year 2018, the Commercial Centers Division opened four (4) new malls, increasing its gross floor area by 6.9%. It currently operates 51 shopping malls, comprising nine (9) malls in Metro Manila and forty two (42) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 2.813 million square meters.

As of December 31, 2018, RLC had a portfolio of 51 shopping malls as follows:

Name, Location		Calendar Year opened	Approximate gross floor area
			(in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1990	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1997	241
Robinsons Novaliches	Quirino Highway, Novaliches, Quezon City	2001	70
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2001	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2004	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2007	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2013	17
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2014	59
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	61
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1998	65
Robinsons Fuente Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2001	70
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2002	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96
Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2002	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2003	59
Robinsons Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2004	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2008	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2008	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	63
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete	Calindagan Business Park, Dumaguete City	2009	38
Robinsons Ilocos Norte	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2009	65
Robinsons Cybergate Cebu	Don Gil Garcia St., Capitol, Cebu City	2009	20
Robinsons Place Pangasinan	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2013	59

Robinsons Place Malolos	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2013	68
Robinsons Place Roxas	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Robinsons Place Antique	Brgy. Maybato, San Jose, Antique	2015	32
Robinsons Galleria Cebu	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2015	139
Robinsons Place Tagum	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Robinsons Place Iligan	Macapagal Ave., Brgy. Tubod, Iligan City, Lanao del Norte	2017	51
Robinsons Place Naga	Roxas Ave., cor. Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur	2017	75
Robinsons North Tacloban	Brgy. Abucay, Tacloban City, Leyte	2017	54
Robinsons Place Ormoc	Brgy. Cogon, Ormoc City, Leyte	2018	24
Robinsons Place Pavia	Brgy. Ungka 2, Pavia, Iloilo	2018	41
Robinsons Place Tuguegarao	Brgy. Tanza, Tuguegarao City, Cagayan	2018	60
Robinsons Place Valencia	Sayre Highway, Brgy. Hagkol, Bagontaas Valencia, Bukidnon	2018	47
Total			2,813

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be a major driver for the Company's growth in the future.

As of calendar year 2018, the Company had four (4) new shopping malls and three (3) expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,787 million and ₱2,337 million for the calendar years ended December 31, 2018 and 2017, respectively.

ii. Residential Division

The Residential Division focuses on the construction and sale of residential condominium, subdivision projects and other real estate properties. The Division accounted for ₱8.69 billion or 29% of RLC's revenues and ₱2.21 billion or 14% of RLC's EBITDA in calendar year 2018, and ₱6.55 billion or 29% of RLC's revenues and ₱1.82 billion or 15% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱53.68 billion.

Percentage of realized revenues from foreign sales to total revenues for calendar years 2018 and 2017 and fiscal year 2016 are 1.75%, 0.75% and 0.24%, respectively while percentage of realized revenues from foreign sales to net income for calendar years 2018 and 2017 and fiscal year 2016 are 6.28%, 2.86% and 0.88%, respectively.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are nine (9) residential condominium buildings/towers under the Robinsons Luxuria portfolio, of which eight (8) have been completed and one (1) project is under construction.

Key details of the Company's Robinsons Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
The Residences at The Westin Manila Sonata Place (1)..........	50	344
Completed Projects		
Galleria Regency (1) (2)	13	108
AmiSa Private Residences Tower A (1)	14	131
AmiSa Private Residences Tower B (1)	18	155
AmiSa Private Residences Tower C (1)	18	189
Signa Designer Residences Tower 1	29	306
Signa Designer Residences Tower 2	28	351
Sonata Private Residences – Building 1 (1)	29	270
Sonata Private Residences – Building 2 (1)	30	269

The Robinsons Luxuria projects are detailed as follows:

1. ***The Residences at The Westin Manila Sonata Place (legal name Sonata Premier)*** the first Westin-branded Residences in Southeast Asia and the final residential tower in the Sonata Place mixed-use community. Recognized as the 2018-2019 Best Residential High-

[1] *Part of a mixed-used development*
[2] *Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel*

Rise Development Philippines by the Asia Pacific Property Awards.

2. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

3. ***Signa Designer Residences Towers 1 and 2*** is a joint venture project between Robinsons Land Corporation and Security Land Corporation in Makati CBD. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Residential Condominium in the Philippines.

4. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of 6 mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

5. ***Sonata Private Residences – Buildings 1 and 2*** are part of a Sonata Place mixed-use community in Ortigas Center that has been masterplanned to consist of three residential condominiums, and one hotel. RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project in 2016.

The Company's business plan for its Robinsons Luxuria brand is to continue to acquire and launch properties in key central and strategic locations within Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive features and amenities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the Robinsons Luxuria segment as of December 31, 2018:

Location	**Acquisition Date**	**Approximate gross land area** [3]
		(in hectares)
Lapu-Lapu City	May 2007	5.1

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, efficiently designed living spaces, stress-busting amenities and lifestyle perks and privileges.

As of December 31, 2018, Robinsons Residences segment had a portfolio of thirty one (31) residential condominium buildings/towers, of which twenty six (26) had been completed and five (5) are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

---

[3] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 (1)	21	270
Galleria Residences Cebu Tower 2 (1)	22	352
The Trion Towers – Building 3	50	636
The Radiance Manila Bay South Tower	41	597
The Magnolia Residences Tower D (1)	30	420
Completed Projects		
Robinsons Place Residences 1 (1)	38	388
Robinsons Place Residences 2 (1)	38	388
One Gateway Place (1)	28	413
Gateway Garden Heights (1)	32	549
One Adriatico Place (1)	38	572
Two Adriatico Place (1)	38	546
Three Adriatico Place (1)	38	537
Fifth Avenue Place	38	611
Otis 888 Residences (1)	3	195
McKinley Park Residences	44	391
East of Galleria	44	693
The Fort Residences	31	242
Vimana Verde Residences Tower A	6	20
Vimana Verde Residences Tower B	6	20
Vimana Verde Residences Tower C	7	45
Azalea Place Cebu	25	408
The Trion Towers - Building 1	49	694
The Trion Towers - Building 2	50	725
Gateway Regency [4]	31	463
The Magnolia Residences Tower A (1)	36	378
The Magnolia Residences Tower B (1)	38	419
The Magnolia Residences Tower C (1)	38	433
The Radiance Manila Bay North Tower	36	538
The Sapphire Bloc North Tower	38	412
The Sapphire Bloc West Tower	38	416
Woodsville Residences	2	185

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the Pioneer mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, Gateway Regency Studios, the Robinsons Forum mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go

[4] *Part of a mixed-use development*

Hotels Mandaluyong.

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of the mixed-use development in Paco, Manila, which includes Robinsons Otis mall and Go Hotels Otis.

4. ***The Magnolia Residences Towers A, B, C and D*** are part of the mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines.

5. ***Fifth Avenue Place*** is a 38-storey development in Bonifacio Global City. Composed of 611 units, it is the first completed project of RLC in the area.

6. ***McKinley Park Residences*** is a 44-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units—flat and loft type.

8. ***The Trion Towers 1, 2 and 3*** compose the three-tower development in Bonifacio Global City. In 2015, RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project.

9. ***East of Galleria*** is a one tower development located along Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mixed-use complex.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex. This project was recognized in the 2015 Philippine Property Awards and 2016 Asia Pacific Awards, as the Best Mid-Range Condo Development and Best Residential High-Rise Development in the country, respectively. The project was recognized as the Best Residential Interior Design during 2017 Philippine Property Awards and 2017 Asian Property Award (Philippines).

12. ***Vimana Verde Residences Buildings A, B and C*** is a three mid-rise building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City.

14. ***The Radiance Manila Bay North and South Towers*** are the main components of the two-tower residential development that features a lifestyle retail wing. It is located along

Roxas Boulevard in Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Towers 1 and 2*** are part of a three-tower residential component of the Robinsons Galleria Cebu Complex which consists of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City.

The Company's business plan for its Robinsons Residences brand is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of December 31, 2018:

Location	**Acquisition Date**	**Approximate land area**
		(in hectares)
Maxilom Avenue, Cebu City...............................	September 2008	0.2
Ortigas Center, Pasig City............................	November 2011	0.3
Total		0.5

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically located near major gateways, highly developed cities and central business districts to provide easy access to schools, work places and vital institutions.

As of December 31, 2018, Robinsons Communities had completed twenty six (26) residential condominium buildings/towers and two (2) subdivision projects. It has five (5) on-going projects in different stages that are scheduled for completion over the next five years.

Robinsons Communities is currently focusing on the development of both mid-rise and high-rise residential condominium projects that primarily offer compact units. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	NUMBER OF RESIDENTIAL FLOORS	NUMBER OF RESIDENTIAL UNITS
Current Projects		
Axis Residences - Building B	37	792
Acacia Escalades - Building B	13	414
Chimes Greenhills....................................	24	378
Aurora Escalades Tower..........................	21	800
Gateway Regency Studios.......................	28	378
Completed Projects		
Acacia Escalades - Building A	11	383
Axis Residences - Tower A	37	913
Escalades East Tower	11	269
Escalades at 20th Avenue - Tower 1.........	10	120
Escalades at 20th Avenue - Tower 2.........	10	120
Escalades at 20th Avenue - Tower 3.........	10	120
Escalades at 20th Avenue - Tower 4.........	10	120
Escalades at 20th Avenue - Tower 5.........	10	120
Escalades at 20th Avenue - Tower 6.........	10	120
Escalades South Metro - Tower A............	9	176
Escalades South Metro - Tower B............	9	176
The Pearl Place - Tower A	33	653
The Pearl Place - Tower B	34	640
Wellington Courtyard - Bldg A..................	5	34
Wellington Courtyard - Bldg B..................	5	34
Wellington Courtyard - Bldg C..................	5	45
Wellington Courtyard - Bldg D..................	5	41
Wellington Courtyard - Bldg E..................	5	38
Gateway Garden Ridge............................	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches*............................	-	461
Centennial Place*......................................	-	50

**horizontal*

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is within a mixed-use development located in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

2. ***Escalades at 20th Avenue Towers 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (10) residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, this is another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. This project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs), with 192 units.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is composed of two (2) mid-rise residential buildings located in Sucat, Muntinlupa with generous open spaces allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families, investors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6th floor (Towers A and B) and 40th floor (Tower A), and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two mid-rise buildings with commercial component.

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan.

10. ***Escalades East Tower*** is a 14-storey residential development located along 20th Ave., Cubao, QC and is part of the Escalades-Cubao complex.

11. ***Aurora Escalades Tower*** is a 21-storey residential development located along Aurora Blvd., Cubao, QC and is the last building of the Escalades-Cubao complex.

12. ***Gateway Regency Studios*** is the last residential tower at the EDSA-Pioneer mixed-use development offering studio units to urban professionals.

13. ***Bloomfields Novaliches*** is a horizontal residential development situated behind the Robinsons Place Novaliches mall.

14. ***Centennial Place*** - This is a half-hectare townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) townhouses, with lots ranging from 65 to 70 square meters.

The Company's business plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. It plans to acquire additional properties through purchase or joint venture.

The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of December 31, 2018:

Location	Acquisition Date	Approximate land area
		(in hectares)
Sucat, Muntinlupa	2002	1.3
Merville, Paranaque	2006	3.3
Las Pinas City [(1)]	2011	1.5
Bagong Ilog, Pasig City	2018	1.0
Total		7.1

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of RLC. It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of December 31, 2018, Robinsons Homes has thirty eight (38) projects in its portfolio. Eleven (11) of these projects are on-going construction, two of which are awating for the receipt of License to Sell (LS) to launch. Among the thirty eight (38) projects, twenty seven (27) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of calendar year 2018 are set forth in the table below:

Name	Location	Started [5]	Approximate Gross Land Area [6]	Number of Lots/Units
			(in hectares)	
Robinsons Homes East..................	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard	Cavite	May 1996	71.8	2,899
South Square Village......................	Cavite	August 1998	26.7	3,896
San Lorenzo Homes.......................	Antipolo City	September 1999	2.8	372
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes..........................	Angeles City	August 2004	8.9	319
San Jose Estates	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes	Pampanga	November 2005	14.5	654
Rosewood Parkhomes	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos....................................	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights...............................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences..................	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra..................................	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag............................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos..........	General Santos City	May 2014	33.0	755

[5] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[6] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Location	Started [5]	Approximate Gross Land Area [6]	Number of Lots/Units
			(in hectares)	
Brighton Bacolod……………………	Negros Island	February 2016	22.4	735
Brighton Puerto Princesa…………..	Palawan	August 2016	13.1	377
Springdale at Pueblo Angono……	Angono, Rizal	November 2016	3.8	197
Brighton at Pueblo Angono……….	Angono, Rizal	August 2017	4.6	140
Terrazo at Robinsons Vineyard…	Cavite	-	13.4	477
Monte Del Sol……………………..	Misamis Oriental	-	3.3	256

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East.*** A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring fourteen (14) shop house units at 190sqm/unit and eight commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard.*** A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village.*** This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot. The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes.*** This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.

5. ***Robinsons Highlands.*** This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.

6. ***Grosvenor Place.*** This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.

7. ***Robinsons Hillsborough Pointé.*** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four phases, which have been fully completed. The lots have an average size of 150 square meters.

8. ***Forest Parkhomes.*** An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC's first housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.

9. ***San Jose Estates.*** This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.

10. ***Robinsons Residenza Milano.*** Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes' first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.

11. ***Fernwood Parkhomes.*** This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282 lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is a 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 365-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 79 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview.*** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates.*** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades.*** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential

lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra.*** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of 180 square meters.

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

35. ***Brighton Puerto Princesa.*** This mediterranean-themed subdivision offers 377 residential lots in a 13.1-hectare development catered to locals and tourists. Average lot area is 180 square meters which is complemented by amenities such as clubhouse, multi-purpose court and swimming pool.

36. ***Springdale at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 3.8 hectares of land. This subdivision offers 197 units with a predominant area of 100 square meters.

37. ***Brighton at Pueblo Angono.*** An Asian-Tropical themed subdivision of 140 residential lots ideal for clients with a growing family. This development has a predominant lot cut of 180 square meters and is completed by amenities fit for families looking for a brighter future ahead.

38. ***Terrazo at Robinsons Vineyard.*** This 13.4-hectare contemporary-themed expansion of Robinsons Vineyard offers 477 residential lots catered to middle-class families who want to reside in Dasmariñas, Cavite.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of December 31, 2018, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Terrazo at Robinsons Vineyard and Monte Del Sol.

The Company's business plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of December 31, 2018, it was in various stages of negotiations for the acquisition of approximately 85 hectares of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱4.29 billion or 15% of RLC's revenues and ₱3.76 billion or 23% of RLC's EBITDA in calendar year 2018, and ₱3.27 billion or 15% of RLC's revenues and ₱2.93 billion or 23% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱19.46 billion.

RLC engages outside architects and engineers for the design of its office buildings developments. Due to the sustained growth from the IT Business Process Management (IT-BPM) sector and increasing office space demands from other multinational and logistic companies, the Company has secured a number of major customers as long-term tenants in its office building space and has continuously improved its building developments including its building features, office layouts and amenities. The Company is one of the leading providers of office spaces in the Philippines.

In December 2018, the Office Buildings Division opened its own flexible workspace business, "work.able". It is located at the ground floor and penthouse of Cyberscape Gamma in Ortigas CBD. It offers plug and play workspaces to clients who are looking for flexible office options such as private offices, venues for meetings and events and co-working spaces.

As of December 31, 2018, the Office Buildings Division has completed twenty (20) office developments with the completion of Cyberscape Gamma in Ortigas CBD, Pasig City, Exxa and Zeta Towers in Bridgetowne East, Quezon City thereby increasing its leasable space by 29%. In the next two years, the Company is targeting to complete six (6) office buildings located in key cities across the country. The Company's completed office developments are described below.

Name,	Location	Size & Designation
Galleria Corporate Center	Along EDSA corner Ortigas Avenue, Quezon City	30 storeys
Robinsons-Equitable Tower........................	Corner of ADB and Poveda Streets, Pasig City	45 storeys
Robinsons Summit Center..........................	Ayala Avenue, Makati City	37 storeys
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18 storeys
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27 storeys
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27 storeys
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12 storeys

Name, Location		Size & Designation
Robinsons Cybergate Cebu	Fuente Osmena, Bo. Capitol, Cebu City	3 storeys
Cyberscape Alpha....................................	Sapphire and Garnet Roads, Pasig City	26 storeys
Cyberscape Beta.......................................	Ruby and Topaz Roads, Pasig City	37 storeys
Tera Tower..	Bridgetowne, C5 Road, Quezon City	20 storeys
Robinsons Galleria Cebu Office...............	Gen. Maxilom Avenue, Cebu City	4 storeys
Robinsons Place Ilocos Office..................	San Nicolas, Ilocos Norte	4 storeys
Cyber Sigma..	Fort Bonifacio, Taguig City	21 storeys
Robinsons Luisita Office.........................	Luisita, Tarlac City	3 storeys
Cybergate Delta....................................	JP. Laurel Ave., Davao City	5 storeys
Cybergate Naga.....................................	Roxas Ave., Naga City	4 storeys
Cyberscape Gamma...............................	Ruby and Topaz Roads, Pasig City	37 storeys
Exxa Tower...	Bridgetowne, C5 Road, Quezon City	20 storeys
Zeta Tower...	Bridgetowne, C5 Road, Quezon City	20 storeys

The Company's completed office buildings are described as follows:

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an approximate net floor area (comprising only leasable space) of 25,000 square meters. As of December 31, 2018, approximately 85% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 100% occupancy rate.

2. ***Robinsons-Equitable Tower.*** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of December 31, 2018, RLC had sold approximately 70% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 100% occupancy rate as of December 31, 2018.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 100% occupancy rate as of December 31, 2018.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of December 31, 2018.

5. ***Robinsons Cybergate Center Tower 2.*** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of December 31, 2018.

4. ***Robinsons Cybergate Center Tower 3.*** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.6% occupancy rate as of December 31, 2018.

5. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 100% occupancy rate as of December 31, 2018.

6. ***Robinsons Cybergate Cebu.*** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of December 31, 2018, the office floors had an occupancy rate of 100%.

7. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 100% occupancy rate as of December 31, 2018.

8. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the Ground and Mezzanine levels. The office floors are located from the 9th to the 37th levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 100% occupancy rate as of December 31, 2018.

9. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6th to 20th floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 100% occupancy rate as of December 31, 2018.

10. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had a 70.7% occupancy rate as of December 31, 2018.

11. ***Robinsons Place Ilocos Office.*** This office development is integrated with the mall expansion. The office development has a gross leasable area of 7,500 square meters and it is 100% owned by RLC.

12. ***Cyber Sigma.*** This is a 21-storey office development located in Fort Bonifacio, Taguig City. The office project has access to both Lawton Avenue and Le Grand in Mckinley West. It has a leasable area of approximately 50,000 sqm and was completed last December 2017. It had an occupany rate of 89.2% as of December 31, 2018.

13. ***Robinsons Luisita Office.*** This build to suit development consists of a 3-storey of dedicated office space to a BPO client. The space was commited ahead and was custom built based on the requirement of our client. It has a leasable area of 5,700 sqm and was completed last October 31, 2017. As of December 31, 2018, it had a 100% occupancy rate.

14. ***Cybergate Delta.*** This is a 5-storey office project located within the PEZA registered IT Park, Robinsons Cyberpark located in JP. Laurel Avenue in Davao City. The development sits on more than a hectare property and has its own commercial spaces at the ground floor to support its office tenants' food and dining requirements. It has a leasable area of approximately 11,900 sqm and was completed last December 2017. As of December 31, 2018, it had an occupancy rate of 47.4%.

15. ***Cybergate Naga.*** This office development is located within the Robinsons Place Naga complex in Roxas Ave, Naga City. It is a 4-storey office development with a leasable area of approximately 5,700 sqm. As of December 31, 2018 occupancy rate is at 100%.

16. ***Cyberscape Gamma.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. This is interconnected with Cyberscape Beta via its Ground, Mezzanine and parking floors. The building has a gross leasable area of approximately 43,500 square meters. This was completed in December 2018 and during the same period it had a 57.2% occupancy rate.

17. ***Exxa Tower.*** This 20-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City, is a twin tower of Zeta Tower. They share common retail and parking podium floors. The building including the 2 floors of retail spaces has a gross leasable area of approximately 39,800 square meters. RLC owns 100% of the gross floor area. As of December 31, 2018, it had an occupancy rate of 91.7%.

18. ***Zeta Tower.*** This is a 20-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has a gross leasable area of approximately 34,500 square meters. RLC owns 100% of the gross floor area. The building was completed in December 31, 2018 and as of the same period, it had an occupancy rate of 19.2%.

iv. Hotels and Resorts Division

RLC's Hotels and Resorts Division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. In 2018, it opened Summit Hotel Tacloban in Eastern Visayas integrated to Robinsons Place mall complex which completes the live-work-play promise of the Company. As the largest hotel in Tacloban City, Summit Hotel Tacloban offers 138-rooms, grand ballroom and meeting facilities, uniquely designed and inspired from Tacloban's history, culture and people. This year, Robinsons Hotels and Resorts opened Go Hotels Iligan, the biggest hotel in Northern Mindanao. The hotel is strategically located beside Robinsons Place Iligan, the city's largest shopping mall. Specifically built with the business traveler in mind, Go Hotels Iligan offers comfortable spaces for business meetings, social gatherings and a function hall that can accommodate up to 200 guests for corporate events. RLC's Hotels and Resorts Division currently has a portfolio of eighteen (18) hotel properties. As of December 31, 2018, the Company's Hotels and Resorts Division had assets, valued on a historical cost less depreciation basis, of ₱7.88 billion.

The Hotels and Resorts Division accounted for ₱1.98 billion or 7% of RLC's revenues and ₱0.67 billion or 4% of RLC's EBITDA in calendar year 2018, and ₱1.89 billion or 8% of RLC's revenues and ₱0.72 billion or 6% of RLC's EBITDA in calendar year 2017.

Although the Hotels and Resorts Division is an important part of RLC's business, the Company considers its primary value to be as a complement to its other developments.

On its path to becoming the best and biggest hotel company in the Philippines, over the next years, we will see more Go Hotels and Summit Hotels as part of the division's expansion program across the country.

Go Hotels has steadily increased its presence in the Philippines with eleven (11) operational branches, offering a total of more than 1,500 rooms, in strategic cities across the country. Its thrust is to build in locations with high market demand. To support expansion of the brand, Go Hotels is open to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of December 31, 2018:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF AVAILABLE ROOMS
Crowne Plaza Manila Galleria	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria.................................	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel)	Fuente Osmena cor. F. Ramos Street, Cebu City	Standard	211
Summit Ridge Tagaytay	Aguinaldo Highway, Tagaytay City	De Luxe	108
Summit Hotel Magnolia.............	Dona Hemady cor. Aurora Boulevard, Quezon City	-	82
Summit Galleria Cebu...............	Benedicto St. Cor. Gen. Maxilom Ave. Ext., Cebu City	-	215
Summit Hotel Tacloban.............	National Highway, Marasbaras, Tacloban City	-	131
Go Hotel	EDSA, Mandaluyong City	Economy	223
Go Hotel	Puerto Princesa City, Palawan	Economy	108
Go Hotel	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel	Tacloban City, Leyte	Tourist Inn	98
Go Hotel	Bacolod City, Negros Occidental	Economy	108
Go Hotel	Paco, Manila	Economy	118
Go Hotel	Iloilo City	Economy	167
Go Hotel	Ortigas Center, Pasig City	Economy	198
Go Hotel.................................	Butuan City	Economy	104

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF AVAILABLE ROOMS
Go Hotel................................	Lanang, Davao City	Economy	183
Go Hotel................................	Iligan City, Lanao Del Norte	-	38
Total			2,742

As of December 31, 2018, the Company's Hotels and Resorts Division has a system-wide average occupancy rate of 62%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has an initial term of ten years. On June 2015, the contract was extended for another 3 years, and in March 2018, the contract was further extended until 2028. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It also carries out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay, Summit Hotel Magnolia, Summit Galleria Cebu, Summit Hotel Tacloban and the eleven (11) Go Hotels directly.

In calendar year 2018, Go Hotels opened in Iligan City. Go Hotels is present also in Mandaluyong, Puerto Princesa, Dumaguete, Tacloban, Bacolod, Otis - Manila, Iloilo, Ortigas Center, Butuan, and Lanang-Davao. Under its franchise partner, Roxaco-Asia Hospitality Corporation, Go Hotels is present in Manila Airport Road, Ermita Manila, Timog-Quezon City, Cubao-Quezon City and North Edsa-Quezon City, bringing the total number of properties to sixteen (16) with 2,410 rooms.

In 2019, Robinsons Hotels and Resorts will add a total of 635 rooms to its portfolio. The five (5) new hotels that will open are Dusit Thani Mactan Cebu, Summit Hotel Greenhills, Summit Hotel Naga, Go Hotel Naga, and Go Hotel Tuguegarao.

Robinsons Hotels and Resorts will continue to build hotels in key locations aiming to become the largest hospitality group with the widest variety of brands and formats in the country.

v. Industrial and Integrated Developments

(Industrial and Integrated Developments) IID is focused on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, and development of warehouse and logistics facilities. Pilot projects under IID are the development of Sierra Valley, the 18-hectare property in Cainta, Rizal, as well as the thirty-hectare Bridgetowne Complex near Ortigas Center and the warehousing facility in Muntinlupa. In 2018, the Company aims to commence the land development in Sierra Valley and to complete the construction of the warehouse facility in Muntinlupa.

The IID Division accounted for ₱2.64 billion or 9% of RLC's revenues, 95% accounts for the sale of the commercial lots and the remainder 5% is the revenue generated from the warehouse business, and ₱2.03 billion or 12% of RLC's EBITDA in calendar year 2018. As of December 31, 2018, the Company's IID Division had assets, valued on a historical cost less depreciation basis, of ₱19.17 billion.

c) Significant Subsidiaries

As of December 31, 2018, RLC has eleven (11) subsidiaries, all of which are consolidated with the Company's financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RPMMC, RCL, AAI, AMVI, ASN, GHDI, RLCRL , BPVI and BRFLC.

Key details of each of RLC's subsidiaries are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by RLC. RII's principal business is to engage in the development and operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels and resorts division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's Residential Division. RPMMC manages the marketing of the portfolio of residential units that are available for sale through the Residential Division's Robinsons Communities, Robinsons Residences, and Robinsons Luxuria brands. RPMMC's primary purpose is to acquire,

own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

4. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. RCL acts as a real estate agent on the international market, among others, for the Residential Division.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus Mall Ventures, Inc.*** Altus Mall Ventures, Inc. (AMVI) was incorporated on August 19, 2002, has a registered share capital of 4,000,000 and is 100%-owned by the Parent Company. AMV's primary purpose is to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

7. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on March 28, 2007, has a registered share capital of 40,000,000 and is 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. ASNC's principal business is to establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations, without engaging in retail business.

8. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture between RLC within the Hotels and Resorts Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations.

9. ***RLC Resources, Ltd.*** RLC Resources, Ltd. (RLCRL) was incorporated on September 10, 2001 in the British Virgin Islands as an International Business Company, has an initial registered share capital of 50,000, which was increased to 500,000 in fiscal year 2016 and is 100%-owned by the Parent Company. RLC Resources, Ltd.'s principal business is to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into arrangements with any person,

firm or company; to promote, sponsor, establish, constitute, form, participate in, organize, manage, supervise and control any corporation, company, fund, trust, business or institution; to purchase or otherwise acquire and hold, in any manner and upon any terms, and to underwrite, invest and deal in shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities and enter into any interest rate exchange contracts, forward contracts, futures contracts and enforce all rights and powers incidental to RLCRL's interest therein.

10. ***Bonifacio Property Ventures, Inc.*** Bonifacio Property Ventures, Inc. (BPVI) was incorporated on December 21, 2018, has a registered share capital of 1,000,000,000 with a par value of Php 1.00 per share, 500,000 shares of which is subscribed and paid up by the Parent Company. BPVI's principal business is to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other real estate and/or structures of whatever kind, together with their oppurtenances.

11. ***Bacoor R and F Land Corporation.*** Bacoor R&F Land Corporation (BRFLC) was incorporated on October 15, 2018, has a registed share capital of 10,000,000 with a par value of Php 100.00 per share, 4,000,000 shares of which is subscribed and paid up by Parent Company. BRFLC's principal business is to acquire, own, and hold real estate properties situated in Bacoor City, Province of Cavite or any other properties approved by the Board of Directors or stockholders of the corporation, and to sell, lease, mortgage, alienate or develop the parcels of land acquired by the corporation.

Altus Mall Ventures, Inc.

Altus Mall Ventures, Inc. (AMVI) was incorporated on August 19, 2002, has a registered share capital of 4,000,000 and is 100%-owned by the Parent Company. AMV's primary purpose is to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds. AMVI owns 1.05 has of parcels of land located at San Fernando, La Union. As of December 31, 2018, AMVI has been dormant for seventeen (17) years.

ANNEX “B”

Annex "B"

Legal Proceedings of the Corporation and its subsidiaries

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Group's consolidated financial position.

ANNEX “C”

Annex "C"

Market Price, Dividends and Principal Stockholders of Robinsons Land Corporation

Market Information

Data on the quarterly price movement of its shares for the past three calendar years are set forth below.

	2018			2017			2016		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	20.45	19.50	20.20	23.20	22.75	23.00	29.20	27.55	27.90
2	19.42	18.50	18.50	24.40	23.80	24.25	31.65	29.50	29.50
3	20.30	19.28	20.30	26.15	25.00	25.30	31.35	30.30	31.00
4	20.55	20.40	20.55	21.75	21.30	21.30	26.30	25.10	26.00

Additional information as of March 31, 2019 are as follows:

Market Price:	Period	High	Low
	Jan. to Mar. 2019	₱24.80	₱24.25

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the calendar years 2018 and 2017 and fiscal year 2016.

For calendar year 2018, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of December 31, 2017 to all stockholders on record as of April 26, 2018. The cash dividends were paid out on May 23, 2018.

For calendar year 2017, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2016 to all stockholders on record as of April 3, 2017. The cash dividends were paid out on May 2, 2017.

For fiscal year 2016, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2015 to all stockholders on record as of March 29, 2016. The cash dividends were paid out on April 22, 2016.

RLC's unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱2,223 million and ₱1,793 million as of December 31, 2018 and 2017, respectively. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the amount appropriated for expansion totaling ₱27,000 million as of December 31, 2018.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of December 31, 2018:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	3,166,806,886	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,210,012,520	23.30%
3	PCD Nominee Corporation (Filipino)	782,456,845	15.07%
4	Elizabeth Yu	8,737,200	0.17%
5	John Gokongwei, Jr.	8,124,721	0.16%
6	Cebu Liberty Lumber	2,203,200	0.04%
7	James L. Go	2,139,011	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Frederick D. Go	986,027	0.02%
10	Quality Investments & Sec Corp.	904,200	0.02%
11	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.00%
17	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	7,614,539	0.15%
	Total	**5,193,830,685**	**100.00%**

ANNEX "D"

Annex "D"

Financial Statements of Robinsons Land Corporation and Altus Mall Ventures, Inc.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9 3 2 6 9 - A

COMPANY NAME

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

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

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	397-1888	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,061	Last Wednesday of May	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Kerwin Max S. Tan	Kerwin@robinsonsland.ph	397-1888	N/A

CONTACT PERSON's ADDRESS

14 Floor Robinsons Cyberscape Alpha cor. Sapphire & Garnet Road Ortigas Center, Pasig City

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

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

SEC Number 93269-A
File Number

ROBINSONS LAND CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue,
Quezon City, Metro Manila

(Company's Address)

397-1888

(Telephone Number)

DECEMBER 31

(Calendar Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

Amendment Designation (if applicable)

December 31, 2018

Period Ended Date

CN 000452-R-Listed

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended : **December 31, 2018**

2. SEC Identification Number : **93269-A**

3. BIR Tax Identification No. **000-361-376-000**

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

5. **Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila**
   Address of principal office Postal Code

8. **397-1888**
   Issuer's telephone number, including area code

9. **N.A** ....
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	5,193,830,685 shares
Registered bonds payable	₱ 12,000,000,000.00

11. Are any or all of these securities listed on a Stock Exchange.

    Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱41,163,435,044.55**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

Robinsons Land Corporation (RLC, the Parent Company or the Company) is a stock corporation organized under the laws of the Philippines and has eleven (11) consolidated subsidiaries.

The Parent Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The Group has 2,415 and 2,130 employees as of December 31, 2018 and 2017, respectively.

RLC is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls, offices, hotels and warehouse facilities; and the development of mixed-use properties, residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an "investment" component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings, hotels and warehouse facilities); and a "development" component, in which RLC develops real estate projects for sale (principally residential condominiums, serviced lots, house and lot packages and commercial lots).

RLC's operations are divided into its five business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of December 31, 2018, RLC operates fifty-one (51) shopping malls, comprising of nine (9) malls in Metro Manila and forty-two (42) malls in other urban areas throughout the Philippines, and has another four (4) new malls and three (3) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of December 31, 2018, RLC's Residential Division has seventy-three (73) residential condominium buildings/towers/housing projects and thirty-eight (38) housing subdivisions of which eighty-nine (89) have been completed and twenty-two (22) are still ongoing with two (2) projects that are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of December 31, 2018, this division has completed twenty (20) office developments, located in Quezon City, Ortigas Central Business District in Pasig City, Mandaluyong City, Makati Central Business District in Makati City, Fort Bonifacio in Taguig City, Cebu City, Ilocos Norte, Tarlac City, Naga City and Davao City. These office projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels and Resorts Division has a diverse portfolio covering three brand segments: upscale international deluxe hotels, mid-market boutique city and resort hotels, and essential service value hotels. In the international deluxe category, Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria, both managed by the Intercontinental Hotels Group, are key players in the hotel market in the Ortigas business district in Pasig City, Metro Manila. The Company's mid-market Summit Hotels and Resorts brand operates Summit Ridge Tagaytay, Summit Circle Cebu, Summit Hotel Magnolia, Summit Galleria Cebu and the recently-opened Summit Hotel Tacloban. The third brand segment is the popular Go Hotels that is present in 16 key locations across the Philippines.

- The Industrial and Integrated Developments Division focuses on mixed-used developments and masterplanned communities. These developments incorporate different property formats such as residences, work places, commercial centers, logistics facilities and other institutional developments into a single setting. Another major role of this division is to seek business opportunities brought about by Public-Private Partnerships. As of December 31, 2018, this division has organized the ground breaking of Sierra Valley in Taytay and Cainta municipalities. The division is also completing the ongoing developments of two (2) integrated developments located in the cities of Pasig and Quezon and in Porac, Pampanga.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.3 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of calendar year 2018.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the SRO to finance the acquisition of land located in various parts of the country for all its business segments.

The Company has obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the offer was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date – January 24, 2018
- Ex-date – January 26, 2018
- Record date – January 31, 2018
- Offer period – February 2 to 8, 2018
- Listing date – February 15, 2018

The Company has successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

b) Business

RLC has five business divisions – Commercial Centers, Residential, Office Buildings, Hotels and Resorts, and Industrial and Integrated Developments.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱11.94 billion or 40% of RLC's revenues and ₱7.67 billion or 47% of RLC's EBITDA in calendar year 2018 and ₱10.79 billion or 48% of RLC's revenues and ₱7.04 billion or 56% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱73.96 billion.

During calendar year 2018, the Commercial Centers Division opened four (4) new malls, increasing its gross floor area by 6.9%. It currently operates 51 shopping malls, comprising nine (9) malls in Metro Manila and forty two (42) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 2.813 million square meters.

As of December 31, 2018, RLC had a portfolio of 51 shopping malls as follows:

Name, Location		Calendar Year opened	Approximate gross floor area (in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1990	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1997	241
Robinsons Novaliches	Quirino Highway, Novaliches, Quezon City	2001	70
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2001	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2004	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2007	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2013	17
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2014	59
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	61
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1998	65
Robinsons Fuente Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2001	70
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2002	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96

Name, Location		Calendar Year opened	Approximate gross floor area
Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2002	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2003	59
Robinsons Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2004	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2008	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2008	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	63
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete	Calindagan Business Park, Dumaguete City	2009	38
Robinsons Ilocos Norte	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2009	65
Robinsons Cybergate Cebu	Don Gil Garcia St., Capitol, Cebu City	2009	20
Robinsons Place Pangasinan	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2013	59
Robinsons Place Malolos	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2013	68
Robinsons Place Roxas	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Robinsons Place Antique	Brgy. Maybato, San Jose, Antique	2015	32
Robinsons Galleria Cebu	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2015	139
Robinsons Place Tagum	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Robinsons Place Iligan	Macapagal Ave., Brgy. Tubod, Iligan City, Lanao del Norte	2017	51
Robinsons Place Naga	Roxas Ave., cor. Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur	2017	75
Robinsons North Tacloban	Brgy. Abucay, Tacloban City, Leyte	2017	54
Robinsons Place Ormoc	Brgy. Cogon, Ormoc City, Leyte	2018	24
Robinsons Place Pavia	Brgy. Ungka 2, Pavia, Iloilo	2018	41
Robinsons Place Tuguegarao	Brgy. Tanza, Tuguegarao City, Cagayan	2018	60
Robinsons Place Valencia	Sayre Highway, Brgy. Hagkol, Bagontaas Valencia, Bukidnon	2018	47
Total			2,813

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be a major driver for the Company's growth in the future.

As of calendar year 2018, the Company had four (4) new shopping malls and three (3) expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,787 million and ₱2,337 million for the calendar years ended December 31, 2018 and 2017, respectively.

ii. Residential Division

The Residential Division focuses on the construction and sale of residential condominium, subdivision projects and other real estate properties. The Division accounted for ₱8.69 billion or 29% of RLC's revenues and ₱2.21 billion or 14% of RLC's EBITDA in calendar year 2018, and ₱6.55 billion or 29% of RLC's revenues and ₱1.82 billion or 15% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱53.68 billion.

Percentage of realized revenues from foreign sales to total revenues for calendar years 2018 and 2017 and fiscal year 2016 are 1.75%, 0.75% and 0.24%, respectively while percentage of realized revenues from foreign sales to net income for calendar years 2018 and 2017 and fiscal year 2016 are 6.28%, 2.86% and 0.88%, respectively.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are nine (9) residential condominium buildings/towers under the Robinsons Luxuria portfolio, of which eight (8) have been completed and one (1) project is under construction.

Key details of the Company's Robinsons Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
The Residences at The Westin Manila Sonata Place [(1)]	50	344
Completed Projects		
Galleria Regency [(1)] [(2)]	13	108
AmiSa Private Residences Tower A [(1)]	14	131
AmiSa Private Residences Tower B [(1)]	18	155
AmiSa Private Residences Tower C [(1)]	18	189
Signa Designer Residences Tower 1	29	306
Signa Designer Residences Tower 2	28	351
Sonata Private Residences – Building 1 [(1)]	29	270
Sonata Private Residences – Building 2 [(1)]	30	269

The Robinsons Luxuria projects are detailed as follows:

1. ***The Residences at The Westin Manila Sonata Place (legal name Sonata Premier)*** the first Westin-branded Residences in Southeast Asia and the final residential tower in the Sonata Place mixed-use community. Recognized as the 2018-2019 Best Residential High-Rise Development Philippines by the Asia Pacific Property Awards.

2. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

3. ***Signa Designer Residences Towers 1 and 2*** is a joint venture project between Robinsons Land Corporation and Security Land Corporation in Makati CBD. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Residential Condominium in the Philippines.

4. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of 6 mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

5. ***Sonata Private Residences – Buildings 1 and 2*** are part of a Sonata Place mixed-use community in Ortigas Center that has been masterplanned to consist of three residential condominiums, and one hotel. RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project in 2016.

The Company's business plan for its Robinsons Luxuria brand is to continue to acquire and launch properties in key central and strategic locations within

[1] Part of a mixed-used development
[2] Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel

Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive features and amenities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the Robinsons Luxuria segment as of December 31, 2018:

Location	Acquisition Date	Approximate gross land area [1]
		(in hectares)
Lapu-Lapu City	May 2007	5.1

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, efficiently designed living spaces, stress-busting amenities and lifestyle perks and privileges.

As of December 31, 2018, Robinsons Residences segment had a portfolio of thirty one (31) residential condominium buildings/towers, of which twenty six (26) had been completed and five (5) are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 [1]	21	270
Galleria Residences Cebu Tower 2 [1]	22	352
The Trion Towers – Building 3	50	636
The Radiance Manila Bay South Tower	41	597
The Magnolia Residences Tower D [1]	30	420
Completed Projects		
Robinsons Place Residences 1 [1]	38	388
Robinsons Place Residences 2 [1]	38	388
One Gateway Place [1]	28	413
Gateway Garden Heights [1]	32	549
One Adriatico Place [1]	38	572
Two Adriatico Place [1]	38	546
Three Adriatico Place [1]	38	537
Fifth Avenue Place	38	611

[1] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Storeys	Number of Units
Completed projects		
Otis 888 Residences [1]	3	195
McKinley Park Residences	44	391
East of Galleria	44	693
The Fort Residences	31	242
Vimana Verde Residences Tower A	6	20
Vimana Verde Residences Tower B	6	20
Vimana Verde Residences Tower C	7	45
Azalea Place Cebu	25	408
The Trion Towers - Building 1	49	694
The Trion Towers - Building 2	50	725
Gateway Regency [1]	31	463
The Magnolia Residences Tower A [1]	36	378
The Magnolia Residences Tower B [1]	38	419
The Magnolia Residences Tower C [1]	38	433
The Radiance Manila Bay North Tower	36	538
The Sapphire Bloc North Tower	38	412
The Sapphire Bloc West Tower	38	416
Woodsville Residences	2	185

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the Pioneer mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, Gateway Regency Studios, the Robinsons Forum mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go Hotels Mandaluyong.

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of the mixed-use development in Paco, Manila, which includes Robinsons Otis mall and Go Hotels Otis.

4. ***The Magnolia Residences Towers A, B, C and D*** are part of the mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines.

[1] *Part of a mixed-use development*

5. ***Fifth Avenue Place*** is a 38-storey development in Bonifacio Global City. Composed of 611 units, it is the first completed project of RLC in the area.

6. ***McKinley Park Residences*** is a 44-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units—flat and loft type.

8. ***The Trion Towers 1, 2 and 3*** compose the three-tower development in Bonifacio Global City. In 2015, RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project.

9. ***East of Galleria*** is a one tower development located along Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mixed-use complex.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex. This project was recognized in the 2015 Philippine Property Awards and 2016 Asia Pacific Awards, as the Best Mid-Range Condo Development and Best Residential High-Rise Development in the country, respectively. The project was recognized as the Best Residential Interior Design during 2017 Philippine Property Awards and 2017 Asian Property Award (Philippines).

12. ***Vimana Verde Residences Buildings A, B and C*** is a three mid-rise building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City.

14. ***The Radiance Manila Bay North and South Towers*** are the main components of the two-tower residential development that features a lifestyle retail wing. It is located along Roxas Boulevard in Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Towers 1 and 2*** are part of a three-tower residential component of the Robinsons Galleria Cebu Complex which

consists of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City.

The Company's business plan for its Robinsons Residences brand is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of December 31, 2018:

Location	Acquisition Date	Approximate land area
		(in hectares)
Maxilom Avenue, Cebu City	September 2008	0.2
Ortigas Center, Pasig City............................	November 2011	0.3
Total		0.5

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically located near major gateways, highly developed cities and central business districts to provide easy access to schools, work places and vital institutions.

As of December 31, 2018, Robinsons Communities had completed twenty six (26) residential condominium buildings/towers and two (2) subdivision projects. It has five (5) on-going projects in different stages that are scheduled for completion over the next five years.

Robinsons Communities is currently focusing on the development of both mid-rise and high-rise residential condominium projects that primarily offer compact units. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	NUMBER OF RESIDENTIAL FLOORS	NUMBER OF RESIDENTIAL UNITS
Current Projects		
Axis Residences - Building B	37	792
Acacia Escalades - Building B	13	414
Chimes Greenhills..................................	24	378
Aurora Escalades Tower..........................	21	800
Gateway Regency Studios.......................	28	378
Completed Projects		
Acacia Escalades - Building A	11	383
Axis Residences - Tower A	37	913
Escalades East Tower	11	269
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	33	653
The Pearl Place - Tower B	34	640
Wellington Courtyard - Bldg A....................	5	34
Wellington Courtyard - Bldg B....................	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E....................	5	38
Gateway Garden Ridge	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches*	-	461
Centennial Place*	-	50

**horizontal*

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is within a mixed-use development located in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

2. ***Escalades at 20th Avenue Towers 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (10) residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, this is another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. This project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs), with 192 units.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is composed of two (2) mid-rise residential buildings located in Sucat, Muntinlupa with generous open spaces allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families, investors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6th floor (Towers A and B) and 40th floor (Tower A), and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two mid-rise buildings with commercial component.

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan.

10. ***Escalades East Tower*** is a 14-storey residential development located along 20th Ave., Cubao, QC and is part of the Escalades-Cubao complex.

11. ***Aurora Escalades Tower*** is a 21-storey residential development located along Aurora Blvd., Cubao, QC and is the last building of the Escalades-Cubao complex.

12. ***Gateway Regency Studios*** is the last residential tower at the EDSA-Pioneer mixed-use development offering studio units to urban professionals.

13. ***Bloomfields Novaliches*** is a horizontal residential development situated behind the Robinsons Place Novaliches mall.

14. ***Centennial Place*** - This is a half-hectare townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) townhouses, with lots ranging from 65 to 70 square meters.

The Company's business plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. It plans to acquire additional properties through purchase or joint venture.

The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of December 31, 2018:

Location	Acquisition Date	Approximate land area
		(in hectares)
Sucat, Muntinlupa	2002	1.3
Merville, Paranaque	2006	3.3
Las Pinas City [1]	2011	1.5
Bagong Ilog, Pasig City	2018	1.0
Total		7.1

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of RLC. It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of December 31, 2018, Robinsons Homes has thirty eight (38) projects in its portfolio. Eleven (11) of these projects are on-going construction, two of which are awating for the receipt of License to Sell (LS) to launch. Among the thirty eight (38) projects, twenty seven (27) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of calendar year 2018 are set forth in the table below:

Name	Location	Started [1]	Approximate Gross Land Area [2]	Number of Lots/Units
			(in hectares)	
Robinsons Homes East	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard	Cavite	May 1996	71.8	2,899
South Square Village	Cavite	August 1998	26.7	3,896
San Lorenzo Homes	Antipolo City	September 1999	2.8	372
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes	Pampanga	November 2005	14.5	654
Rosewood Parkhomes	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos	General Santos City	May 2014	33.0	755
Brighton Bacolod	Negros Island	February 2016	22.4	735
Brighton Puerto Princesa	Palawan	August 2016	13.1	377

[1] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[2] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Location	Started [(1)]	Approximate Gross Land Area [(2)]	Number of Lots/Units
			(in hectares)	
Springdale at Pueblo Angono......	Angono, Rizal	November 2016	3.8	197
Brighton at Pueblo Angono..........	Angono, Rizal	August 2017	4.6	140
Terrazo at Robinsons Vineyard...	Cavite	-	13.4	477
Monte Del Sol.........................	Misamis Oriental	-	3.3	256

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East.*** A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring fourteen (14) shop house units at 190sqm/unit and eight commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard.*** A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village.*** This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot. The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes.*** This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.

5. ***Robinsons Highlands.*** This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.

6. ***Grosvenor Place.*** This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.

7. ***Robinsons Hillsborough Pointé.*** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four phases, which have been fully completed. The lots have an average size of 150 square meters.

8. ***Forest Parkhomes.*** An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC's first housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.

9. ***San Jose Estates.*** This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.

10. ***Robinsons Residenza Milano.*** Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes' first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.

11. ***Fernwood Parkhomes.*** This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282

lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is a 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 365-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 79 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview.*** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates.*** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades.*** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra.*** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of 180 square meters.

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

35. ***Brighton Puerto Princesa.*** This mediterranean-themed subdivision offers 377 residential lots in a 13.1-hectare development catered to locals and tourists. Average lot area is 180 square meters which is complemented by amenities such as clubhouse, multi-purpose court and swimming pool.

36. ***Springdale at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 3.8 hectares of land. This subdivision offers 197 units with a predominant area of 100 square meters.

37. ***Brighton at Pueblo Angono.*** An Asian-Tropical themed subdivision of 140 residential lots ideal for clients with a growing family. This development has a predominant lot cut of 180 square meters and is completed by amenities fit for families looking for a brighter future ahead.

38. ***Terrazo at Robinsons Vineyard.*** This 13.4-hectare contemporary-themed expansion of Robinsons Vineyard offers 477 residential lots catered to middle-class families who want to reside in Dasmariñas, Cavite.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of December 31, 2018, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Terrazo at Robinsons Vineyard and Monte Del Sol.

The Company's business plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of December 31, 2018, it was in various stages of negotiations for the acquisition of approximately 85 hectares of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱4.29 billion or 15% of RLC's revenues and ₱3.76 billion or 23% of RLC's EBITDA in calendar year 2018, and ₱3.27 billion or 15% of RLC's revenues and ₱2.93 billion or 23% of RLC's EBITDA in calendar year 2017. As of December 31, 2018, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱19.46 billion.

RLC engages outside architects and engineers for the design of its office buildings developments. Due to the sustained growth from the IT Business Process Management (IT-BPM) sector and increasing office space demands from other multinational and logistic companies, the Company has secured a number of major customers as long-term tenants in its office building space and has continuously improved its building developments including its building features, office layouts and amenities. The Company is one of the leading providers of office spaces in the Philippines.

In December 2018, the Office Buildings Division opened its own flexible workspace business, "work.able". It is located at the ground floor and penthouse of Cyberscape Gamma in Ortigas CBD. It offers plug and play workspaces to clients who are looking for flexible office options such as private offices, venues for meetings and events and co-working spaces.

As of December 31, 2018, the Office Buildings Division has completed twenty (20) office developments with the completion of Cyberscape Gamma in Ortigas CBD, Pasig City, Exxa and Zeta Towers in Bridgetowne East, Quezon City thereby increasing its leasable space by 29%. In the next two years, the Company is targeting to complete six (6) office buildings located in key cities across the country. The Company's completed office developments are described below.

Name	Location	Size & Designation
Galleria Corporate Center	Along EDSA corner Ortigas Avenue, Quezon City	30 storeys
Robinsons-Equitable Tower	Corner of ADB and Poveda Streets, Pasig City	45 storeys
Robinsons Summit Center	Ayala Avenue, Makati City	37 storeys
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18 storeys
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27 storeys
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27 storeys
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12 storeys
Robinsons Cybergate Cebu	Fuente Osmena, Bo. Capitol, Cebu City	3 storeys
Cyberscape Alpha	Sapphire and Garnet Roads, Pasig City	26 storeys
Cyberscape Beta	Ruby and Topaz Roads, Pasig City	37 storeys
Tera Tower	Bridgetowne, C5 Road, Quezon City	20 storeys
Robinsons Galleria Cebu Office	Gen. Maxilom Avenue, Cebu City	4 storeys
Robinsons Place Ilocos Office	San Nicolas, Ilocos Norte	4 storeys
Cyber Sigma	Fort Bonifacio, Taguig City	21 storeys
Robinsons Luisita Office	Luisita, Tarlac City	3 storeys
Cybergate Delta	JP. Laurel Ave., Davao City	5 storeys
Cybergate Naga	Roxas Ave., Naga City	4 storeys
Cyberscape Gamma	Ruby and Topaz Roads, Pasig City	37 storeys
Exxa Tower	Bridgetowne, C5 Road, Quezon City	20 storeys
Zeta Tower	Bridgetowne, C5 Road, Quezon City	20 storeys

The Company's completed office buildings are described as follows:

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an approximate net floor area (comprising only leasable space) of 25,000 square meters. As of December 31, 2018, approximately 85% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 100% occupancy rate.

2. ***Robinsons-Equitable Tower.*** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of December 31, 2018, RLC had sold approximately 70% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 100% occupancy rate as of December 31, 2018.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 100% occupancy rate as of December 31, 2018.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of December 31, 2018.

5. ***Robinsons Cybergate Center Tower 2.*** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of December 31, 2018.

6. ***Robinsons Cybergate Center Tower 3.*** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.6% occupancy rate as of December 31, 2018.

7. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 100% occupancy rate as of December 31, 2018.

8. ***Robinsons Cybergate Cebu.*** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of December 31, 2018, the office floors had an occupancy rate of 100%.

9. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 100% occupancy rate as of December 31, 2018.

10. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the Ground and Mezzanine levels. The office floors are located from the 9th to the 37th levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 100% occupancy rate as of December 31, 2018.

11. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6th to 20th floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 100% occupancy rate as of December 31, 2018.

12. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had a 70.7% occupancy rate as of December 31, 2018.

13. ***Robinsons Place Ilocos Office.*** This office development is integrated with the mall expansion. The office development has a gross leasable area of 7,500 square meters and it is 100% owned by RLC.

14. ***Cyber Sigma.*** This is a 21-storey office development located in Fort Bonifacio, Taguig City. The office project has access to both Lawton Avenue and Le Grand in Mckinley West. It has a leasable area of approximately 50,000 sqm and was completed last December 2017. It had an occupany rate of 89.2% as of December 31, 2018.

15. ***Robinsons Luisita Office.*** This build to suit development consists of a 3-storey of dedicated office space to a BPO client. The space was commited ahead and was custom built based on the requirement of our client. It has

a leasable area of 5,700 sqm and was completed last October 31, 2017. As of December 31, 2018, it had a 100% occupancy rate.

16. ***Cybergate Delta.*** This is a 5-storey office project located within the PEZA registered IT Park, Robinsons Cyberpark located in JP. Laurel Avenue in Davao City. The development sits on more than a hectare property and has it's own commercial spaces at the ground floor to support its office tenants' food and dining requirements. It has a leasable area of approximately 11,900 sqm and was completed last December 2017. As of December 31, 2018, it had an occupancy rate of 47.4%.

17. ***Cybergate Naga.*** This office development is located within the Robinsons Place Naga complex in Roxas Ave, Naga City. It is a 4-storey office development with a leasable area of approximately 5,700 sqm. As of December 31, 2018 occupancy rate is at 100%.

18. ***Cyberscape Gamma.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. This is interconnected with Cyberscape Beta via its Ground, Mezzanine and parking floors. The building has a gross leasable area of approximately 43,500 square meters. This was completed in December 2018 and during the same period it had a 57.2% occupancy rate.

19. ***Exxa Tower.*** This 20-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City, is a twin tower of Zeta Tower. They share common retail and parking podium floors. The building including the 2 floors of retail spaces has a gross leasable area of approximately 39,800 square meters. RLC owns 100% of the gross floor area. As of December 31, 2018, it had an occupancy rate of 91.7%.

20. ***Zeta Tower.*** This is a 20-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has a gross leasable area of approximately 34,500 square meters. RLC owns 100% of the gross floor area. The building was completed in December 31, 2018 and as of the same period, it had an occupancy rate of 19.2%.

iv. Hotels and Resorts Division

RLC's Hotels and Resorts Division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. In 2018, it opened Summit Hotel Tacloban in Eastern Visayas integrated to Robinsons Place mall complex which completes the live-work-play promise of the Company. As the largest hotel in Tacloban City, Summit Hotel Tacloban offers 138-rooms, grand ballroom and meeting facilities, uniquely designed and inspired from Tacloban's history, culture and people. This year, Robinsons Hotels and Resorts opened Go Hotels Iligan, the biggest hotel in Northern Mindanao. The hotel is strategically located beside Robinsons Place Iligan, the city's largest shopping mall. Specifically built with the business traveler in mind, Go Hotels

Iligan offers comfortable spaces for business meetings, social gatherings and a function hall that can accommodate up to 200 guests for corporate events. RLC's Hotels and Resorts Division currently has a portfolio of eighteen (18) hotel properties. As of December 31, 2018, the Company's Hotels and Resorts Division had assets, valued on a historical cost less depreciation basis, of ₱7.88 billion.

The Hotels and Resorts Division accounted for ₱1.98 billion or 7% of RLC's revenues and ₱0.67 billion or 4% of RLC's EBITDA in calendar year 2018, and ₱1.89 billion or 8% of RLC's revenues and ₱0.72 billion or 6% of RLC's EBITDA in calendar year 2017.

Although the Hotels and Resorts Division is an important part of RLC's business, the Company considers its primary value to be as a complement to its other developments.

On its path to becoming the best and biggest hotel company in the Philippines, over the next years, we will see more Go Hotels and Summit Hotels as part of the division's expansion program across the country.

Go Hotels has steadily increased its presence in the Philippines with eleven (11) operational branches, offering a total of more than 1,500 rooms, in strategic cities across the country. Its thrust is to build in locations with high market demand. To support expansion of the brand, Go Hotels is open to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of December 31, 2018:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF AVAILABLE ROOMS
Crowne Plaza Manila Galleria	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria...............................	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel)	Fuente Osmena cor. F. Ramos Street, Cebu City	Standard	211
Summit Ridge Tagaytay	Aguinaldo Highway, Tagaytay City	De Luxe	108
Summit Hotel Magnolia............	Dona Hemady cor. Aurora Boulevard, Quezon City	-	82
Summit Galleria Cebu..............	Benedicto St. Cor. Gen. Maxilom Ave. Ext., Cebu City	-	215
Summit Hotel Tacloban............	National Highway, Marasbaras, Tacloban City	-	131
Go Hotel	EDSA, Mandaluyong City	Economy	223
Go Hotel	Puerto Princesa City, Palawan	Economy	108
Go Hotel	Dumaguete City, Negros Oriental	Tourist Inn	102

Go Hotel	Tacloban City, Leyte	Tourist Inn	98
Go Hotel	Bacolod City, Negros Occidental	Economy	108
Go Hotel	Paco, Manila	Economy	118
Go Hotel	Iloilo City	Economy	167
Go Hotel	Ortigas Center, Pasig City	Economy	198
Go Hotel.................................	Butuan City	Economy	104
Go Hotel.................................	Lanang, Davao City	Economy	183
Go Hotel.................................	Iligan City, Lanao Del Norte	-	38
Total			2,742

As of December 31, 2018, the Company's Hotels and Resorts Division has a system-wide average occupancy rate of 62%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has an initial term of ten years. On June 2015, the contract was extended for another 3 years, and in March 2018, the contract was further extended until 2028. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It also carries out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay, Summit Hotel Magnolia, Summit Galleria Cebu, Summit Hotel Tacloban and the eleven (11) Go Hotels directly.

In calendar year 2018, Go Hotels opened in Iligan City. Go Hotels is present also in Mandaluyong, Puerto Princesa, Dumaguete, Tacloban, Bacolod, Otis - Manila, Iloilo, Ortigas Center, Butuan, and Lanang-Davao. Under its franchise partner, Roxaco-Asia Hospitality Corporation, Go Hotels is present in Manila Airport Road, Ermita Manila, Timog-Quezon City, Cubao-Quezon City and North Edsa-Quezon City, bringing the total number of properties to sixteen (16) with 2,410 rooms.

In 2019, Robinsons Hotels and Resorts will add a total of 635 rooms to its portfolio. The five (5) new hotels that will open are Dusit Thani Mactan Cebu, Summit Hotel Greenhills, Summit Hotel Naga, Go Hotel Naga, and Go Hotel Tuguegarao.

Robinsons Hotels and Resorts will continue to build hotels in key locations aiming to become the largest hospitality group with the widest variety of brands and formats in the country.

v. Industrial and Integrated Developments

(Industrial and Integrated Developments) IID is focused on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, and development of warehouse and logistics facilities. Pilot projects under IID are the development of Sierra Valley, the 18-hectare property in Cainta, Rizal, as well as the thirty-hectare Bridgetowne Complex near Ortigas Center and the warehousing facility in Muntinlupa. In 2018, the Company aims to commence the land development in Sierra Valley and to complete the construction of the warehouse facility in Muntinlupa.

The IID Division accounted for ₱2.64 billion or 9% of RLC's revenues, 95% accounts for the sale of the commercial lots and the remainder 5% is the revenue generated from the warehouse business, and ₱2.03 billion or 12% of RLC's EBITDA in calendar year 2018. As of December 31, 2018, the Company's IID Division had assets, valued on a historical cost less depreciation basis, of ₱19.17 billion.

c) Significant Subsidiaries

As of December 31, 2018, RLC has eleven (11) subsidiaries, all of which are consolidated with the Company's financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RPMMC, RCL, AAI, AMVI, ASN, GHDI, RLCRL , BPVI and BRFLC.

Key details of each of RLC's subsidiaries are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by RLC. RII's principal business is to engage in the development and operation of

apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels and resorts division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's Residential Division. RPMMC manages the marketing of the portfolio of residential units that are available for sale through the Residential Division's Robinsons Communities, Robinsons Residences, and Robinsons Luxuria brands. RPMMC's primary purpose is to acquire, own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

4. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. RCL acts as a real estate agent on the international market, among others, for the Residential Division.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus Mall Ventures, Inc.*** Altus Mall Ventures, Inc. (AMVI) was incorporated on August 19, 2002, has a registered share capital of 4,000,000 and is 100%-owned by the Parent Company. AMV's primary purpose is to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

7. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on March 28, 2007, has a registered share capital of 40,000,000 and is 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. ASNC's principal business is to

establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations, without engaging in retail business.

8. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture between RLC within the Hotels and Resorts Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations.

9. ***RLC Resources, Ltd.*** RLC Resources, Ltd. (RLCRL) was incorporated on September 10, 2001 in the British Virgin Islands as an International Business Company, has an initial registered share capital of 50,000, which was increased to 500,000 in fiscal year 2016 and is 100%-owned by the Parent Company. RLC Resources, Ltd.'s principal business is to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into arrangements with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organize, manage, supervise and control any corporation, company, fund, trust, business or institution; to purchase or otherwise acquire and hold, in any manner and upon any terms, and to underwrite, invest and deal in shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities and enter into any interest rate exchange contracts, forward contracts, futures contracts and enforce all rights and powers incidental to RLCRL's interest therein.

10. ***Bonifacio Property Ventures, Inc.*** Bonifacio Property Ventures, Inc. (BPVI) was incorporated on December 21, 2018, has a registered share capital of 1,000,000,000 with a par value of Php 1.00 per share, 500,000 shares of which is subscribed and paid up by the Parent Company. BPVI's principal business is to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other real estate and/or structures of whatever kind, together with their oppurtenances.

11. ***Bacoor R and F Land Corporation.*** Bacoor R&F Land Corporation (BRFLC) was incorporated on October 15, 2018, has a registed share capital of 10,000,000 with a par value of Php 100.00 per share, 4,000,000 shares of which is subscribed and paid up by Parent Company. BRFLC's principal business is to acquire, own, and hold real estate properties situated in Bacoor City, Province of Cavite or any other properties approved by the Board of Directors or stockholders of the corporation, and to sell, lease, mortgage, alienate or develop the parcels of land acquired by the corporation.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its Commercial Centers Division—SM Prime Holdings, Inc. (SMPHI) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SMPHI's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of December 31, 2018, the mall segment of SMPHI has ₱366.3 billion and ₱153.5 billion while the mall segment of ALI has ₱69.8 billion and ₱41.9 billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

ii. Residential Division

1. ***Robinsons Luxuria***

The Robinsons Luxuria brand continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land Corporation

(ROCK), Century Properties, Inc. (CPI) and Megaworld Corporation (MEG) to its developments. ROCK's total assets and equity accounts as of September 30, 2018 amounted to ₱55.5 billion and ₱19.2 billion, respectively; CPI's total assets and equity accounts as of December 31, 2018 amounted to ₱49.4 billion and ₱17.5 billion, respectively, while MEG's total assets and equity accounts as of September 30, 2018 amounted to ₱327.5 billion and ₱180.8 billion, respectively.

2. ***Robinsons Residences***

RLC's competitors (Alveo Land, MEG, Filinvest Land, Inc. (FLI), and Ortigas & Co.) under this segment targets the same market and offers similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remain among the top of mind developments as a result of growing experienced sales and distribution network and convenient locations. Projects are located within Central Business Districts or RLC's mixed-use development.

3. ***Robinsons Communities***

Robinsons Communities has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), FLI, SM Development Corporation (SMDC) and DMCI Homes. As of September 30, 2018, total assets and equity accounts amounted to ₱156.4 billion and ₱66.1 billion, respectively, for FLI while total assets and equity accounts of SMPHI as of September 30, 2018 amounted to ₱593.5 billion and ₱270.7 billion, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. ***Robinsons Homes***

Recognizing the growing housing market in the Philippines, RLC continues to embark on building subdivisions through its Robinsons Homes brand. For families aspiring to own their first home or upgrade to a better abode and neighborhood, Robinsons Homes provides them themed, master-planned, secure and gated horizontal subdivisions in key urbanized cities nationwide ideal to start the good life. In order to cater to varying market profiles, Robinsons Homes launched its four sub-brands namely: *Happy Homes* for socialized housing, *Springdale* for the affordable market segment, *Brighton* for id-cost development and *Bloomfields* for the high-end market.

It stands in close competition with ALI, FLI and Vista Land & Lifescapes, Inc. (VLL). Total assets and equity accounts of VLL as of September 30, 2018 amounted to ₱227.3 billion and ₱89.8 billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is creating not just subdivisions but is forming nurturing communities with lifestyle amenities and support developments in response to the changing lifestyle of Filipinos.

The Company believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success.

iii. Office Buildings Division

The Company believes that competition for office space is principally on the basis of location, quality and reliability of the project's design and equipment, reputation of the developer, availability of space, and PEZA registration. The biggest competitors of the Company under this segment are ALI, Megaworld and SM. The Company competes in this market on the basis of the strategic locations of its buildings, including their proximity to the malls and residences as part of its mixed-use developments and its accessibility to public transportation, building features as the office projects can accommodate all types of tenants including companies in the IT Business Process Management (IT-BPM) sector, corporate headquarters and traditional offices. The Company also believes that its established reputation of good quality, ease of doing business, and completing projects on time makes it one of the most preferred choices of the IT-BPM industry as well as local and multinational companies. The Company is committed in providing an excellent customer experience and satisfaction by developing office projects of high quality and reliability, meeting the evolving needs of its customers.

iv. Hotels and Resorts Division

Philippine Tourism is highly influenced by general political and economic conditions within the country. The Philippines is a preferred destination in the global tourism industry because of its competitiveness in terms of pricing hotel rooms and airline ticket, natural resources and eco-tourism.

Tourism is recognized as an industry of national importance, an engine for investments, employment, growth and national development. Philippine Tourism has emerged as an important contributor to economic growth in the service sector next only to the remittances from Overseas Filipino Workers and the Information Technology and Business Process Outsourcing sector.

The hotel business has seen a continued stabilized situation due to remittances from Filipino overseas workers, IT infrastructure projects in the Philippines, and the continuous drive of the local tour operators in developing affordable tour packages.

Foreseen increase of business travels coming from government led infrastructure projects with Chinese and Japanese investors such as construction of the Mega Manila Subway, Manila Bay Smart City Development – 407 hectare reclamation project, Manila- Clark Railway Project, Ortigas-BGC flyover.

There is sustained growth in domestic tourism due to more affordable flights and ease of air access. 28% of domestic travelers are millennials aged 15-24 years of age; 24% are aged 25-34 years of age, 19% for 35-44 years of age, 14% for 45 t0 54 years age; 9% for 55-64 and 6% above 65 years old.

The tourism outlook in the Philippines seems optimistic, driven by the presence of low cost carriers and with several hotels opening in Makati, Ortigas, and Fort Bonifacio CBD. DOT continues to attract in bound tourism by an aggressive global marketing campaign and brand awareness as well as promoting sustainable tourism which aims to ensure accommodation facilities across the country will comply with environmental and government policies. The ongoing rehabilitation of Boracay Island is a showcase of DOT's sustainable tourism program.

The government's rebalancing strategy or pivot towards giving greater attention to closer relations to our Northeast Asian Neighbors such as China, South Korea, Japan and Taiwan, rich potential sources of tourists, are also contributing to the positive outlook of the country's tourism sector.

The Information Technology and Business Process Outsourcing companies (main industry drivers) are anticipating a slowdown in expansion programs with the planned implementation of the government's Tax Reform Acceleration and Inclusion Package 2 or Train 2 which will affect the tax incentives, weakening the country's competitive advantage in the region.

The Department of Tourism is projecting 8.3 million foreign tourists for 2019 while the top five source markets have remained the same for the last two years.

Crowne Plaza Manila Galleria ensures "Making Business Travel Work" by providing meetings and rooms facilities that maximize productivity and ease for the MICE market and is still the hotel that offers the largest pillarless ballroom and meetings space which consistently attracts business from large-scale events and conferences.

Holiday Inn Manila Galleria remains to be a significant international mid-market brand in Ortigas which caters to both Leisure and Corporate Transient business in the area, despite increasing competition from relatively new openings over the last two to three years, namely Mercure by Accor, Joy Nostalg changing management to Accor hotels and posing a challenge to the long-staying market through its suites and most recent additions of Citadines which also caters to long-stay business.

Growth across condominiums has also led to more choices being available to customers eyeing long-stay accommodations. However, a unique feature of the IHG brand is its globally-renowned loyalty brand - IHG Rewards Club - which is a compelling choice due to its perks and benefits.

v. Industrial and Integrated Developments Division

Though Industrial and Integrated Developments is a new Division under RLC, RLC is not a newcomer in integrated developments. RLC has developed four major mixed used developments in Metro Manila alone, namely, Robinsons Galleria, Robinsons Forum, Robinsons Manila, and Robinsons Magnolia. These projects are anchored by Robinsons Mall with components of Office and/or Residential and/or Hotel/Leisure. With the formation of the Industrial and Integrated Development Division, RLC can now focus on this new fast growing development format.

All major developers are now into integrated development. Developers are now acquiring big parcels of land and incorporating different real estate components to attract investors and customers. The biggest competitors of RLC in integrated developments are Ayala Land, Megaworld, Filinvest, Eton, and SM.

RLC-IID will harness opportunities for synergies with RLC's other business units: Commercial, Residential, Hotel, and Office Division. RLC, having years of experience in these real estate components, will thus have a competitive advantage. With efficient master planning, innovative designs, and quality construction, RLC is committed to sustainable and future-proof communities.

e) Sources and Availability of Raw Materials and Names of Principal Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes the Company will undertake to procure the construction materials when it believes that it has an advantage in doing so. The Company typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge the

Company. If the Company believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

f) Employees and Labor

As of December 31, 2018, RLC and its subsidiaries had a total of 9,694 employees, including 2,415 permanent full-time managerial and support employees and approximately 7,279 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	1,088	6,022	7,110
Office Buildings Division	126	336	462
Residential Division.................................	473	293	766
Hotels and Resorts Division.....................	716	577	1,293
Industrial and Integrated Developments Division……………………………..………....	12	51	63
Total	2,415	7,279	9,694

The 2,415 permanent full-time managerial and support employees of RLC and its subsidiaries as of December 31, 2018 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	919
Administrative	1,017
Technical	479
Total	**2,415**

The Company foresees an increase in its manpower complement to 2,511 employees in the ensuing twelve months.

Almost all of the Company's Hotels and Resorts Division employees are covered by a collective bargaining agreement which will mature on September 30, 2021 for Summit Circle Cebu (formerly Cebu Midtown Hotel) and September 30, 2020 for Holiday Inn Manila Galleria's hotel. The Company's other employees are not unionized or party to collective bargaining agreements with the Company.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures.

g) Industry Risk

The Company substantially conducts its business activities in the Philippines where majority of its assets are located.

Demand for and prevailing prices of shopping mall and office leases, as well as the development of the Philippine hospitality sector are directly related to the strength of the Philippine domestic economy and the overall levels of business activity in the Philippines.

RLC's Commercial Centers Division is directly affected by level of consumption, demographic structure, social trends, changing spending patterns and consumer sentiments in the Philippines, which are in turn heavily influenced by economic, political and security conditions in the Philippines. The level of consumption is largely determined by the income levels of consumers which is supplemented by a large number of Overseas Filipino Workers (OFWs) and expatriate Filipinos employed in countries around the world. This exposes RLC to changes in the specific economies of the countries where OFWs are deployed.

As the fastest growing sector in the Philippine real estate industry, the Information Technology-Business Process Management (IT-BPM) outsourcing sector drives office space demand which fuels the performance and profitability of RLC's Office Buildings Division. The growth of the IT-BPM sector is heavily dependent on the availability of Information and Communications Technology (ITC) hubs across the country which provide sufficient labor supply and upgraded talent ecosystem, good ITC infrastructure and service capabilities, efficient cost and overall business environment as a product of sound macroeconomic fundamentals and geopolitical climate in the country.

RLC's Hotels and Resorts Division, on the other hand, is anchored on the development of Philippine tourism which is contingent on the rate of response of the Philippine government to address infrastructure challenges across the country.

On the development side of the Company's business, RLC is engaged in both domestic and international residential development. The property market has been cyclical where property values have been affected by confidence in the economy as well the interest rate environment.

Considerable economic and political uncertainties exist in the Philippines that may have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because majority of RLC's businesses are in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally may materially adversely affect RLC's financial performance, position and profitability.

RLC operates in a highly competitive industry. The Company's future growth and development is dependent, in large part, on the availability and affordability of large tracts of land suitable for development. As the Company and its competitors attempt to locate sites for development, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company, particularly in Metro Manila and other urban areas. To the extent that the Company is unable to acquire suitable land at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other commercial center and residential developers and real estate services companies, some with greater financial and other resources and more attractive land banks than the Company, compete with RLC in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect RLC's ability to develop and sell its properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for commercial and residential real estate.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

Over the years, the Company has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance. The Company also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them exclusive development and marketing rights.

The following are locations of the Company's properties:

Location	Use	Status
Land		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/Office Building/Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Residential/Mall/Office Building/ Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/Residential/Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential/Mall	No encumbrances
Isabela	Mall	No encumbrances
Ilocos Norte	Mixed use (mall/office)	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Cagayan	Mall	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Iloilo	Mall	No encumbrances
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Residential/Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Mixed-use(mall/hotel)	No encumbrances
Capiz	Mall	No encumbrances

Location	Use	Status
Antique	Mall	No encumbrances
Visayas area	Land bank	No encumbrances
Mindanao		
Agusan Del Norte	Mixed-use (mall/hotel)	No encumbrances
Misamis Oriental	Residential	No encumbrances
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Lanao Del Norte	Mixed-use (mall/hotel)	No encumbrances
Davao Del Norte	Mall	No encumbrances
Bukidnon	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/Office Building/Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Residential/Mall/Office Building/ Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential/Warehousing facility	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential/Office Building	No encumbrances
Malabon City	Mall	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/Residential/Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall/Residential	No encumbrances
Isabela	Mall	No encumbrances
Ilocos Norte	Mixed-use (mall/office)	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Cagayan	Mall	No encumbrances
Visayas		
Iloilo	Mall/Mixed-use (mall/hotel)	No encumbrances
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Mixed-use (mall/hotel)	No encumbrances
Capiz	Mall	No encumbrances
Antique	Mall	No encumbrances
Mindanao		
Misamis Oriental	Mall/Residential	No encumbrances

Location	Use	Status
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/Residential	No encumbrances
Agusan Del Norte	Mixed-use (mall/hotel)	No encumbrances
Davao Del Norte	Mall	No encumbrances
Lanao Del Norte	Mixed-use (mall/hotel)	No encumbrances
Bukidnon	Mall	No encumbrances

The Company owns all the land properties upon which all of its existing commercial centers are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, (v) Robinsons Place Jaro, (vi) Cyber Sigma, and (vii) Robinsons Place Tuguegarao. These seven land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta, Pulilan, Cyber Sigma, and Tuguegarao properties are for 25 years each and commenced in December 2003, January 2008, August 2014, and January 2018, respectively. Renewal options for Cainta, Pulilan, Cyber Sigma and Tuguegarao are available to the Company, with an Option to Purchase the property and its improvements for Cyber Sigma. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015. Total rent expense amounted to ₱246 million and ₱52 million in calendar years 2018 and 2017, respectively and ₱44 million for the three months ended December 31, 2016.

For calendar year 2019, the Company has appropriated approximately ₱27.0 billion of its retained earnings for domestic capital expenditures which will be funded through internally generated cash from operations and borrowings. The earmarked amount is for the continuing capital expenditures of the Company for subdivision land, condominium, residential units and other real estate properties for sale, development and expansion of investment properties and property and equipment.

Item 3. Legal Proceedings

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Group's consolidated financial position.

Item 4. Submission of Matters to A Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 (The Subdivision and Condominium Buyers' Protective Decree) as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. The law covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. It also sets out standards for lower density developments.
Republic Act No. 4726 (The Condominium Act), on the other hand, is the primary law governing condominiums. The law covers the legal definition of a condominium, the rights of a unit owner, and the rules governing transfers, conveyances and partitions in condominiums.

The Housing and Land Use Regulatory Board (HLURB) is the administrative agency of the Government which, together with local government units, enforces these laws and has jurisdiction to regulate the real estate trade and business. Subdivision or condominium units may be sold or offered for sale only after a license to sell (LTS) has been issued by the HLURB. The LTS may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

All subdivision and condominium plans are subject to approval by the relevant Local Government Unit (LGU) in which the project is situated and by the HLURB. The development of subdivision and condominium projects can commence only after the HLURB has issued a development permit. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the LGU and HLURB.

Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Republic Act No. 9646 (The Real Estate Service Act of the Philippines) provides that real estate consultants, appraisers, assessors and brokers must pass the requisite exams and be duly registered and licensed by the Professional Regulation Commission (PRC), while real estate salespersons, or those who act of a real estate broker to facilitate a real estate transaction, only need to be accredited by the PRC.

Project permits and the LTS may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked after notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws.
Residential subdivision developments must comply with applicable laws and standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction. Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls, but the minimum parking area requirement may be further increased by ordinances promulgated by LGUs.

Republic Act No. 7279 (Urban Development and Housing Act of 1992), as amended by Republic Act No. 10884, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost and at least 5% of condominium area or project cost, at the option of the developer, in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future.

The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under R.A. No. 10884, income derived by domestic corporations from the development and sale of socialized housing is exempt from project related income taxes, capital gains tax on raw lands used for the project, value-added tax for the project contractor concerned, transfer tax for both raw completed projects, and donor's tax for lands certified by the LGUs to have been donated for socialized housing purposes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

c) Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the "Hotel Code") in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

d) Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

e) Special Economic Zone

The Philippine Economic Zone Authority ("PEZA") is a government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Information technology ("IT") enterprises offering IT services (such as call centers, and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of calendar year 2018, a number of RLC malls and office buildings are PEZA-registered.

f) Effect of Existing or Probable Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations mentioned under "items 5a-e" as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱30.1 million and ₱30.5 million in calendar years 2018 and 2017, respectively and ₱27.9 million in fiscal year 2016.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

Data on the quarterly price movement of its shares for the past three calendar years are set forth below.

	2018			2017			2016		
Quarter	High	Low	Close	High	Low	Close	High	Low	Close
1	20.45	19.50	20.20	23.20	22.75	23.00	29.20	27.55	27.90
2	19.42	18.50	18.50	24.40	23.80	24.25	31.65	29.50	29.50
3	20.30	19.28	20.30	26.15	25.00	25.30	31.35	30.30	31.00
4	20.55	20.40	20.55	21.75	21.30	21.30	26.30	25.10	26.00

Additional information as of March 31, 2019 are as follows:

Market Price:	Period	High	Low
	Jan. to Mar. 2019	₱24.80	₱24.25

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the calendar years 2018 and 2017 and fiscal year 2016.

For calendar year 2018, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of December 31, 2017 to all stockholders on record as of April 26, 2018. The cash dividends were paid out on May 23, 2018.

For calendar year 2017, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2016 to all stockholders on record as of April 3, 2017. The cash dividends were paid out on May 2, 2017.

For fiscal year 2016, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2015 to all stockholders on record as of March 29, 2016. The cash dividends were paid out on April 22, 2016.

RLC's unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱2,223 million and ₱1,793 million as of December 31, 2018 and 2017, respectively. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the amount appropriated for expansion totaling ₱27,000 million as of December 31, 2018.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of December 31, 2018:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	3,166,806,886	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,210,012,520	23.30%
3	PCD Nominee Corporation (Filipino)	782,456,845	15.07%
4	Elizabeth Yu	8,737,200	0.17%
5	John Gokongwei, Jr.	8,124,721	0.16%
6	Cebu Liberty Lumber	2,203,200	0.04%
7	James L. Go	2,139,011	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Frederick D. Go	986,027	0.02%
10	Quality Investments & Sec Corp.	904,200	0.02%
11	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.00%
17	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	7,614,539	0.15%
	Total	**5,193,830,685**	**100.00%**

Item 9. Management Discussion and Analysis of Financial Condition and Results of Operation

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 93% of the Company's total revenues and are derived from the lease of commercial spaces in the various malls, the lease of space in office buildings and warehouse facilities, the sale of residential units from the Company's various housing projects and the sale of parcels of land. Approximately 7% of total revenues are derived from hotel operations.

i. Year ended December 31, 2018 versus same period in 2017

RLC generated total gross revenues of ₱29.55 billion for calendar year 2018, an increase of 31.2% from ₱22.52 billion total gross revenues for calendar year 2017. EBIT grew 38.8% to ₱11.88 billion while EBITDA posted a 30.9% growth to ₱16.34 billion. Net income stood at ₱8.22 billion, up by 39.8% compared to last year.

The Commercial Centers Division accounted for ₱11.94 billion of the real estate revenues for the year versus ₱10.79 billion last year or a 10.7% increase. The increase in rental revenues was brought about by the full year impact of new malls that opened during the second half of 2017, as well as the opening of four new malls in Ormoc, Iloilo, Tuguegarao and Bukidnon. Robinsons Galleria in Ortigas also contributed to the rental growth as tenants' occupancy and sales had started to pick up since the completion of its redevelopment. Cinema revenues also improved with the opening of new branches. The Division's EBIT and EBITDA grew by 6.2% and 8.9%, respectively.

Revenues of Office Buildings Division grew by 31.4% to ₱4.29 billion from ₱3.27 billion over the same period last year. Revenue growth was mainly attributable to rental escalations and high renewal rates, as well as contribution from the offices completed in 2017 namely Cyber Sigma, Cybergate Delta, Cybergate Naga and Robinsons Luisita office and offices completed in 2018 namely Exxa Tower, Zeta Tower and Cyberscape Gamma. The Division's EBIT and EBITDA showed positive variances of 33.3% and 28.3%, respectively.

The Residential Division realized revenues is at ₱8.69 billion this year versus ₱6.55 billion last year, an increase of 32.6%, due to higher level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion and sale of parcels of land. EBIT and EBITDA increased by 21.2% and 21.5%, respectively.

The Hotels and Resorts Division registered gross revenues of ₱1.98 billion as against last year's ₱1.89 billion. The 4.7% increase in hotel revenues principally came from the new hotels namely Summit Galleria Cebu, Summit Hotel Tacloban and Go Hotels Iligan. Hotels and Resorts Division EBIT and EBITDA declined by 21.6% and 6.9%, respectively, as the division continues to redevelop some of the existing hotels and incurrence of a much accelerated pre-operating expenses on hotels to be opened in 2019 as well as higher overhead expense in the Head Office.

The IID Division accounted for ₱2.64 billion revenues, with 95% attributed to the sale of the commercial lots and the remainder 5% is the revenue generated from lease of warehouse facilities. Further gains will be realized from the selling of lots with joint ventures. EBIT and EBITDA for calendar year 2018 stood at ₱2.02 billion and ₱2.03 billion, respectively.

Interest income increased to ₱196.3 million from ₱36.8 million last year due to higher average balance of cash and cash equivalents during the calendar year 2018.

Real estate costs went up by 30.6% to ₱12.11 billion from ₱9.28 billion last year. The higher level of realized sales of residential units and sale of parcels of land brought cost of real estate sales to increase by ₱1.79 billion or 56.9%. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱380.2 million or 12.5%; while completion of new office buildings increased depreciation expense of the Office Buildings Division by ₱64.2 million or 10.2%. Furthermore, cinema expense rose by 10.4% or ₱85.2 million in line with the increase in cinema revenues.

Hotel expenses rose by 15.3% to ₱1.56 billion due substantially to higher level of property and maintenance cost, depreciation, salaries and wages, contracted services, which were all due to higher level of operations brought about by higher room revenues and pre-operating expenses on hotels to be opened in 2019.

General and administrative expenses went up by 20.1% to ₱4.00 billion due to higher commission, rent, advertising and promotions and salaries, among others.

Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of the Company's foreign subsidiary.

As of December 31, 2018, total assets of the Group stood at ₱174.16 billion, a growth of 17.6% from ₱148.13 billion last year.

Cash and cash equivalents increased by 22.6% or ₱0.47 billion due to the proceeds from the SRO, cash generated from operations; offset by payments of dividends, loans, and capital expenditures for new and ongoing projects.

Receivables (current and noncurrent-net) decreased by 61.9% or ₱5.78 billion to ₱3.56 billion due to reclassification to 'Contract assets' account amounting to ₱5.09 billion in 2018.

Subdivision land, condominium and residential units for sale grew by 9.0% to ₱31.46 billion due to higher level of capital expenditures for new and ongoing projects under the Residential division.

Contract assets (current and noncurrent) totaling ₱11.53 billion refer to the right to consideration in exchange for goods or services transferred to the customers. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contract receivables when the monthly amortization is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period, increase in percentage of completion, less reclassification of installment contract receivable.

Other current assets went up by 176.3% to ₱11.74 billion from ₱4.25 billion last year mainly due to increase in cash under escrow which will mainly be used for the construction of real estate inventories.

Investment properties and Property and equipment increased by 7.8% to ₱99.32 billion and 17.2% to ₱7.84 billion, respectively. Increase in Investment properties is due to reclassification of land from 'Subdivision land, Condominium and Residential units for Sale' account and costs incurred for the construction of new malls and office developments. On the other hand, the increase in Property and equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International. Investments in joint venture consist of investments in stocks of joint venture companies intended to acquire, develop, sell and lease real estate properties.

Contract liabilities (current and noncurrent) totaling ₱15.31 billion consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on percentage of completion. The movement in the 'Contract liability' account is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold from increase in percentage of completion.

Loans payable (current and noncurrent) decreased by 27.2% to ₱37.39 billion due to settlement of a significant portion of short-term borrowings.

The increase in deferred tax liabilities - net of 25.0% to ₱3.58 billion is mainly attributed to excess of real estate revenues based on percentage-of-completion over real estate revenues based on collections.

Deposits (current and noncurrent) and Other liabilities went down by 29.0% to

₱8.60 billion primarily due to reclassification of deposits from real estate buyers to contract liabilities beginning 2018.

Equity attributable to equity of the Parent Company as of December 31, 2018 stood at ₱93.51 billion, up by 39.4% from ₱67.09 billion last year due to successful SRO during the year, current earnings of ₱8.22 billion, net of payment of dividends of ₱1.87 billion.

A summary of RLC's key performance indicators for the calendar year follows:

	2018	2017
Gross revenues	₱29.55 billion	₱22.52 billion
EBIT	11.88 billion	8.56 billion
EBITDA	16.34 billion	12.48 billion
Net income	8.22 billion	5.88 billion
Earnings per share	1.62	1.44
Net book value per share	18.00	16.39
Current ratio	1.65:1	1.20:1
Debt-to-equity ratio	0.40:1	0.77:1
Interest coverage ratio	6.71:1	4.72:1
Asset to equity ratio	1.85:1	2.20:1
Operating margin ratio	0.40:1	0.38:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the calendar year ended December 31, 2018 amounted to ₱19.31 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

ii. Year ended December 31, 2017 versus same period in 2016

	For the Years Ended December 31	
	2017	2016
REVENUE		
Real Estate Operations		
Rental income	**₱11,581,560,401**	₱10,746,626,900
Real estate sales	**5,973,248,023**	6,973,938,019
Amusement income	**1,802,643,181**	1,673,249,242
Others	**1,266,492,267**	1,608,619,627
	20,623,943,872	21,002,433,788
Hotel Operations	**1,892,873,758**	1,806,612,441
	22,516,817,630	22,809,046,229
COSTS		
Real Estate Operations		
Cost of rental services	**4,499,595,017**	4,273,894,548
Cost of real estate sales	**3,143,037,387**	4,153,220,627
Cost of amusement services	**820,824,802**	751,257,456
Others	**812,417,065**	538,388,429
	9,275,874,271	9,716,761,060
Hotel Operations	**1,350,512,369**	1,308,841,469
	10,626,386,640	11,025,602,529
	11,890,430,990	11,783,443,700
GENERAL AND ADMINISTRATIVE EXPENSES	**3,328,016,547**	3,510,879,439
OPERATING INCOME	**8,562,414,443**	8,272,564,261
OTHER INCOME (LOSSES)		
Interest income	**36,809,915**	19,340,620
Gain from insurance claims	**28,397,634**	208,713,905
Gain (loss) on foreign exchange	**(14,019,285)**	68,410,856
Interest expense and finance charges	**(778,194,869)**	(943,109,383)
Gain on sale of investment property	**–**	7,281,855
	(727,006,605)	(639,362,147)
INCOME BEFORE INCOME TAX	**7,835,407,838**	7,633,202,114
PROVISION FOR INCOME TAX	**1,950,969,880**	1,877,886,479
NET INCOME	**5,884,437,957**	5,755,315,635

RLC generated total gross revenues of ₱22.52 billion for calendar year 2017, a slight decrease of 1.3% from ₱22.81 billion total gross revenues for calendar year 2016. EBIT grew 3.5% to ₱8.56 billion while EBITDA posted a 3.6% growth to ₱12.48 billion. Net income stood at ₱5.88 billion, up by 2.2% compared to last year.

The Commercial Centers Division accounted for ₱10.79 billion of the real estate revenues for the year versus ₱10.14 billion last year or a 6.4% increase. Rental revenues increased due to opening of new malls in Iligan, Naga and North Tacloban and expansion of Robinsons Place Antique and Robinsons Butuan this year. Also, the full year impact of Robinsons Place General Trias, Robinsons Place Tagum, Robinsons Place Jaro and the expansion of Robinsons Ilocos Norte last year, contributed to the growth, despite renovation of Robinsons Galleria, one of our largest revenue contributors. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 3.3% and 3.4%, respectively.

Revenues of Office Buildings Division grew by 8.8% to ₱3.27 billion from ₱3.00 billion over the same period last year. Revenue growth was mainly attributable to sustained occupancy rates, and escalation of rents in existing offices and contribution from the new offices namely Cyber Sigma, Galleria Cebu Office, Robinsons Lusitia Office and Cybergate Delta. The Division's EBIT and EBITDA showed positive variances of 10.3% and 7.9%, respectively.

The Residential Division realized revenues is at ₱6.57 billion this year versus ₱7.86 billion last year, a decrease of 16.5%, due to lower level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA decreased by 5.4% and 3.8%, respectively.

The Hotels and Resorts Division, a major contributor to the Group's recurring revenues, registered gross revenues of ₱1.89 billion as against last year's ₱1.81 billion. The 4.8% increase in hotel revenues principally came from the new hotels Go Hotels Davao and Summit Galleria Cebu. The hotel average occupancy rate is 66% in 2017. Hotels and Resorts Division EBIT and EBITDA grew by 9.0% and 7.5%, respectively.

Interest income increased to ₱36.8 million from ₱19.3 million last year due to higher average balance of cash and cash equivalents during the calendar year 2017.

Real estate costs went down by 4.5% to ₱9.28 billion from ₱9.72 billion last year. The lower level of realized sales of residential units brought cost of real estate sales to decrease by ₱1.01 billion or 24.3%. Furthermore, cinema expense rose by 9.3% or ₱69.6 million as a result of increase in cinema revenues.

Gain from insurance is lower this year by 86% to ₱28.4 million from ₱208.7 million last year, which basically included insurance proceeds from Typhoon Yolanda. Finance charge amounting to ₱147.0 million last year pertain to pretermination of loans. Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of RLC's foreign subsidiary.

Asset and liability balances as of December 31, 2017 were as reported in 2017 and not the reclassified accounts as result of adoption of PFRS 15 in 2018.

Total assets of the Group stood at ₱148.13 billion, a growth of 19.0% from ₱124.43 billion in 2016.

Investment properties and Property and equipment increased by 27.9% to ₱94.38 billion and 25.2% to ₱6.69 billion, respectively. Increase in Investment properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Naga, Iligan, Tagum, North Tacloban, redevelopment of Robinsons Galleria, expansion of malls in Antique and Butuan and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons malls in San Pedro, Bridgetowne, Pavia-Iloilo, Tuguegarao, Ormoc and Cabanatuan, and ongoing expansion of Starmills-Pampanga and Magnolia malls contributed to the increase in Investment properties. On the other hand, the increase in Property and equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Accounts payable and accrued expenses went up by 48.6% to ₱13.88 billion due to higher level of operating expenses this year.

Loans payable (current and noncurrent) increased by 30.4% to ₱51.35 billion due to availment of additional long term loans to fund the Group's property constructions and developments. Deposits (current and noncurrent) and Other liabilities went up by 29.9% to ₱12.11 billion primarily due to payable to JG Summit Holdings for the purchase of an investment property.

Equity attributable to equity of the Parent Company as of December 31, 2017 stood at ₱67.09 billion, up by 7.2% from ₱62.58 billion last year due to the earnings during the year of ₱5.88 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators for the calendar year follows:

	2017	2016
Gross revenues	₱22.52 billion	₱22.81 billion
EBIT	8.56 billion	8.27 billion
EBITDA	12.48 billion	12.05 billion
Net income	5.88 billion	5.76 billion
Earnings per share	1.44	1.41
Net book value per share	16.39	15.29
Current ratio	1.21:1	1.34:1
Debt-to-equity ratio	0.77:1	0.63:1
Interest coverage ratio	4.72:1	5.66:1
Asset to equity ratio	2.20:1	1.98:1
Operating margin ratio	0.38:1	0.36:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the calendar year ended December 31, 2017 amounted to ₱28.86 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

iii. Year ended September 30, 2016 versus same period in 2015

RLC generated total gross revenues of ₱22.51 billion for fiscal year 2016, an increase of 14.2% from ₱19.71 billion total gross revenues for fiscal year 2015. EBIT grew 12.2% to ₱8.45 billion while EBITDA posted a 12.5% growth to ₱12.02 billion. Net income stood at ₱6.15 billion, up by 7.9% compared to last year.

The Commercial Centers Division accounted for ₱9.96 billion of the real estate revenues for the year versus ₱9.10 billion last year or a 9.4% increase. Rental revenues increased due to opening of new malls in Cebu City, Tagum (Davao), General Trias (Cavite) and Jaro (Iloilo). Also, the full year impact of Robinsons Place Antique and the expansion of Robinsons Novaliches, as well as the expansion of Robinsons Ilocos this year, contributed to the growth. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 5.2% and 8.5%, respectively.

Revenues of Office Buildings Division grew by 30% to ₱2.91 billion from ₱2.24 billion over the same period last year. Revenue growth was mainly attributable to the contribution from new office developments completed in 2014 and 2015 namely Cyberscape Alpha, Cyberscape Beta and Tera Tower. System-wide occupancy rate ended at 96% as of September 30, 2016. The Division's EBIT and EBITDA showed positive variances of 27.9% and 25.0%, respectively.

The Residential Division realized revenues rose to ₱7.83 billion for the year versus ₱6.62 billion last year, an increase of 18.2%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 13.8% and 13.5 %, respectively.

The Hotels and Resorts Division, a major contributor to the Group's recurring revenues, registered gross revenues of ₱1.81 billion as against last year's ₱1.75 billion. The 3.5% increase in hotel revenues principally came from the relatively new hotels namely Go Hotels Iloilo, Go Hotels Ortigas Center, Go Hotels Butuan, and Summit Hotels Magnolia. The hotel average occupancy rate is 68% in 2016. Hotels and Resorts Division EBIT and EBITDA grew by 8.3% and 6.7%, respectively.

Interest income decreased to ₱18.1 million from ₱39.3 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2016 resulting from higher level of capital expenditures and operating expenses.

Real estate cost and expenses went up by 19% to ₱9.34 billion from ₱7.84 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱330 million or 14% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱87 million or 16%. In addition, the higher level of realized sales of residential units brought cost of real estate sales to increase by ₱775.0 million or 24%. Furthermore, cinema expense rose by 10% or ₱69.8 million as a result of increase in cinema revenues.

General and administrative expenses went up by 11% to ₱3.40 billion due to higher taxes and licenses, salaries, insurance, donations, advertising and promotions and supplies expense, among others.

Interest expense significantly increased to ₱571.6 million due to higher level of short-term and long-term borrowings.

Total assets of the Group stood at ₱120.04 billion, a growth of 21% from ₱99.07 billion in 2015. Receivables (current and noncurrent net) increased by 30% or ₱2.29 billion to ₱10.02 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale increased by 67% to ₱25.85 billion due to purchase of land rights located in Chengdu Province, China, and higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment properties and Property and equipment both increased by 12% to ₱71.90 billion and 27% to ₱4.46 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Maxilom-Cebu, Tagum, Jaro-Iloilo, Ilocos (expansion), General Trias-Cavite, redevelopment of Robinsons Galleria and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons Iligan, Naga and Pavia-Iloilo contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Other current assets increased by 13% to ₱4.45 billion due to increase in advances to suppliers and contractors for mall, office buildings and residential constructions. On the other hand, other noncurrent assets decreased by 31% to ₱2.21 billion mainly due to return of bid deposit for land use rights amounting to ₱1.4 billion.

Accounts payable and accrued expenses went up by 34% to ₱7.94 billion due to higher level of capital expenditures and operating expenses this year.

Loans Payable (current and noncurrent) increased by 50% to ₱37.34 billion due to availment of additional term loans totaling ₱11.5 billion and short-term loans totaling ₱0.99 billion in 2016. Deposits (current and noncurrent) and Other liabilities went up by 16% to ₱9.83 billion due to higher level of deposits from from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2016 stood at ₱61.34 billion, up by 8% from ₱56.66 billion last year due to the earnings during the year of ₱6.15 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2016	2015
Gross revenues	₱22.51 billion	₱19.71 billion
EBIT	8.45 billion	7.54 billion
EBITDA	12.02 billion	10.69 billion
Net income	6.15 billion	5.70 billion
Earnings per share	1.50	1.39
Net book value per share	14.98	13.84
Current ratio	2.25:1	1.98:1
Debt-to-equity ratio	0.61:1	0.44:1
Interest coverage ratio	6.06:1	7.91:1
Asset to equity ratio	1.95:1	1.74:1
Operating margin ratio	0.38:1	0.38:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the fiscal year ended September 30, 2016 amounted to ₱26.7 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

a.) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material effect on revenues or income from continuing operations.

The Company currently derives substantially all of its revenues and income from its property investment and development businesses in the Philippines. Their performance and profitability are anchored on the strength of the Philippine economy that is largely driven by private consumption, remittances from OFWs, growth of the IT-BPM sector, flourishing tourism industry, and a low interest rate environment.

b.) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 85) are filed as part of this Form 17-A (pages 96 to 208).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by Sycip, Gorres Velayo & Co. :

Name	2018	2017
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱6,529,981**	**₱4,106,781**
All other fees..	**910,300**	**227,845**
TOTAL	**₱7,440,281**	**₱4,334,626**

No other service was provided by external auditors to the Company for the calendar years 2018 and 2017.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 13. Security Ownership of Certain Record and Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2018, the Corporation knows no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	3,166,806,886	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,210,012,520	23.30%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	782,456,845	15.07%

Notes:

1 The Chairman and the President of JG Summit Holdings Inc. (JGSHI) are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President and Chief Operating Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

2 PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

Out of the PCD Nominee Corporation account, "Deutsche Bank Manila-Clients", "The HongKong and Shanghai Banking Corp. Ltd.- Clients Account" and "Citibank N.A." hold for various trust accounts the following shares of the Corporation as of December 31, 2018:

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	630,766,398	12.15%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	428,383,757	8.25%
Citibank N.A.	394,741,488	7.60%

Voting instructions may be provided by the beneficial owners of the shares.

b) Security Ownership Of Management as of December 31, 2018

Title of Class	Name of beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder	11,941,866 (see note 2)	Filipino	0.23%
Common	2. James L. Go	Director, Chairman Emeritus	2,139,011	Filipino	0.04%
Common	3. Lance Y. Gokongwei	Director, Chairman	805,001	Filipino	0.02%
Common	4. Frederick D. Go	Director, President	986,027	Filipino	0.02%
Common	5. Arlene G. Magtibay	General Manager	0		*
	Sub-Total		15,871,905		0.31%
B. Other Directors, Executive Officers and Nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	685,094	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	31,718	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Subtotal		727,716		0.01%
C. All directors and executive officers as a group unnamed			16,599,621		0.32%

Notes:

[1] As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2018.

[2] Sum of shares in the name of John Gokongwei, Jr., John L. Gokongwei, Jr. and Elizabeth Y. Gokongwei and/or John Gokongwei.

* less than 0.01%

c) Voting Trust Holder of 5% or more - as of December 31, 2018

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

d) Changes in Control

There has been no change in control of the Company since December 31, 2018.

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company's executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of eleven members, of which four are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of December 31, 2018:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.	92	Director, Chairman Emeritus and Founder	Filipino
James L. Go	79	Director, Chairman Emeritus	Filipino
Lance Y. Gokongwei	52	Director, Chairman	Filipino
Frederick D. Go	49	Director, President & Chief Executive Officer	Filipino
Patrick Henry C. Go.................	48	Director	Filipino
Johnson Robert G. Go, Jr.	53	Director	Filipino
Robina Y. Gokongwei-Pe..........	57	Director	Filipino
Artemio V. Panganiban	82	Director (Independent)	Filipino
Roberto F. de Ocampo.............	72	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr............	83	Director (Independent)	Filipino
Omar Byron T. Mier……………	73	Director (Independent)	Filipino
Kerwin Max S. Tan..................	49	Chief Financial Officer	Filipino
Faraday D. Go………………….	43	Executive Vice President and in a concurrent capacity Business Unit General Manager	Filipino
Arlene G. Magtibay	56	Senior Vice President and Business Unit General Manager	Filipino
Henry L. Yap…………………..	56	Senior Vice President and Business Unit General Manager	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	46	Senior Vice President and Business Unit General Manager	Filipino
Arthur Gerrard D. Gindap........	57	Senior Vice President and Business Unit General Manager	Filipino
Corazon L. Ang Ley……………	51	Business Unit General Manager	Filipino
Elizabeth Kristine D. Gregorio..	46	General Manager - Go Hotels & Summit	Filipino

Name	Age	Position	Citizenship
		Hotels	
Bach Johann M. Sebastian......	57	Senior Vice President and Chief Strategist	Filipino
Anna Katrina C. De Leon	33	Vice President - Group Controller	Filipino
Joanna N. Laiz......................	46	Vice President	Filipino
Ernesto B. Aquino..................	57	Vice President	Filipino
Emmanuel G. Arce.................	60	Vice President	Filipino
Constantino C. Felipe............	56	Vice President	Filipino
Catalina M. Sanchez..............	40	Vice President	Filipino
Sylvia B. Hernandez...............	55	Vice President - Treasurer	Filipino
Rosalinda F. Rivera..................	48	Corporate Secretary	Filipino
Arlene S. Denzon.....................	51	Compliance Officer	Filipino

The above directors and officers have served their respective offices since May 30, 2018. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 92, founded RLC in 1980 and has been the Chairman Emeritus and Founder of RLC effective January 1, 2002. He continues to be a member of RLC's Board and is the Chairman Emeritus and Founder of JG Summit Holdings, Inc. and Universal Robina Corporation. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Master's degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 79, is the Chairman Emeritus and member of the Board of Directors of RLC. He is the Chairman of JG Summit Holdings, Inc. and Cebu Air, Inc. He is also the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Marina Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology

Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei, 52, is the Chairman of RLC. He is the President and Chief Executive Officer of JG Summit Holdings, Inc., He is the Chairman of Universal Robina Corporation, Robinsons Retail Holdings, Inc., JG Summit Petrochemical Corporation, JG Summit Olefins Corporation and Robinsons Bank Corporation. He is the President and Chief Executive Officer of Cebu Air, Inc. He is a director and Vice Chairman of Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is also a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Frederick D. Go, 49, is the President and Chief Executive Officer of RLC. He is also the President of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank Corporation, JG Summit Petrochemical Corporation, and Cebu Light Industrial Park. He is also the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 48, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC. He is the President and Chief Executive Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 53, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 57, was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., and Robinsons Bank Corporation. She is currently the President and Chief Executive Officer of Robinsons Retail Holdings, Inc. consisting of Robinsons Supermarket, Robinsons Department Store, Handyman, True Value, Robinsons Builders, Robinsons Specialty Stores, Robinsons Appliances, Toys R Us, Daiso Japan, Ministop, South Star Drug and The Generics Pharmacy. She is a Trustee of the Gokongwei Brothers Foundation Inc.

and the Immaculate Concepcion Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 82, was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 72, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the

BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 83, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and CFC Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. before joining the Group in 1962. He was with IBM Philippines prior to becoming a CPA.

Omar Byron T. Mier, 73, was appointed as an Independent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. He is also a director of Paymaya since 2016 and Chairman of the Board Audit Committee. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Guest Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Kerwin Max S. Tan, 49, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President - Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Faraday D. Go, 43, was appointed as Executive Vice President and in a concurrent capacity, Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective June 1, 2018. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years' experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 56, is the Senior Vice President and Business Unit General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 28 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Master's in Business Management, with distinction, from the Asian Institute of Management.

Henry L. Yap, 55, is the Senior Vice President and Business Unit General Manager of Robinsons Luxuria, Residences and Communities of RLC's Residential Division. Prior to assuming this post, he served the group/company as the Country Business Unit General Manager of Ding Feng Real Estate Companies (China), Business Unit General Manager of the Office Buildings Division, Vice President of RLC's Property Planning and Design Department and member of the Investors Relations Team. Before joining RLC, he headed the Property Planning and Design Group of Fort Bonifacio Development Corporation and sat on the Boards of seven subsidiaries, affiliates and foundation of FBDC. He worked as Manager for Metro Manila Camps of the Bases Conversion and Development Authority where he was involved in the planning, design, privatization and implementation of the Bonifacio Global City, among others. He also lent his expertise to Government by serving as the head of the National Committee on Architecture and the Allied Arts and member of the Sub-Commission on the Arts of the National Commission for Culture and the Art. He also taught at the University of the Philippines where he was Senior Lecturer at the School of Urban and Regional Planning and at the College of Architecture. He holds a Master's of Science in Urban Planning in Developing Countries from the University of Wales College of Cardiff (UK), Bachelor of Science in Architecture, cum laude, and earned units for his Ph.D. in Urban and Regional Planning, both from UP. Henry Yap is Philippine-licensed Architect and Environmental Planner.

Ma. Soccorro Isabelle V. Aragon-Gobio, 46, was appointed as Senior Vice President and Business Unit General Manager of Industrial and Integrated Developments Division effective October 1, 2016. She has been with RLC for 25 years and is concurrently director of Manhattan Building Management Corporation, Manchego Food Corporation, and various condominium corporations of the Company's projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University and is a PRC licensed Real Estate Broker.

Arthur Gerrard D. Gindap, 57, is Senior Vice President and Business Unit General Manager of Robinsons Hotels & Resorts. Prior to joining RLC in 2018, he was Regional Vice President, Philippines & Thailand, and Vice President, Global Operations & Customer Service for The Ascott Ltd. For the period 1989 to 2004, he held various senior and general management positions with Mandarin Oriental Hotels, Shangri-La Hotels, Swiss-Belhotel International and The Mulia Group. He received a Hotel & Restaurant Diploma from Sheridan College in Brampton, Ontario, Canada in 1980.

Corazon L. Ang Ley, 51, is the Business Unit General Manager for Robinsons Homes concurrent to her role as Property Acquisition Head for RLC. She's held various positions and functions within RLC during her 25 years of service including her 3 year stint in China. She graduated from the University of the Philippines - Asian Institute of Tourism in 1987.

Elizabeth Kristine D. Gregorio, 46, was appointed as General Manager-Go Hotels & Summit Hotels of Robinsons Hotels and Resorts on January 1, 2014. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Bach Johann M. Sebastian, 57, is Senior Vice President and Chief Strategist of RLC. He is also the Senior Vice President - Digital and Strategic Investments Group of JG Summit Holdings, Inc. He is also a Senior Vice President of Universal Robina Corporation, and is the Senior Vice President and Chief Strategist Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business Administration degree from the Asian Institute of Management in 1986.

Anna Katrina C. De Leon, 33, was appointed as Vice President - Group Controller of RLC. Concurrently, she handles RLC's subsidiaries. She is also an active member of RLC's Investor Relations Team since 2013. A Certified Public Accountant, she had a three-year stint in SGV & Co. (a member firm of Ernst & Young) as an external auditor with a broad audit client base including publicly-listed and privately-held real estate entities prior joining RLC in 2011. A consistent Dean's Lister, she received a Bachelor's Degree in Accountancy from the University of the East in 2008.

Joanna N. Laiz, 48, is currently taking the position of Vice President, Lease of RLC. She had over 25 years of experience in Real Estate covering the areas of Leasing, Tenant Relations and Networking, Business Development, Advertising and Promotions, Mall Operations, Asset Management and Site Development. Her most recent job before RLC was in Vista Malls between 2013 and 2018. Followed by Filinvest Land in 2012. She also worked for Viscal Development Corp (Metro Gaisano) briefly between 2010 and 2011. Additionally, she worked for Landco Pacific Corp and Golden Arches Development Corp between 1992 and 2009. She received a Bachelor of Science in Computer Science degree from AMA Computer College in 1991.

Ernesto "Boyong" Aquino, Jr., 51, is Vice President of Corporate Property Planning Dept Project Office of RLC Commercial Center Division. He joined RLC in 2000 as the head of Store Planning, Visuals and Engineering department of Big R Stores Inc and was moved in 2004 to Hotels and Resorts Division as Senior Project Director. Prior to joining RLC, he was a Creative Manager of Store Planning Department in Robinsons Retail Group for 8 years. He graduated in Mapua Institute of Technology in 1990 with a degree of BS Architecture.

Emmanuel G. Arce, 60, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 56, is the Vice President for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Catalina Mallari-Sanchez, 39, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She has over 19 years of experience in the real estate industry particularly in the residential, office and flexible workspace segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Sylvia B. Hernandez, 55, was appointed as Vice President - Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc, Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Rob. Equitable Tower Condo Corp., Rob. Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP - Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine

Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in Accountancy. She is a Certified Public Accountant.

Rosalinda F. Rivera, 48, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

Arlene S. Denzon, 51, is the Compliance Officer of RLC and Vice President of the Corporate Governance and Management Systems (CGMS) of JGSHI. She is also the Compliance Officer of JG Summit Holdings, Inc. and Universal Robina Corporation. Prior to rejoining the RLC in February 2013, she was the Senior Vice President in charge of the Enterprise-wide Risk Management Group of Digitel Mobile Philippines, Inc. (DMPI, more popularly known as Sun Cellular) until December, 2012. Ms Denzon started her career in the Gokongwei Group in 1991 and performed various roles including Accounting Manager of JGSHI until 1997, Assistant Vice President-Special Assistant to the Chairman until 2001, Vice President-Treasurer and Acting Chief Financial Officer of URC International until 2003 before she was seconded to DMPI in 2004. Prior to RLC, Ms. Denzon had three years working experience as external auditor in Sycip, Gorres, Velayo & Co. She was a Certified Public Accountant Board topnotcher and obtained her Bachelor of Accountancy degree, Magna Cum Laude, from Polytechnic University of the Philippines.

b) Involvement In Certain Legal Proceedings of Directors and Executive Officers

None of the members of RLC's Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years.

c) Family Relationships

James L. Go is the brother of John Gokongwei, Jr.
Lance Y. Gokongwei is the son of John Gokongwei, Jr.
Frederick D. Go is the nephew of John Gokongwei, Jr.
Patrick Henry C. Go is the nephew of John Gokongwei, Jr.
Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.
Faraday D. Go, Jr. is the nephew of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

The following table identify RLC's Chief Executive Officer and the four most highly compensated executive officers and summarizes their aggregate compensation for the two most recent calendar years.

		Calendar Year 2018			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 40,254,972	P 2,000,000	P 937,500	P 43,192,472
Name	*Position*				
1. James L. Go	Director, Chairman Emeritus				
2. Frederick D. Go	Director, President and Chief Executive Officer				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Chairman				
B. All other officers and directors as a group unnamed		P 80,327,505	P 3,500,000	P 1,477,500	P 85,305,005

		Calendar Year 2017			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 38,008,402	P 2,000,000	P 307,500	P 40,315,902
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 76,743,217	P 3,500,000	P 405,000	P 80,648,217

** Per diem*

The following table lists the name of the Company's Chief Executive Officer and the four most highly compensated executive officers and summarized their aggregate compensation for the ensuing year:

		Calendar Year 2019**			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 42,568,131	P 2,000,000	P 937,500	P 45,505,631
Name	*Position*				
1. James L. Go	Director, Chairman Emeritus				
2. Frederick D. Go	Director, President and Chief Executive Officer				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Chairman				
B. All other officers and directors as a group unnamed		P 87,156,660	P 3,500,000	P 1,477,500	P 92,134,160

** Per diem*
*** Estimated*

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed calendar year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed calendar year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

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

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of December 31, 2018, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

RLC and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the JG Summit Group and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in RLC's shopping malls as well as substantial intercompany loans. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱2.787 billion and ₱2.337 billion for the years ended December 31, 2018 and 2017, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank (formerly Robinsons Savings Bank), an affiliated local commercial bank. These balances amounted to ₱2.23 billion and ₱1.01 billion as of December 31, 2018 and 2017, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 22 to the Company's financial statements as of and for the calendar years ended December 31, 2018 and 2017.

PART IV. CORPORATE GOVERNANCE

Adherence to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, has been reinforced by continuous improvement by the Company in order to implement good governance and management practices.

The Board of Directors has approved its Corporate Governance Compliance Evaluation System in late 2003 in order to monitor and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and actions to be taken. One of the System's output is the Annual Corporate Governance Compliance Evaluation Form submitted to the SEC and PSE on or before January 30 of every year. RLC began making such submission of the Annual Corporate Governance Compliance Evaluation Form covering the previous calendar year to the SEC and PSE in 2004.

Likewise, RLC has consistently striven to raise its level of reporting to adopt and implement prescribed International Accounting Standards (IAS).

PART V - EXHIBITS AND SCHEDULES

Item 17. Exhibits And Reports On SEC Form 17-C

(A) Exhibits-See Accompanying Index To Exhibits (Page 221)

The following exhibit is filed as a separate section of this report:

(Exhibit 18) Subsidiaries Of The Registrant (page 222)

The other exhibits, as indicated in the Index to exhibits are either not applicable to the Company or does not require an answer.

(B) Reports on SEC Form 17-C (Current Report)

Following is a list of corporate disclosures of RLC filed under SEC Form 17-C for the period from July 1, 2018 to December 31, 2018:

Date of Disclosure	Subject Matter
August 14, 2018	PSE Disclosure Form 4-8 – Change in Directors or Officers
October 1, 2018	PSE Disclosure Form 4-8 – Change in Directors or Officers
November 13, 2018	PSE Disclosure Form 4-2 – Joint Ventures

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on April 3, 2019.

By:

Lance Y. Gokongwei
Chairman
(Acts as Principal Financial Officer)
4-3-2019

Frederick D. Go
President & Chief Executive Officer
4-3-2019

Kerwin Max S. Tan
Chief Financial Officer
4-3-2019

Anna Katrina C. De Leon
VP - Group Controller/
Principal Accounting Officer
4-3-2019

Rosalinda F. Rivera
Corporate Secretary
4-3-2019

03 APR 2019

SUBSCRIBED AND SWORN to before me this ________ day of __________ 2019, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Lance Y. Gokongwei	11746936	Jan. 18, 2019	Pasig City
Frederick D. Go	7894701	Jan. 8, 2019	Quezon City
Kerwin Max S. Tan	P0352145A	Sept. 23, 2016 - Sept. 22, 2021	Manila
Anna Katrina C. De Leon	EC4251546	May. 25, 2015 - May. 24, 2020	DFA NCR Central
Rosalinda F. Rivera	SSS No. 33-2484959-1		

Doc No. 320;
Page No. 44;
Book No. 104;
Series of 2019

ATTY. CONCEPCION P. VILLARERA
Notary Public for Quezon City
Until December 31, 2019
PTR No. 7323642 – 1-03-2019/ QC
IBP No. AR14460591 – 12-17-2018/ QC
Roll No. 30457 – 05-09-80
MCLE 5-0012536 – 12-21-2015
Adm. Matter No. NP 270 (2018-2019)

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

ROBINSONS LAND CORPORATION
12F, Robinsons Cyberscape Alpha, Sapphire and Garnet Roads Ortigas Center, Pasig City Philippines
Telephone Numbers: (632) 397-1888 / 397-0101

April 3, 2019

Securities and Exchange Commission
Ground Flr - North Wing, PICC Secretariat Building,
Philippine International Convention Center (PICC) Complex,
Roxas Boulevard, Pasay City.

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial statement process. The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

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

Lance Y. Gokongwei
Chairman

Frederick D. Go
President and Chief Executive Officer

Kerwin Max S. Tan
Chief Financial Officer

SUBSCRIBED AND SWORN TO 03 APR 2019 at Q.C.

Signed this _ day of _______.
Doc. No. 726;
Page No. 126;
Book No. 101;
Series of 2019.

ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2019
PTR No. 7323642 – 1-03-2019/ QC
IBP No. AR14460591 – 12-17-2018/ QC
Roll No. 30457 – 05-09-80
MCLE 5-0012535 – 12-21-2015
Adm. Matter No. NP 279 (2018-2019)

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152.FAX

CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

I hereby certify that I am the Certified Public Accountant (CPA) who performed the compilation services related to the preparation and presentation of financial information of an entity in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities and reports as required by accounting and auditing standards for **Robinsons Land Corporation and Subsidiaries** for the year ended December 31, 2018.

In discharging this responsibility, I hereby declare that I am the VP – Group Controller of **Robinsons Land Corporation.**

Furthermore, in my compilation services for the preparation of the financial statements and notes to the financial statements, I was not assisted by or did not avail the services of **Mr. Ysmael S. Acosta** which is the external auditor who rendered the audit opinion for the said financial statements and notes to the financial statements.

I hereby declare, under penalties of perjury and violation of Republic Act No. 9298, that my statements are true and correct.

ANNA KATRINA C. DE LEON

CPA Certificate No. **0123648**
Valid Until **December 11, 2019**

Accreditation No. **1095**
Valid Until **December 11, 2019**

SUBSCRIBED AND SWORN before me this day 03 APR 2019 at Q.C.

ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2019
PTR No. 7323642 – 1-03-2019/ QC
IBP No. AR14460591 – 12-17-2018/ QC
Roll No. 30457 – 05-09-80
MCLE 5-0012536 – 12-21-2015
Adm. Matter No. NP 270 (2018-2019)

Doc. No. 322
Page No. 65
Book No. 104
Series of 2019

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Robinsons Land Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Adoption of *PFRS 15, Revenue from Contracts with Customers*

Effective January 1, 2018, the Group adopted the new revenue recognition standard, PFRS 15, *Revenue from Contracts with Customers*, using the modified retrospective approach. The adoption of PFRS 15 resulted in significant changes in the Group's revenue process, policies and procedures and revenue recognition accounting policy. The following matters are significant to our audit because these involve application of significant judgment and estimation: (1) identification of the contract for sale of real estate property that would meet the requirements of PFRS 15; (2) assessment of the probability that the entity will collect the consideration from the buyer; (3) determination of the transaction price; (4) determination of the satisfaction of performance obligations, whether it is over time or point in time; (5) application of the input method as the measure of progress in determining real estate revenue which qualifies for recognition over time; (6) determination of the actual costs incurred as cost of sales; and (7) recognition of cost to obtain a contract.

The Group identifies the contract to sell as the contract that meets all the criteria required under PFRS 15 for a valid revenue contract.

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

In determining the transaction price, the Group considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties.

In determining whether the Group satisfies the performance obligation over time or at a point in time, the Group considers when the control has been transferred to the buyers, particularly, if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. An asset created by the Group's performance does not have an alternative use to the Group if the Group is either restricted contractually from readily directing the asset for another use during the creation or enhancement of that asset or limited practically from readily directing the asset in its completed state for another use. The Group considers the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date. In assessing whether it has a right to payment for performance completed to date, the Group considers whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than the Group's failure to perform as promised. An amount that would compensate the Group for performance completed to date would be an amount that approximates the selling price of the goods or services transferred to date.

In measuring the progress of its performance obligation over time, the Group uses input method. Under this method, progress is measured based on actual costs incurred on materials, labor, and actual overhead relative to the total estimated development costs of the real estate project. The Group uses the cost accumulated by the accounting department to determine the actual costs incurred. The estimation of the total costs of the real estate project requires technical inputs by project engineers.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission for those related to real estate revenue recognized over time.

The adoption of PFRS 15 resulted to transition adjustments resulting to an increase in the opening balance of retained earnings of ₱84 million as of January 1, 2018. The disclosures related to the adoption of PFRS 15 are included in Note 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process, including the process of implementing the new revenue recognition standard. We reviewed the PFRS 15 adoption papers and accounting policies prepared by management, including revenue streams identification and scoping, and contract analysis.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales collections from buyers with accumulated payments above the collection threshold.

For the determination of the transaction price, we obtained an understanding of the nature of other fees charged to the buyers. For selected contracts, we agreed the amounts excluded from the transaction price against the expected amounts required to be remitted to the government based on existing tax rules and regulations (e.g., documentary stamp taxes, transfer taxes and real property taxes).

For the determination whether the Group satisfies the performance obligation over time or at a point in time in relation to its real estate revenue, we reviewed and considered the terms in the contract to sell of the Group. For selected contracts, we assessed if the promised property is specifically identified in the contract to sell and whether the buyer can enforce its rights to the promised property if the Group seeks to sell the unit to another buyer to determine whether the Group creates an asset that does not have an alternative use to the Group. We also assessed if the Group has an enforceable right to demand or retain payment for performance completed to date by checking the provisions related to payment, including relevant laws that apply to the contract to sell.

For the application of the input method in determining real estate revenue and for determining cost of sales, we obtained an understanding of the Group's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence and objectivity of the project engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to the supporting documents such as purchase order, billings and invoices of contractors and other documents evidencing receipt of materials and services from contractors. We visited selected project sites and made relevant inquiries with project engineers. We performed test computation of the percentage of completion calculation of management. For selected projects, we obtained the approved total estimated costs and any revisions thereto and the supporting details such as capital fulfillment plan, capital expenditure requests and related executive committee approvals. We likewise performed inquiries with the project engineers for the revisions.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and portion recognized in profit or loss, particularly (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (e.g., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

We test computed the transition adjustments and evaluated the disclosures made in the financial statements on the adoption of PFRS 15.

Adoption of *PFRS 9, Financial Instruments*

On January 1, 2018, the Group adopted PFRS 9, *Financial Instruments*. PFRS 9, which replaced Philippine Accounting Standards (PAS) 39, *Financial Instruments: Recognition and Measurement*, provides revised principles for classifying financial assets and introduces a forward-looking expected credit loss model to assess impairment on debt financial assets not measured at fair value through profit or loss and loan commitments and financial guarantee contracts. The Group adopted the modified retrospective approach in adopting PFRS 9.

Classification of Financial Assets

As at January 1, 2018 (the transition date), the Group classified its financial assets based on its business models for managing these financial assets and the contractual cash flow characteristics of the financial assets. This resulted to a reclassification of receivables from lease-to-own arrangements from loans and receivables to financial assets at fair value through other comprehensive income and to transition adjustments that increased other comprehensive income by ₱15 million. Thereafter, the financial assets were accounted for based on the transition date classification, while newly originated or acquired financial assets were also classified based on the PFRS 9 classification criteria.

The Group's application of the PFRS 9 classification criteria is significant to our audit as the classification determines how financial assets are measured and accounted for in the financial statements.

The disclosures in relation to the adoption of the PFRS 9 classification criteria are included in Note 3 to the financial statements.

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Audit Response

We obtained an understanding of the Group's contracts review process to establish the contractual cash flow characteristics of financial assets, including the identification of standard and non-standard contracts, and reviewed the assessment made by management by inspecting underlying contracts on a sample basis. We obtained the approved business models for the Group's portfolios of financial assets. We compared the parameters set within the business models with the investment/risk management policies of the Group. For significant portfolios such as receivables from lease-to-own arrangements, we assessed frequency and relative amount of sales in the past, understood how the business performance is measured and evaluated performance measurement reports.

We test computed the transition adjustments and evaluated the disclosures on the adoption of the PFRS 9 classification criteria made in the financial statements.

Expected Credit Loss (ECL)

The Group's adoption of the ECL model is significant to our audit as it involves the exercise of significant management judgment and estimation. Key areas of judgment include: segmenting the Group's credit risk exposures; defining what comprises default; determining assumptions to be used in the ECL model such as timing and amount of expected net recoveries from defaulted accounts; and incorporating forward-looking information (called overlays) in calculating ECL.

There is no transition adjustment in relation to the impairment allowance as of January 1, 2018. Refer to Note 3 to the consolidated financial statements for the disclosures in relation to the adoption of the PFRS 9 ECL model.

Audit Response

We obtained an understanding of the approved methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money and, the best available forward-looking information. We also inspected and considered the results of PFRS 9 model validation performed by management's specialist.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) compared the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (c) checked the methodology used in applying the simplified approach by evaluating the key inputs, assumptions, and formulas used; (d) tested loss rates by inspecting historical recoveries including the timing, related direct costs, and write-offs; (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and industry practices; and (f) tested the effective interest rate, or an approximation thereof, used in discounting the expected loss.

Further, we checked the data used in the ECL models, such as the historical analysis of defaults and recovery data, by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

We recalculated impairment provisions on a sample basis. We test computed the transition adjustments and evaluated the disclosures made in the financial statements on allowance for credit losses using the ECL model.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2018, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2018 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ysmael S. Acosta.

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta
Partner
CPA Certificate No. 0112825
SEC Accreditaton No. 1744-A (Group A),
March 14, 2019, valid until March 13, 2022
Tax Identification No. 301-106-775
BIR Accreditation No. 08-001998-130-2018,
February 9, 2018, valid until February 8, 2021
PTR No. 7332516, January 3, 2019, Makati City

April 3, 2019

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ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2018	2017 (As restated - Note 2)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20, 22, 33 and 34)	**₱2,543,840,827**	₱2,075,454,523
Receivables (Notes 8, 22, 33 and 34)	**2,126,490,290**	5,565,058,271
Subdivision land, condominium and residential units for sale (Note 9)	**31,464,454,298**	28,854,049,360
Contract assets (Notes 10 and 22)	**5,088,356,660**	–
Other current assets (Notes 11, 33 and 34)	**11,736,262,913**	4,247,739,095
Total Current Assets	**52,959,404,988**	40,742,301,249
Noncurrent Assets		
Noncurrent receivables (Notes 8, 22, 33 and 34)	**1,432,956,759**	3,775,948,572
Noncurrent contract assets (Notes 10 and 22)	**6,444,995,326**	–
Investment properties (Note 12)	**99,317,095,827**	92,153,768,070
Property and equipment (Note 13)	**7,844,144,072**	6,692,358,405
Investments in joint venture (Note 32)	**1,383,353,670**	–
Other noncurrent assets (Notes 14, 33 and 34)	**4,776,209,643**	4,762,171,506
Total Noncurrent Assets	**121,198,755,297**	107,384,246,553
	₱174,158,160,285	₱148,126,547,802
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 18, 33 and 34)	**₱896,700,000**	₱15,693,400,000
Accounts payable and accrued expenses (Notes 15, 33 and 34)	**14,324,566,708**	13,883,446,747
Contract liabilities (Note 16 and 22)	**12,931,513,843**	–
Deposits and other current liabilities (Notes 17, 22, 33 and 34)	**2,904,239,770**	3,783,534,816
Income tax payable	**1,037,345,923**	539,028,037
Current portion of loans payable (Note 18)	**15,000,000**	15,000,000
Total Current Liabilities	**32,109,366,244**	33,914,409,600
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 18, 33 and 34)	**36,473,539,001**	35,646,162,154
Deferred tax liabilities - net (Note 29)	**3,580,648,835**	2,865,190,187
Noncurrent contract liabilities (Note 16)	**2,378,690,953**	–
Deposits and other noncurrent liabilities (Note 19)	**5,696,198,747**	8,328,168,101
Total Noncurrent Liabilities	**48,129,077,536**	46,839,520,442
Total Liabilities	**80,238,443,780**	80,753,930,042
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 21)	**5,193,830,685**	4,111,528,685
Additional paid-in capital	**39,041,328,236**	20,392,532,781
Treasury stock (Note 21)	**–**	(221,834,657)
Other equity reserve (Note 21)	**(87,597,873)**	(87,597,873)
Other comprehensive income:		
Remeasurements of net defined benefit liability - net of tax (Note 31)	**(36,195,795)**	(63,719,597)
Fair value reserve of financial assets at FVOCI - net of tax (Note 34)	**8,822,352**	–
Cumulative translation adjustment	**74,843,981**	75,409,464
Retained earnings (Note 20)		
Unappropriated	**22,315,570,513**	18,385,021,808
Appropriated	**27,000,000,000**	24,500,000,000
	93,510,602,099	67,091,340,611
Non-controlling interest	**409,114,406**	281,277,149
	93,919,716,505	67,372,617,760
	₱174,158,160,285	₱148,126,547,802

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 AND FOR THE THREE MONTHS ENDED DECEMBER 31, 2016

	December 31,		
	2018 (One year)	**2017 (One year)**	2016 (Three months, see Note 2)
REVENUE (Note 6 and 23)			
Real Estate Operations			
Rental income (Notes 12 and 23)	**₱13,548,204,208**	₱11,581,560,401	₱2,718,339,596
Real estate sales (Notes 5 and 23)	**10,853,067,524**	5,973,248,023	1,472,300,349
Amusement income (Note 23)	**1,972,527,785**	1,802,643,181	431,783,166
Others (Note 23)	**1,189,376,460**	1,266,492,267	575,454,463
	27,563,175,977	20,623,943,872	5,197,877,574
Hotel Operations (Note 23)	**1,982,137,914**	1,892,873,758	496,892,214
	29,545,313,891	22,516,817,630	5,694,769,788
COSTS (Note 6 and 24)			
Real Estate Operations			
Cost of rental services	**5,072,692,446**	4,499,595,017	1,168,382,997
Cost of real estate sales (Notes 5 and 9)	**4,931,427,825**	3,143,037,387	1,072,837,533
Cost of amusement services	**906,006,116**	820,824,802	195,593,971
Others	**1,201,585,102**	812,417,065	111,686,938
	12,111,711,489	9,275,874,271	2,548,501,439
Hotel Operations (Note 24)	**1,556,880,775**	1,350,512,369	333,323,139
	13,668,592,264	10,626,386,640	2,881,824,578
	15,876,721,627	11,890,430,990	2,812,945,210
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6 and 25)	**3,996,352,869**	3,328,016,547	794,064,752
OPERATING INCOME	**11,880,368,758**	8,562,414,443	2,018,880,458
OTHER INCOME (LOSSES)			
Interest income (Note 7 and 28)	**196,286,629**	36,809,915	7,286,604
Gain on sale of property and equipment	**3,361,606**	–	–
Gain from insurance claims	**22,985,311**	28,397,634	130,020
Gain (loss) on foreign exchange	**2,290,232**	(14,019,285)	(1,404,592)
Interest expense and finance charges (Notes 18 and 28)	**(836,112,262)**	(778,194,869)	(384,139,651)
Equity in net loss of joint ventures (Note 32)	**(26,148,678)**	–	–
	(637,337,162)	(727,006,605)	(378,127,619)
INCOME BEFORE INCOME TAX	**11,243,031,596**	7,835,407,838	1,640,752,839
PROVISION FOR INCOME TAX (Note 29)	**3,019,067,011**	1,950,969,881	385,752,870
NET INCOME	**8,223,964,585**	5,884,437,957	1,254,999,969
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Cumulative translation adjustment	**(565,483)**	39,079,980	(5,750,284)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability (Note 31)	**39,319,717**	96,533,340	(20,806,359)
Fair value reserve of financial assets at FVOCI (Note 8)	**(9,064,944)**	–	–
Income tax effect (Note 29)	**(9,076,432)**	(28,960,002)	6,241,908
	21,178,341	67,573,338	(14,564,451)
Total Other Comprehensive Income (Loss)	**20,612,858**	106,653,318	(20,314,735)
TOTAL COMPREHENSIVE INCOME	**₱8,244,577,443**	₱5,991,091,275	₱1,234,685,234

(Forward)

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months, see Note 2)
Net Income Attributable to:			
Equity holders of Parent Company	**₱8,216,002,328**	₱5,881,150,728	₱1,254,917,783
Non-controlling interest in consolidated subsidiaries	**7,962,257**	3,287,229	82,186
	₱8,223,964,585	₱5,884,437,957	₱1,254,999,969
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱8,236,615,186**	₱5,987,804,046	₱1,234,603,048
Non-controlling interest in consolidated subsidiaries	**7,962,257**	3,287,229	82,186
	₱8,244,577,443	₱5,991,091,275	₱1,234,685,234
Basic/Diluted Earnings Per Share (Note 30)	**₱1.62**	₱1.44	₱0.31

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 AND FOR THE THREE MONTHS ENDED DECEMBER 31, 2016

	For the Year Ended December 31, 2018											
	Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 21)	Additional Paid-in Capital (Note 21)	Treasury Stock (Note 21)	Other Equity Reserve (Note 21)	Remeasurements of Net Defined Benefit Liability (Note 31)	Cumulative Translation Adjustment	Fair value reserve of financial assets at FVOCI (Note 3)	Unappropriated Retained Earnings (Note 20)	Appropriated Retained Earnings (Note 20)	Total	Non-controlling Interest	Total Equity
Balances at January 1, 2018, as previously reported	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱63,719,597)**	**₱75,409,464**	**₱–**	**₱18,385,021,808**	**₱24,500,000,000**	**₱67,091,340,611**	**₱281,277,149**	**₱67,372,617,760**
Effect of adoption of new accounting standard (Note 3)	–	–	–	–	–	–	**15,167,813**	**84,325,424**	–	**99,493,237**	–	**99,493,237**
Balances at January 1, 2018, as restated	**4,111,528,685**	**20,392,532,781**	**(221,834,657)**	**(87,597,873)**	**(63,719,597)**	**75,409,464**	**15,167,813**	**18,469,347,232**	**24,500,000,000**	**67,190,833,848**	**281,277,149**	**67,472,110,997**
Comprehensive income												
Net income	–	–	–	–	–	–		**8,216,002,328**	–	**8,216,002,328**	**7,962,257**	**8,223,964,585**
Other comprehensive income, net of tax	–	–	–	–	**27,523,802**	**(565,483)**	**(6,345,461)**	–	–	**20,612,858**	–	**20,612,858**
Total comprehensive income	–	–	–	–	**27,523,802**	**(565,483)**	**(6,345,461)**	**8,216,002,328**	–	**8,236,615,186**	**7,962,257**	**8,244,577,443**
Reversal of appropriation (Note 20)	–	–	–	–	–	–		**24,500,000,000**	**(24,500,000,000)**	–	–	–
Appropriation (Note 20)	–	–	–	–	–	–		**(27,000,000,000)**	**27,000,000,000**	–	–	–
Cash dividends (Note 20)	–	–	–	–	–	–		**(1,869,779,047)**	–	**(1,869,779,047)**	–	**(1,869,779,047)**
Issuance of capital stock (Note 21)	**1,082,302,000**	**18,648,795,455**	**221,834,657**	–	–	–		–	–	**19,952,932,112**	–	**19,952,932,112**
Acquisition of non-controlling interest	–	–	–	–	–	–		–	–	–	**120,000,000**	**120,000,000**
Sale of investment in subsidiary	–	–	–	–	–	–		–	–	–	**(125,000)**	**(125,000)**
Balances at December 31, 2018	**₱5,193,830,685**	**₱39,041,328,236**	**₱–**	**(₱87,597,873)**	**(₱36,195,795)**	**₱74,843,981**	**8,822,352**	**₱22,315,570,513**	**₱27,000,000,000**	**₱93,510,602,099**	**₱409,114,406**	**₱93,919,716,505**

For the Year Ended December 31, 2017

	Attributable to Equity Holders of the Parent Company										
	Capital Stock	Additional Paid-in Capital	Treasury Stock	Other Equity Reserve	Remeasurements of Net Defined Benefit Liability	Cumulative Translation Adjustment	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interest	Total Equity
Balances at January 1, 2017	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱131,292,935)	₱36,329,484	₱22,477,650,126	₱16,000,000,000	₱62,577,315,611	₱277,989,920	₱62,855,305,531
Comprehensive income											
Net income	–	–	–	–	–	–	5,881,150,728	–	5,881,150,728	3,287,229	5,884,437,957
Other comprehensive income	–	–	–	–	67,573,338	39,079,980	–	–	106,653,318	–	106,653,318
Total comprehensive income	–	–	–	–	67,573,338	39,079,980	5,881,150,728	–	5,987,804,046	3,287,229	5,991,091,275
Reversal of appropriation (Note 20)	–	–	–	–	–	–	16,000,000,000	(16,000,000,000)	–	–	–
Appropriation (Note 20)	–	–	–	–	–	–	(24,500,000,000)	24,500,000,000	–	–	–
Cash dividends (Note 20)	–	–	–	–	–	–	(1,473,779,046)	–	(1,473,779,046)	–	(1,473,779,046)
Balances at December 31, 2017	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱63,719,597)	₱75,409,464	₱18,385,021,808	₱24,500,000,000	₱67,091,340,611	₱281,277,149	₱67,372,617,760

For the Year Ended December 31, 2016

	Attributable to Equity Holders of the Parent Company										
	Capital Stock	Additional Paid-in Capital	Treasury Stock	Other Equity Reserve	Remeasurements of Net Defined Benefit Liability	Cumulative Translation Adjustment	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interest	Total Equity
Balances at October 1, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱116,728,484)	₱42,079,768	₱21,222,732,343	₱16,000,000,000	₱61,342,712,563	₱130,319,734	₱61,473,032,297
Comprehensive income											
Net income	–	–	–	–	–	–	1,254,917,783	–	1,254,917,783	82,186	1,254,999,969
Other comprehensive loss	–	–	–	–	(14,564,451)	(5,750,284)	–	–	(20,314,735)	–	(20,314,735)
Total comprehensive income	–	–	–	–	(14,564,451)	(5,750,284)	1,254,917,783	–	1,234,603,048	82,186	1,234,685,234
Issuance of capital stock	–	–	–	–	–	–	–	–	–	147,588,000	147,588,000
Balances at December 31, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱131,292,935)	₱36,329,484	₱22,477,650,126	₱16,000,000,000	₱62,577,315,611	₱277,989,920	₱62,855,305,531

See accompanying Notes to Consolidated Financial Statements.

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ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
AND FOR THE THREE MONTHS ENDED DECEMBER 31, 2016

	December 31,		
	2018 (One year)	2017 (One year, As restated - Note 2)	2016 (Three months, As restated - Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱11,243,031,596**	₱7,835,407,838	₱1,640,752,839
Adjustments for:			
Depreciation (Notes 12, 13, 24 and 26)	**4,456,732,645**	3,914,114,101	1,010,020,925
Interest expense and finance charges (Notes 18 and 28)	**836,112,262**	778,194,869	384,139,651
Accretion expense on security deposits (Notes 17 and 24)	**72,906,097**	56,147,861	21,327,753
Net movement in pension liabilities (Note 31)	**27,988,636**	38,986,245	10,962,639
Equity in net loss of joint ventures (Note 32)	**26,148,678**	–	–
Interest income (Notes 7 and 28)	**(1,138,588,624)**	(1,751,369,198)	(175,623,025)
Gain on sale of property and equipment (Note 13)	**(3,361,606)**	–	–
Operating income before working capital changes	**15,520,969,684**	10,871,481,716	2,891,580,782
Decrease (increase) in:			
Receivables - trade	**(5,585,120,862)**	(660,448,292)	464,207,718
Subdivision land, condominium and residential units for sale (inclusive of capitalized borrowing cost)	**(936,663,342)**	(1,705,159,967)	(139,739,329)
Other current assets	**(7,413,440,340)**	(986,266,081)	(128,405,195)
Increase (decrease) in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**(1,255,001,726)**	6,611,699,733	1,108,405,097
Customers' deposits	**13,822,253,016**	634,837,173	(291,349,521)
Cash generated from operations	**14,152,996,430**	14,766,144,282	3,904,699,552
Interest received from installment contract receivables (Note 23)	**942,301,995**	1,714,559,283	168,336,421
Income tax paid	**(1,805,290,477)**	(2,081,859,182)	(304,148,434)
Net cash flows provided by operating activities	**13,290,007,948**	14,398,844,383	3,768,887,539
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from cash and short-term investments	**77,230,423**	18,441,353	7,254,230
Decrease (increase) in:			
Receivables from affiliated companies (Notes 8 and 22)	**(184,215,751)**	(5,276,611)	(581,814)
Advances to suppliers and contractors (Notes 11 and 14)	**57,145,969**	522,468,189	(188,256,343)
Other noncurrent assets	**86,550,417**	(301,116,636)	(10,095,285)
Advances to lot owners (Notes 11 and 14)	**(1,603,678,636)**	(681,303,655)	(1,310,732,053)
Additions to:			
Investment properties and (inclusive of capitalized borrowing cost) (Note 12)	**(11,479,665,291)**	(22,110,417,355)	(2,694,665,019)
Property and equipment (Note 13)	**(1,965,253,586)**	(1,898,020,108)	(524,097,050)
Investments in joint ventures (Note 32)	**(2,400,000,000)**	–	–
Proceeds from:			
Noncontrolling interest for newly incorporated subsidiary	**120,000,000**	–	–
Disposal of property and equipment	**3,361,606**	–	–
Disposal of investment in subsidiary	**56,079,593**	–	–
Noncontrolling interest for increase in capital stock	**–**	–	147,588,000
Net cash flows used in investing activities	**(17,232,445,256)**	(24,455,224,823)	(4,573,585,334)

(Forward)

	December 31,		
	2018 (One year)	2017 (One year As restated - Note 2)	2016 (Three months, see Note 2)
CASH FLOWS FROM FINANCING ACTIVITIES (Note 37)			
Proceeds from availment of:			
Stock rights offering	**₱20,020,000,000**	₱–	₱–
Loans payable (Note 18)	**1,192,801,668**	12,340,263,710	–
Sale of lease-to-own receivables	**1,135,920,631**	901,570,286	
Short-term loans (Note 18)	**896,700,000**	15,693,400,000	16,010,000,000
Payments of:			
Short-term loans (Note 18)	**(15,693,400,000)**	(16,010,000,000)	(4,039,100,000)
Cash dividends (Notes 15 and 20)	**(1,867,464,936)**	(1,448,810,138)	–
Interest and finance charges	**(853,111,456)**	(764,240,887)	(206,797,257)
Loans payable (Note 18)	**(396,938,050)**	(10,000,000)	(10,000,000,000)
Stock issuance cost (Note 21)	**(67,067,888)**	–	–
Debt issue cost (Note 18)	–	(57,500,000)	–
Increase (decrease) in payable to affiliated companies and other noncurrent liabilities (Note 17)	**43,383,643**	50,941,415	(672,359,319)
Net cash flows provided by financing activities	**4,410,823,612**	10,695,624,386	1,091,743,424
NET INCREASE IN CASH AND CASH EQUIVALENTS	**468,386,304**	639,243,946	287,045,629
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,075,454,523**	1,436,210,577	1,149,164,948
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱2,543,840,827**	₱2,075,454,523	₱1,436,210,577

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Robinsons Land Corporation (the Parent Company) is a stock corporation organized and incorporated on June 4, 1980 with a corporate life of 50 years under the laws of the Philippines. The Parent Company and its subsidiaries are collectively referred herein as “the Group”.

The Group is engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, shopping malls, commercial centers and housing projects, hotels and other variants and mixed-used property projects. The Group is 60.97% owned by JG Summit Holdings, Inc. (JGSHI or the Ultimate Parent Company). JGSHI is one of the country’s largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation and financial services.

The Parent Company’s shares of stock are listed and currently traded at the Philippine Stock Exchange (PSE).

The Parent Company’s principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

On May 10, 2016, the Board of Directors approved the change of Parent Company’s reporting period from fiscal year ending September 30 to calendar year ending December 31.

On July 18, 2016, the Parent Company filed its Amended By-Laws with SEC, amending the Parent Company’s year end from fiscal year ending September 30 to calendar year ending December 31 and the said amendments were approved by the SEC on the same day.

On August 1, 2016, the BIR issued a certificate granting the Parent Company the change in accounting period.

On April 20, 2018, the BOD approved the sale of the Parent Company’s 80% share in Lingkod Pinoy Bus Liner, Inc. (LPBLI) to Gran Cruiser Bus Corp.

The consolidated financial statements as of December 31, 2018 and 2017 and for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 were authorized for issue by the Parent Company’s Board of Directors (BOD) on April 3, 2019.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis except for financial assets that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), the Parent Company’s functional currency. All amounts are rounded to the nearest Peso unless otherwise indicated.

The Group’s short period financial statements for the three months ended December 31, 2016 were prepared pursuant to the Parent Company’s change in accounting period from fiscal year ended September 30 to calendar year ended December 31 (see Note 1).

The amounts presented in the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows and related notes to consolidated financial statements are for three months and accordingly, are not comparable to the consolidated financial statements for the years ended December 31, 2018 and 2017.

Statement of Compliance
The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as of December 31, 2018 and 2017 and for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016.

The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not owned by the Group and are presented separately in consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests, including preferred shares and options under share-based transactions, if any.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as of December 31, 2018, 2017 and 2016:

	Country of Incorporation	Effective Percentage of Ownership		
		2018	**2017**	**2016**
Robinson's Inn Inc.	Philippines	**100%**	**100%**	**100%**
Robinsons Realty and Management Corp.	Philippines	**100%**	**100%**	**100%**
Robinsons Properties Marketing and Management Corp.	Philippines	**100%**	**100%**	**100%**
Manhattan Buildings and Management Corp.	Philippines	**100%**	**100%**	**100%**
Robinson's Land (Cayman), Ltd.	Cayman Islands	**100%**	**100%**	**100%**
Altus San Nicolas Corporation (ASNC)	Philippines	**100%**	**100%**	**100%**
Altus Mall Ventures, Inc.	Philippines	**100%**	**100%**	**100%**
Bonifacio Property Ventures,Inc.	Philippines	**100%**	–	–
Bacoor R and F Land Corporation (BRFLC)	Philippines	**70%**	–	–
Altus Angeles, Inc. (AAI)	Philippines	**51%**	**51%**	**51%**
GoHotels Davao, Inc. (GDI)	Philippines	**51%**	**51%**	**51%**
RLC Resources Ltd.	British Virgin Island	**100%**	**100%**	**100%**
Land Century Holdings Ltd.	Hong Kong	**100%**	**100%**	**100%**
World Century Enterprise Ltd.	Hong Kong	**100%**	**100%**	**100%**
First Capital Development Ltd. (First Capital)	Hong Kong	**100%**	**100%**	**100%**
Chengdu Xin Yao Real Estate Development, Co. Ltd. (Chengdu Xin Yao)	China	**100%**	**100%**	**100%**
Lingkod Pinoy Bus Liner, Inc. (LPBLI)	Philippines	–	**80%**	**80%**

The voting rights held by the Parent Company in the above subsidiaries is equivalent to its ownership interest.

On October 19, 2015, Chengdu Xin Yao, subsidiary of First Capital, was incorporated to engage in the business of real estate development of Wuhou District of Chengdu Province in China (see Note 9).

On April 7, 2016, Lingkod Pinoy Bus Liner, Inc. was incorporated to engage in land transportation for transportation of carriage of passengers, goods, and merchandise within any place in the Philippines.

On April 20, 2018, the BOD approved the sale of the Parent Company's 80% share in Lingkod Pinoy Bus Liner, Inc. (LPBLI) to Gran Cruiser Bus Corp.

On October 15, 2018, Bacoor R and F Land Corporation (BRFLC) was incorporated, where the Parent Company owns 70% of the subscribed capital stock. The primary purpose is to acquire, own, and hold real estate properties situated in Bacoor City, Province of Cavite or any other properties approved by the Board of Directors or stockholders of BRFLC, and to sell, lease, mortgage, alienate, or develop the parcels of land acquired by BRFLC.

On December 21, 2018, Bonifacio Property Ventures, Inc. (BPVI) was incorporated for the primary purpose to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other real estate and/or structures of whatever kind, together with their appurtenances. The Parent Company owns 100% of the subscribed capital stock of BPVI.

Voting rights held by non-controlling interest on AAI, GDI and BRFLC is equivalent to 49%, 49% and 30%, respectively. As of December 31, 2018 and 2017, the Group does not consider these subsidiaries as having material non-controlling interest that would require additional disclosures.

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of following new and amended PFRSs which became effective January 1, 2018.

The nature and impact of each new standard and amendment are described below:

- PFRS 15, *Revenue from Contracts with Customers*

  PFRS 15 supersedes PAS 11, *Construction Contracts*, PAS 18, *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

  PFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

On February 14, 2018, the Philippine Interpretations Committee (PIC) issued PIC Q&A 2018-12 (PIC Q&A) which provides guidance on some implementation issues of PFRS 15 affecting the real estate industry. On October 25, 2018 and February 8, 2019, the SEC issued SEC Memorandum Circular No. 14 Series of 2018 and SEC Memorandum Circular No. 3 Series of 2019, respectively, providing relief to the real estate industry by deferring the application of the following provisions of the above PIC Q&A for a period of three years until December 31, 2020:

a) Exclusion of land and uninstalled materials in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
b) Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c) Accounting for Common Usage Service Area (CUSA) Charges discussed in PIC Q&A No. 2018-12-H

Under the same SEC Memorandum Circular No. 3 Series of 2019, the adoption of PIC Q&A No. 2018-14: PFRS 15 – Accounting for Cancellation of Real Estate Sales was also deferred until December 31, 2020.

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

Except for the CUSA charges discussed under PIC Q&A No. 2018-12-H which applies to leasing transactions, the above deferral will only be applicable for real estate sales transactions.

Effective January 1, 2021, real estate companies will adopt PIC Q&A No. 2018-12 and PIC Q&A No. 2018-14 and any subsequent amendments thereof retrospectively or as the SEC will later prescribe.

As the Group already excludes land and uninstalled materials in the determination of POC, it availed of the deferral of adoption of provisions (b) and (c) of PIC Q&As. Had these provisions been adopted, it would have the following impact in the consolidated financial statements:

- The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments explicit in the contract to sell would constitute a significant financing component. Interest income would have been recognized for contract assets and interest expense for contract liabilities using effective interest rate method and this would have impacted retained earnings as at January 1, 2018 and the revenue from real estate sales in 2018. Currently, any significant financing component arising from the mismatch discussed above is not considered for revenue recognition purposes.
- The Group is acting as a principal for the provision of air-conditioning services. This would have resulted to the gross presentation of the related revenue and the related expenses and cost. Currently, the related revenue is presented net of costs and expenses. These would not result to any adjustment in the retained earnings as of January 1, 2018 and net income for 2018.

- Upon sales cancellation, the repossessed inventory would be recorded at fair value plus cost to repossess (or fair value less cost to repossess if this would have been opted). This would have increased retained earnings as at January 1, 2018 and gain from repossession in 2018. Currently, the Group records the repossessed inventory at its original carrying amount and recognize any difference between the carrying amount of the derecognized receivable and the repossessed property in profit or loss.

The Group adopted PFRS 15 using the modified retrospective method of adoption with the date of initial application of January 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at January 1, 2018.

The cumulative effect of initially applying PFRS 15 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PAS 11, PAS 18 and related Interpretations.

The effect of adopting PFRS 15 as at January 1, 2018, was as follows:

	As previously reported December 31, 2017	**Reference**	**Adjustment**	**As restated January 1, 2018**
Receivables				
Current	₱5,565,058,271	(a)	(3,788,065,844)	1,776,992,427
Noncurrent	3,775,948,572	(a)	(3,067,877,090)	708,071,482
Contract assets				
Current	–	(a)	₱3,788,065,844	₱3,788,065,844
Noncurrent	–	(a)	3,067,877,090	3,067,877,090
Contract liabilities				
Current	–	(a)	1,204,355,371	1,204,355,371
Noncurrent	–	(a)	1,220,643,793	1,220,643,793
Deposits and other current liabilities	3,783,534,816	(a)	(1,204,355,371)	2,579,179,445
Deposits and other noncurrent liabilities	8,328,168,101	(a)	(1,220,643,793)	7,107,524,308
Commission expense				
Cost to obtain contract	–	(b)	353,719,012	353,719,012
Commissions payable	–	(b)	269,393,588	269,393,588

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended December 31, 2018 as a result of the adoption of PFRS 15. The adoption of PFRS 15 did not have a material impact on the Group's consolidated statement of cash flows. The first column shows amounts prepared under PFRS 15 and the second column shows what the amounts would have been had PFRS 15 not been adopted:

Consolidated statement of financial position as of December 31, 2018

		Amounts prepared under		
	Reference	**PFRS 15**	Previous PFRS	Increase (Decrease)
ASSETS				
Current Assets				
Receivables (Notes 8, 22, 33 and 34)	(a)	**₱2,126,490,290**	₱7,214,846,950	(₱5,088,356,660)
Contract assets	(a)	**5,088,356,660**	–	5,088,356,660
Other current assets	(b)	**283,276,407**	–	283,276,407
Total Current Assets		**7,498,123,357**	7,214,846,950	283,276,407
Noncurrent Assets				
Noncurrent receivables (Notes 8, 22, 33 and 34)	(a)	**1,432,956,759**	7,877,952,085	(6,444,995,326)
Noncurrent contract asset	(a)	**6,444,995,326**	–	6,444,995,326
Total Noncurrent Assets		**7,877,952,085**	7,877,952,085	–
Total Assets		**₱15,376,075,442**	₱15,092,799,035	₱283,276,407
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	(b)	**₱231,632,590**	₱–	₱231,632,590
Deposits and other current liabilities (Notes 17, 22, 33 and 34)	(a)	**2,904,239,770**	15,835,753,613	(12,931,513,843)
Contract liabilities	(a)	**12,931,513,843**	–	12,931,513,843
Total Current Liabilities		**16,067,386,203**	15,835,753,613	231,632,590
Noncurrent Liabilities				
Deposits and other noncurrent liabilities (Notes 19, 31, 33 and 34)	(a)	**5,696,198,747**	8,074,889,700	(2,378,690,953)
Noncurrent contract liabilities	(a)	**2,378,690,953**	–	2,378,690,953
Total Noncurrent Liabilities		**8,074,889,700**	8,074,889,700	–
Total Liabilities		**₱24,142,275,903**	₱23,910,643,313	₱231,632,590

(a) The adjustments as at January 1, 2018 represents the Group's recording as contract asset (instead of installment contract receivables) any excess of progress of work over the right to an amount of consideration that is unconditional. Meanwhile, the excess of collection over progress of work is recorded as contract liability.

Before the adoption of PFRS 15, contract asset is not presented separately from trade receivables while contract liabilities are presented as deposits from real estate buyers.

(b) The Group has sales agents who are responsible for the marketing and sale of its real estate projects. These real estate sales agents typically receive sales commission equivalent to a certain percentage of the total contract price, paid based on milestone of payments by the customers. These are recorded as contract cost and are fully accrued based on the total expected payment. Contract cost is amortized using the percentage of completion method consistent with the measure of progress for revenue recognition. Before PFRS 15, the sales commissions are expensed as paid and there is no accrual for the unpaid portion of the total expected payment upon entering into the contract.

The adoption resulted to increase in commission payable under "Accounts payable and accrued expenses" of ₱269 million, increase in prepaid expense under "Other current assets" of ₱353 million and increase in retained earnings of ₱84 million in the consolidated statements of financial position as of January 1, 2018.

As at December 31, 2018, the adoption increased commission payable under "Accounts payable and accrued expenses" and prepaid expense under "Other Current Assets" by ₱232 million and ₱283 million, respectively. The adoption also increased commission expense by ₱33 million for the year ended December 31, 2018.

PIC Q&A on Advances to Contractors and PIC Q&A on Land Classification

The Group adopted PIC Q&A 2018-11, Classification of Land by Real Estate Developer and PIC Q&A 2018-15, PAS 1- Classification of Advances to Contractors in the Nature of Prepayments: Current vs. Non-current starting January 1, 2018. The impact of adoption is applied retrospectively which resulted to the following reclassifications in the consolidated statement of financial position. These reclassifications have no impact on prior year net income, total comprehensive income, equity, total assets, total liabilities and cash flows. Accordingly, no third consolidated statement of financial position as of January 1, 2017 has been presented.

		Reclassified to (from)	
December 31, 2017	Reference	Inventories/ Current Assets	Land Held for Future Development/ Noncurrent Assets
Land held for future development	(a)	₱2,221,414,792	(₱2,221,414,792)
Advances to contractors and suppliers	(b)	(1,143,602,854)	1,143,602,854
Advances to lot owners	(c)	(1,218,370,132)	1,218,370,132

		Reclassified to (from)	
January 1, 2017	Reference	Inventories/ Current Assets	Land Held for Future Development/ Noncurrent Assets
Land held for future development	(a)	₱2,310,382,571	(₱2,310,382,571)
Advances to contractors and suppliers	(b)	(1,579,225,818)	1,579,225,818
Advances to lot owners	(c)	(1,019,856,796)	1,019,856,796

a) Land held for future development previously presented as non-current asset includes land which the BOD has previously approved to be developed into residential development for sale. Before the adoption of PIC Q&A 2018-11, the classification was based on the Group's timing to start the development of the property. This was reclassified under inventories in the consolidated statement of financial position. Land with undetermined future use was retained in investment properties (see Notes 9 and 12).

b) Advances to contractors and suppliers previously presented under current assets, representing prepayments for the construction of investment property was reclassified to noncurrent asset. Before the adoption of PIC Q&A 2018-15, the classification of the Group is based on the timing of application of these advances against billings and timing of delivery of goods and services. This interpretation aims to classify the prepayment based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for (e.g. inventory, investment property, property plant and equipment) (see Notes 11 and 14).

c) Advances to lot owners previously presented under current assets consist of advance payments to land owners which will be applied against the costs of the real properties that will be acquired. Before the adoption of PIC Q&A 2018-15, the classification of the Group is based on the timing of the application of these advances which is expected to be within twelve (12) months after the reporting date. This interpretation aims to classify the prepayment based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for (e.g. inventory, investment property).

- PFRS 9, *Financial Instruments*

  PFRS 9 replaces PAS 39, *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

  The Group applied PFRS 9 using modified retrospective approach, with an initial application date of January 1, 2018. The Group has not restated the comparative information, which continues to be reported under PAS 39. Differences arising from the adoption of PFRS 9 have been recognized directly in retained earnings and other components of equity.

  The effect of adopting PFRS 9 as at 1 January 2018 was, as follows:

(a) Classification and measurement
Under PFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PFRS 9 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under PAS 39. Below pertains to the change in the classification of the Group's financial assets:

- Cash and cash equivalents, receivables, restricted cash – escrow included in Other current assets and refundable utility deposits previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as financial assets at amortized cost beginning January 1, 2018.
- Installment contract receivables classified as loans and receivables as at December 31, 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. As of January 1, 2018, the Parent Company has an agreement with an affiliate bank to sell the former's receivables from lease-to-own receivables on a without recourse basis through various tranches. These receivables were reclassified to financial assets at FVOCI (with recycling). The adjustment presented above includes the deferred tax implication. For the year ended December 31, 2018, the Parent Company sold a portion of its lease receivables to an affiliate bank. These receivables were reclassified from Held to collect to Held to collect and sell and valued at fair value through OCI.

In summary, upon adoption of PFRS 9, the Group had the following required or elected reclassifications as at January 1, 2018:

		PFRS 9 Measurement Categories	
PAS 39 Categories	December 31, 2017	Amortized cost	Fair value through OCI
Loans and receivables			
Cash and cash equivalents	₱2,075,454,523	₱2,075,454,523	₱–
Receivables	9,341,006,843	7,771,476,404	1,591,198,743
Refundable utility deposits	884,334,864	884,334,864	–
Restricted cash - escrow	4,257,265	4,257,265	–
	₱12,305,053,495	₱10,735,523,056	₱1,591,198,743

The classification of receivables from lease-to-own arrangements to fair value through OCI, previously from amortized cost, resulted to the recognition of fair value gain adjustment recorded in OCI as at January 1, 2018 amounting to ₱15 million (net of tax).

There were no changes to the classification and measurement of financial liabilities.

(b) Other adjustments
Other adjustments pertain to related unrealized gain on financial assets at FVOCI as of January 1, 2018, net of deferred tax liabilities, presented under the other comprehensive income of the Group. Below is the summary of the adjustments:

	As previously reported December 31, 2017	**Reference**	**Adjustment**	**As restated January 1, 2018**
Unrealized gain on financial assets at FVOCI, net of tax	₱–	(a), (b)	₱15,167,813	₱15,167,813

(c) Impairment
The adoption of PFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PFRS 9 requires the Group to record an allowance for impairment losses for all debt financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For installment contract receivables and contract assets, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Group used the vintage analysis accounts for expected credit losses by calculating the cumulative loss rates of a given residential and office development trade receivables and contract assets pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

In addition to life of loan loss data, primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on inflation and gross domestic product (GDP) growth rates and interest rates were added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers an installment contracts receivable and contract assets in default when customer receives a notice of cancellation and does not continue the payments. However, in certain cases, the Group may also consider a receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating loss given default, accounts are segmented based on facility/collateral type and completion. In calculating the recovery rates, the Group considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission, refurbishment, payment required under Maceda law and cost to complete (for incomplete units). As these are future cash flows, these are discounted back to the reporting date using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

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

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

There is no transition adjustment in relation to the impairment allowance as of January 1, 2018.

- Amendments to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based Payment Transactions*

  The Group has no share-based payment transaction with net settlement features for withholding tax obligations and has not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements

- Amendments to PFRS 4, *Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts*

  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. These amendments are not relevant to the Group.

- Amendments to PAS 28, *Investments in Associates and Joint Ventures, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)*

  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Retrospective application of the amendments is not required and is only permitted if this is possible without the use of hindsight.

  Since the Group's current practice is in line with the clarifications issued, the amendment does not have any impact on its consolidated financial statements.

- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

  The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transaction for each payment or receipt of advance consideration. Retrospective application of this interpretation is not required. Since the Group's current practice is in line with the clarifications issued, the amendments do not have any impact on its consolidated financial statements.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

  Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest (SPPI) on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

  The Group is currently assessing the impact of adopting this interpretation.

- PFRS 16, *Leases*

  PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of use asset.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases. PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

  A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group is currently assessing the impact of adopting this standard.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

  The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

  - Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

  The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

  The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

  The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

  The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, Investments in Associates and Joint Ventures.

  The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted. The Group is currently assessing the impact of adopting this interpretation.

- Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:

  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

  The Group is currently assessing the impact of adopting this interpretation.

- Annual Improvements to PFRSs 2015-2017 Cycle
  - Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*

    The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

    A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

    An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments are currently not applicable to the Group but may apply to future transactions.

- Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

  An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments are not relevant to the Group because dividends declared by the Group do not give rise to tax obligations under the current tax laws.

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

  The Group is currently assessing the impact of adopting this amendment.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  These amendments will apply on future business combinations of the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgments.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)

  - A simplified approach (the premium allocation approach) mainly for short-duration contracts.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

  The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. **Summary of Significant Accounting Policies**

Revenue and Cost Recognition

Revenue Recognition effective January 1, 2018

Revenue from Contract with Customers

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

The following specific recognition criteria must also be met before revenue is recognized:

Real estate sales – Philippines Operations – Performance obligation is satisfied over time

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

In measuring the progress of its performance obligation over time, the Group uses input method. Input methods recognize revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated development costs of the real estate project. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and development receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized trade receivables and contract assets is included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Real estate sales – Philippines Operations – Performance obligation is satisfied at a point in time
The Group also derives real estate revenue from sale of parcels of raw land and developed land. Revenue from the sale of these parcels of raw land are recognized at a point in time (i.e., upon transfer of control to the buyer) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use but the Group does not have an enforceable right to payment for performance completed to date. The Group is only entitled to payment upon delivery of the land to the buyer and if the contract is terminated, the Group has to return all payments made by the buyer.

Real estate sales – China Operations
Taking into account the contract terms per house purchase and sales contract, Chengdu Xin Yao's business practice and the legal and regulatory environment in China, most of the property sales contracts in China do not meet the criteria for recognizing revenue over time and therefore, revenue from property sales continues to be recognized at a point in time, while some property sales contracts meet the criteria for recognizing revenue over time as the properties have no alternative use to the Group due to contractual reasons and the Group has an enforceable right to payment from customer for performance completed to date. Under PFRS 15, revenue from property sales is generally recognized when the property is accepted by the customer, or deemed as accepted according to the contract, whichever is earlier, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

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

Amusement income
Revenue is recognized upon rendering of services or at a point in time.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered or at a point in time. Revenue from banquets and other special events are recognized when the events take place or at a point in time. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Other income
Other income is recognized when earned.

Costs Recognition

Cost Recognition effective January 1, 2018

Cost of Real Estate Sales

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

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

Costs and General and Administrative Expense

Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Contract Balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets

Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group's contract fulfillment assets pertain to connection fees and land acquisition costs.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within general and administrative expenses.

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

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

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Revenue Recognition prior to January 1, 2018
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

Real estate sales
Revenue from sales of real estate and cost from completed projects is accounted for using the percentage of completion (POC). In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1, the POC is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to buyer and the costs incurred or to be incurred can be measured reliably. Under the POC method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of project.

Revenue recognition commences when the construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the required buyer's equity is met. Buyer's equity represents the percentage of collection over the total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group.

If any of the criteria under the percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits from real estate buyers" account which is shown as part of the "Deposits and other current liabilities" and "Deposits and other noncurrent liabilities" account in the liabilities section of the consolidated statement of financial position.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

Amusement income
Revenue is recognized upon rendering of services.

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

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when the events take place. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Other income
Other income is recognized when earned.

Cost Recognition prior January 1, 2018
Cost of Real Estate Sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision lots and housing units and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Costs and General and Administrative Expense
Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:
- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Commission Expense
The Group recognizes commission expense when services are rendered by the broker and agent. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

<u>Fair Value Measurement</u>
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current and Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Financial Instruments - Initial Recognition and Subsequent Recognition effective January 1, 2018

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15. Refer to the accounting policies in section "Revenue from contracts with customers".

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

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, receivables (except for receivables from lease-to-own arrangements), restricted cash - escrow under other current assets and refundable utility deposits under other current and noncurrent assets.

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes receivables from lease-to-own arrangements under Receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have non-listed equity investments.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets

mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group does not have financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the consolidated statement of financial position) when:

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

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

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

Impairment of Financial Assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include accounts payable and accrued expenses, short-term loans, loans payables and deposits from lessees which are included under Deposits and other current liabilities and Deposits and other noncurrent liabilities.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

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

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

This category generally applies to short-term loans and loans payables.

The Group’s other financial liabilities consists of accounts payable and accrued expenses, short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under “Deposit and other current liabilities” and “Deposit and other noncurrent liabilities”.

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

Debt Issue Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Customers’ Deposits
Deposits from lessees
Deposits from lessees are measured initially at fair value. After initial recognition, customers’ deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the “Deposits and other liabilities” in the consolidated statement of financial position) and amortized using EIR amortization process.

Deposits from real estate buyers
Deposits from real estate buyers represent mainly reservation fees and advance payments. These deposits will be recognized as revenues in the profit or loss as the related obligations are fulfilled to the real estate buyers. The deposits are recorded as “Deposits from real estate buyers” and reported under the “Deposits and other liabilities” account in the consolidated statement of financial position as of December 31, 2017.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Financial Instruments – initial recognition and subsequent measurement prior to January 1, 2018

Financial Instruments
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial recognition of financial instruments
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs. The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, AFS financial assets and loans and receivables. The Group classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability.
In cases where variables used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Assets
Initial recognition and measurement
Financial assets are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investment, available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge as appropriate. All financial instruments are recognized initially at fair value plus, in the case of financial instruments not recorded at FVPL, transaction costs that are directly attributable to the acquisition of financial assets.

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

The Group's financial assets are of the nature of loans and receivables as of December 31, 2017.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

The Group's loans and receivables include cash and cash equivalents, receivables, restricted cash - escrow under "Other current assets" and refundable utility deposits included under "Other current assets" and "Other noncurrent assets".

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or,
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of Financial Assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes

the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or (loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include other financial liabilities as of December 31, 2017.

Other Financial Liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

The Group's other financial liabilities consists of accounts payable and accrued expenses, short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under "Deposit and other current liabilities" and "Deposit and other noncurrent liabilities".

Derecognition

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

Debt Issue Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Subdivision Land, Condominium and Residential Units for Sale
Subdivision land, condominium and residential units for sale in the ordinary course of business are carried at the lower of cost and net realizable value (NRV). Cost includes land costs, costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, contractor's fees and other professional fees, property transfer taxes, construction overheads and other related costs) and borrowing costs on loans directly attributable to the projects which were capitalized during construction.

NRV is the estimated selling price in the ordinary course of business less cost of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Prepaid expenses
Prepaid expenses pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

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

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statements of financial position.

Investment Properties
Investment properties – Land, Land Improvements, Buildings and Improvements and Construction in Progress
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the companies consolidated into the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Investment properties are depreciated and amortized using the straight-line method over their estimated useful lives (EUL) as follows:

	Years
Buildings	20 - 30
Building improvements	10
Land improvements	10

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The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the profit and loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

Investment Properties – Land held for future development
Land held for future development consist of raw land held by the Group which will be developed into investment properties in the future. Land held for future development is carried at cost less any impairment in value. Transfers are made to investment properties when there is commencement of construction of commercial centers or office building on the land property. Transfers are made from land held for future development to either property and equipment or subdivision land, condominium and residential units for sale when, and only when, there is change in use, as evidenced by owner occupation or upon commencement of real estate development with a view to sell.

Land held for future development are derecognized when either they have been disposed of or when the land is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of land held for future development is recognized in the profit and loss in the period of retirement or disposal.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition. Cost also includes interest and other charges on borrowed funds used to finance the construction of property and equipment to the extent incurred during the period of construction and installation.

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

Depreciation commences once the assets are available for use and is calculated on a straight-line basis over the estimated useful life of over the EUL as follow:

	Years
Buildings	20
Building improvements	10
Land improvements	5
Theater furniture and equipment	5
Other equipment	2.5

Assets under construction are transferred to a specific category of property and equipment when the construction and other related activities necessary to prepare the property and equipment for their intended use are completed and the property and equipment are available for service.

Other equipment includes china, glassware, silver and linen on stock used in hotel operations.

The useful life and depreciation method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that the Group's land held for future development, investment properties and property and equipment may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

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

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the consolidated statement of comprehensive income.

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

Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs (included in "Subdivision land, condominium and residential units for sale", "Property and equipment" and "Investment properties" accounts in the Group's consolidated statement of financial position). Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings.

All other borrowing costs are expensed in the period they occur and is recorded under "Interest expense."

Equity
Capital stock is measured at par value for all shares issued. When the Group issues more than one capital stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend distribution when they are declared by the subsidiaries as approved by their respective BOD.

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

Other equity reserve
Other equity reserve pertains to the difference between the consideration paid and the carrying value of the non-controlling interest acquired.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered. The Group does not recognize deferred income tax assets that will reverse during the income tax holiday (ITH).

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

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension Expense

The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related liabilities). If the fair value of the plan assets is higher than the present value of the defined benefit liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for any of the scenarios above, and at the date of renewal or extension period for the second scenario.

Group as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss on a straight-line basis over the lease term. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based on the terms of the leased contract.

Group as a lessor

Leases where the Group retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. Indirect costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as the lease income.

Leases where the Group transfers substantially all the risk and benefits of ownership of the assets are classified as finance leases. The Group recognizes assets held under a finance lease in its consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. The lease payments received from the lessee are treated as repayments of principal and finance income. Initial direct costs may include commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging the lease. They are included in the measurement of the net investment in the lease at inception and reflected in the calculation of the implicit interest rate. The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Investments in Joint Ventures

Investments in joint ventures (investee companies) are accounted for under the equity method of accounting. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes a joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

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

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Foreign currencies

The Group's consolidated financial statements are presented in Philippine Peso, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation for consolidation

On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in the cumulative translation adjustment (CTA) in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss when the standard permits.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares.

Operating Segment

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

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

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change.

The effects of any change in judgments and estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

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

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

Real estate revenue recognition upon adoption of PFRS 15

Identifying performance obligation
In 2018, the Parent Company entered into a contract to sell covering a land upon which, site preparation will be performed prior to turnover to the buyer. The Group concluded that the revenue and cost of real estate sales should be recorded upon completion of the site preparation activities as specifically stated in the contract to sell, which is at a point in time, since there is only one performance obligation (i.e., developed land) and the Parent Company does not have a right to demand payment for work performed to date from the buyer (see Notes 22 and 32).

In 2018, the Parent Company entered into a contract to sell covering raw land. The Group concluded that there is one performance obligation in this contract, the raw land. Revenue and cost of real estate sales should be recorded upon delivery of the raw land to the buyer which is at a point in time (see Notes 22 and 32).

Revenue recognition method and measure of progress
For the revenue from real estate sales in the Philippines, the Group concluded that revenue is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised

to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

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

Principal versus agent considerations

The contract for the mall retail spaces and office spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air conditioning charges and common usage service area (CUSA) like maintenance, janitorial and security services.

For the electricity and water usage and CUSA, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company and to provide services such as maintenance, janitorial and security services. The utility and service companies, and not the real estate developer, are primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the provision of air conditioning, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of air conditioning to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the air conditioning charges. However, since the Group has availed of the relief to the real estate industry by deferring the application of accounting to CUSA charges discussed in PIC Q&A No. 2018-12-H, the Group retained its current assessment and accounting for air conditioning charges.

Revenue and cost recognition effective January 1, 2018

The Group's real estate sales is recognized overtime and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended and actual overhead incurred over the total expected project development cost. Actual costs also include incurred costs but not yet billed which are estimated by the project engineers. Expected project development costs include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Real estate revenue and cost recognition from pre-selling in Chengdu Project

In July 2018, Chengdu Xin Yao secured the license to sell the condominium units in Phase 1 of its residential development in Chengdu Xin Yao Ban Bian Jie. As of December 31, 2018, the deposits received from buyers amounted to ₱8,208 million.

Revenue from the sale of real estate units of Chengdu Xin Yao will be accounted for under a full accrual method (i.e., at a point in time) in the Group's consolidated financial statements. Under paragraph 35(c) of PFRS 15, "An entity shall consider the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date in accordance with paragraph 35 (c). The right to payment for performance completed to date does not need to be for a fixed amount. However, at all times throughout the duration of the contract, the entity must be entitled to an amount that at least compensates the entity for performance completed to date if the contract is terminated by the customer or another party for reasons other than the entity's failure to perform as promised." Based on management's assessment, throughout the duration of the contract term, Chengdu Xin Yao is only entitled to an amount that does not compensate Chengdu Xin Yao for performance completed to date if the contract is terminated by the buyer or another party for reasons other than Chengdu Xin Yao's failure to perform as promised.

Revenue and cost recognition on real estate sales – prior to January 1, 2018
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgment based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group.

Definition of default and credit-impaired financial assets – effective January 1, 2018
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria – for installment contracts receivable, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets 'unlikeliness to pay' criteria, which indicates the customer is in significant financial difficulty. These are instances where:
a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

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

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

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.
The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Joint Control
The Parent Company entered into various joint ventures with Shang Properties, Inc. and Hong Kong Land Group. The Parent Company considers that it has joint control over these arrangements since decisions about the relevant activities of the joint ventures require unanimous consent of the parties as provided for in the joint venture agreements and shareholders' agreements.

Operating leases commitments - Group as lessee
The Group has entered into lease contracts to develop commercial or office properties on the leased land premises. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased land are not transferred to the Group. In determining significant risks and benefits of ownership, the Group considered, among others, that there is no transfer of ownership of the asset to the lessee by the end of the lease term.

In addition, majority of the lease contract have lease term ranging from one year to ten years which is considered insignificant relative to the life of the asset (see Note 34).

Operating lease commitments - Group as lessor
The Group has entered into commercial and office property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases. In determining significant risks and benefits of ownership, the Group considered, among others, the significance of the lease term as compared with the EUL of the related asset.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee (see Note 36).

Distinction among real estate inventories, land held for future development and investment properties
The Group determines whether a property will be classified as Real estate inventories, Land held for future development and investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (Real estate inventories), whether it will be retained as part of the Group's strategic land banking activities for development or sale in the medium or long-term (Land held for future development) or whether it will be held to earn rentals or for capital appreciation (Investment properties). For land properties, the Group considers the purpose for which the land was acquired.

Finance lease commitments - Group as lessor

The Group has entered into property leases on some of its real estate condominium unit property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the bargain purchase option and minimum lease payments that the Group has transferred all the significant risks and rewards of ownership of these properties to the lessee and accounts for them as finance leases (see Note 36).

Recognition of deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning. Deferred tax assets recognized as of December 31, 2018 and 2017 amounted to ₱874 million and ₱818 million, respectively (see Note 29).

The Group has deductible temporary difference that is available for offset against taxable income or tax payable which deferred tax asset has not been recognized. This pertains to NOLCO of subsidiaries amounting to ₱3 million as of December 31, 2018 and 2017, respectively. The related deferred tax assets amounted to ₱1 million as of December 31, 2018 and 2017 (see Note 29).

Contingencies

The Group is currently involved in various legal proceedings and tax assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the internal and external counsel handling the defense on these matters and is based upon an analysis and judgment of potential results by the management. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, that future results of operations could be materially affected by changes in the judgement or in the effectiveness of the strategies relating to these proceedings (see Note 36).

Estimates

The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue and cost recognition

The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue and cost from real estate where performance obligation is satisfied over time and recognized based on the percentage of completion is measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of the project. For the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, the real estate sales recognized over time amounted to ₱8,346 million, ₱5,973 million and ₱1,472 million, respectively, while the related cost of real estate sales amounted to ₱4,533 million, ₱3,143 million and ₱1,073 million, respectively.

The Group also recognized revenue when control is passed on a certain point in time. The Group's revenue and cost of real estate sales were recognized upon transfer of control to the buyer. Real estate sale pertaining to this this transaction amounted to ₱2,507 million and the related cost of sale amounted to ₱398 million as of December 31, 2018.

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of December 31, 2018 and 2017, the Group's subdivision land, condominium and residential units for sale amounted to ₱31,464 million and ₱28,854 million, respectively (see Note 9).

Provision for expected credit losses of trade receivables and contract assets
The Group uses a provision matrix to calculate ECLs for trade receivables other than installment contract receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

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

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

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology.

Estimation of useful lives of property and equipment and investment properties

The Group estimates the useful lives of its depreciable property and equipment and investment properties based on the period over which the assets are expected to be available for use. The EUL of the said depreciable assets are reviewed at least annually and are updated, if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the EUL of the depreciable property and equipment and investment properties would increase depreciation expense and decrease noncurrent assets.

The carrying balances of the Group’s depreciable assets are disclosed in Notes 12 and 13 to the consolidated financial statements.

Impairment of nonfinancial assets

The Group assesses impairment on its nonfinancial assets (i.e., land held for future development, investment properties, property and equipment, other noncurrent assets and investments in joint venture) and considers the following important indicators:

- Significant changes in asset usage;
- Significant decline in assets’ market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results; and,
- Significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect the carrying amount of the assets.

The carrying values of the Group’s investment properties, property and equipment, other noncurrent assets and investments in joint venture as of December 31, 2018 and 2017 are disclosed in Notes 12, 13, 14 and 32. No impairment was recognized for the Group’s nonfinancial assets.

Pension cost

The determination of the obligation and cost of pension benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates (see Note 31).

The cost of defined benefit pension plan and the present value of the pension liabilities are determined using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

As of December 31, 2018 and 2017, the Group's present value of defined benefit obligations is shown in Note 31.

6. Operating Segments

Business Segments

The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest, income tax, depreciation and other income (losses) (EBITDA). The Group does not report its results based on geographical segments because the Group currently only has revenue generating activities in the Philippines as revenue recognition from the real estate development in China will commence upon completion of development activities.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS except for EBITDA.

Cost and expenses exclude interest, taxes and depreciation.

The Group derives its revenue from the following reportable units:

Commercial Center Division - develops, leases and manages shopping malls/commercial centers all over the Philippines.

Residential Division - develops and sells residential condominium spaces, as well as high-end horizontal residential projects.

Office Buildings Division - develops and leases out office spaces.

Hotels and Resorts Division - owns and operates a chain of hotels in various locations in the Philippines.

Industrial and Integrated Developments Division – focuses on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, and development of warehouse and logistics facilities.

The financial information about the operations of these business segments is summarized as follows:

	December 31, 2018 (One Year)						
	Commercial Center Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Industrial and Integrated Developments	Intersegment Eliminating Adjustments	Consolidated
Revenue							
Segment revenue:							
Revenues from contracts with customers	**₱1,972,527,785**	**₱8,345,617,524**	**₱–**	**₱1,982,137,914**	**₱2,507,450,000**	**–**	**₱14,807,733,223**
Rental income	**9,764,937,175**	**113,115,164**	**3,535,276,772**	**–**	**134,875,097**	**–**	**13,548,204,208**
Other income	**202,813,085**	**228,860,486**	**757,721,885**	**–**	**(18,996)**	**–**	**1,189,376,460**
Intersegment revenue	**42,846,948**	**–**	**–**	**2,471,781**		**(45,318,729)**	**–**
Total Revenue	**11,983,124,993**	**8,687,593,174**	**4,292,998,657**	**1,984,609,695**	**2,642,306,101**	**(45,318,729)**	**29,545,313,891**
Costs and expenses							
Segment costs and expenses	**4,274,831,274**	**6,478,178,974**	**532,882,081**	**1,308,642,999**	**613,677,160**	**–**	**13,208,212,488**
Intersegment costs and expenses	**–**	**42,846,948**	**(5,438,907)**	**7,910,688**	**–**	**(45,318,729)**	**–**
Total Costs and expenses	**4,274,831,274**	**6,521,025,922**	**527,443,174**	**1,316,553,687**	**613,677,160**	**(45,318,729)**	**13,208,212,488**
Earnings before interest, taxes and depreciation	**7,708,293,719**	**2,166,567,252**	**3,765,555,483**	**668,056,008**	**2,028,628,941**	**–**	**16,337,101,403**
Depreciation (Notes 24 and 26)	**3,420,651,538**	**81,030,767**	**693,501,790**	**248,237,776**	**13,310,774**	**–**	**4,456,732,645**
Operating income	**₱4,287,642,181**	**₱2,085,536,485**	**₱3,072,053,693**	**₱419,818,232**	**₱2,015,318,167**	**₱–**	**₱11,880,368,758**
Assets and Liabilities							
Segment assets	**₱73,959,589,978**	**₱53,680,024,065**	**₱19,462,199,172**	**₱7,881,486,731**	**₱19,174,860,339**	**₱–**	**₱174,158,160,285**
Investment in subsidiaries - at cost	**11,486,832,946**	**–**	**–**	**25,500,000**	**780,000,000**	**(12,292,332,946)**	**–**
Total segment assets	**₱85,446,422,924**	**₱53,680,024,065**	**₱19,462,199,172**	**₱7,906,986,731**	**₱19,954,860,339**	**(₱12,292,332,946)**	**₱174,158,160,285**
Total segment liabilities	**₱49,605,728,995**	**₱20,608,010,769**	**₱3,655,455,825**	**₱1,166,561,653**	**₱5,202,686,538**	**₱–**	**₱80,238,443,780**
Other segment information:							
Capital additions (Notes 12 and 13)							**₱13,444,918,877**
Additions to subdivision land, condominium and residential units for sale (Note 9)							**₱5,868,091,167**
Cash flows from:							
Operating activities	**₱9,325,467,987**	**(₱91,578,957)**	**₱3,550,353,853**	**₱720,903,816**	**(₱215,138,751)**	**₱–**	**₱13,290,007,948**
Investing activities	**(9,838,247,513)**	**(2,710,192,203)**	**(2,493,308,706)**	**(2,217,625,037)**	**26,928,203**	**–**	**(17,232,445,256)**
Financing activities	**946,746,362**	**2,720,437,095**	**(1,046,865,599)**	**1,507,780,576**	**282,725,178**	**–**	**4,410,823,612**

	December 31, 2017 (One Year; As Restated)						
	Commercial Center Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Industrial and Integrated Developments	Intersegment Eliminating Adjustments	Consolidated
Revenue							
Segment revenue:							
Revenues from contracts with customers	₱1,802,643,181	₱5,973,248,023	₱-	₱1,892,873,758	₱-	₱–	₱9,668,764,962
Rental income	8,809,667,773	89,680,665	2,668,883,078	–	13,328,885	–	11,581,560,401
Other income	177,019,084	489,898,273	598,571,854	–	1,003,056	–	1,266,492,267
Intersegment revenue	52,219,142	–	–	1,875,627		(54,094,769)	–
Total Revenue	10,841,549,180	6,552,826,961	3,267,454,932	1,894,749,385	14,331,941	(54,094,769)	22,516,817,630
Costs and expenses							
Segment costs and expenses	3,751,872,140	4,734,196,063	337,498,332	1,169,386,910	47,335,641	–	10,040,289,086
Intersegment costs and expenses	–	52,219,142	(5,924,414)	7,800,041	–	(54,094,769)	–
Total Costs and expenses	3,751,872,140	4,786,415,205	331,573,918	1,177,186,951	47,335,641	(54,094,769)	10,040,289,086
Earnings before interest, taxes and depreciation	7,089,677,040	1,766,411,756	2,935,881,014	717,562,434	(33,003,700)	–	12,476,528,544
Depreciation (Notes 24 and 26)	3,040,446,157	62,880,399	629,271,677	181,125,459	390,409	–	3,914,114,101
Operating income	₱4,049,230,883	₱1,703,531,357	₱2,306,609,337	₱536,436,975	(₱33,394,109)	₱–	₱8,562,414,443
Assets and Liabilities							
Segment assets	₱66,493,808,490	₱40,777,979,053	₱17,909,268,241	₱5,954,062,532	₱16,991,429,486	₱–	₱148,126,547,802
Investment in subsidiaries - at cost	11,486,332,946	–	–	25,500,000		(11,511,832,946)	–
Total segment assets	₱77,980,141,436	₱40,777,979,053	₱17,909,268,241	₱5,979,562,532	₱16,991,429,486	(₱11,511,832,946)	₱148,126,547,802
Total segment liabilities	₱62,143,777,422	₱9,113,640,640	₱3,002,130,903	₱1,010,470,775	₱5,483,910,302	₱–	₱80,753,930,042
Other segment information:							
Capital additions (Notes 12 and 13)							₱24,009,878,752
Additions to subdivision land, condominium and residential units for sale (Note 9)							₱4,846,756,065
Cash flows from:							
Operating activities	₱6,078,064,085	₱666,663,039	₱3,013,552,393	₱22,614,776	₱4,617,950,090	₱–	₱14,398,844,383
Investing activities	(10,399,659,284)	(731,233,889)	(3,208,653,145)	(863,716,944)	(9,251,961,561)	–	(24,455,224,823)
Financing activities	4,677,899,180	277,349,253	195,865,811	908,008,362	4,636,501,780	–	10,695,624,386

	December 31, 2016 (Three Months)					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue						
Revenues from contracts with customers	₱ 431,783,166	₱1,472,300,349	₱-	₱496,892,214	₱–	₱2,400,975,729
Rental income	2,087,992,078	24,221,425	606,126,093	–	–	2,718,339,596
Other income	137,689,336	297,872,233	139,892,894	–	–	575,454,463
Intersegment revenue	9,611,510	–	2,340,322	–	(11,951,832)	–
Total Revenue	2,667,076,090	1,794,394,007	748,359,309	496,892,214	(11,951,832)	5,694,769,788
Costs and expenses						
Segment costs and expenses	832,165,422	1,517,643,403	29,785,555	286,274,025	–	2,665,868,405
Intersegment costs and expenses	1,455,389	11,205,906	(2,471,010)	1,761,547	(11,951,832)	–
Total Costs and expenses	833,620,811	1,528,849,309	27,314,545	288,035,572	(11,951,832)	2,665,868,405
Earnings before interest, taxes and depreciation	1,833,455,279	265,544,698	721,044,764	208,856,642	–	3,028,901,383
Depreciation (Notes 24 and 26)	800,087,879	10,389,344	152,494,588	47,049,114	–	1,010,020,925
Operating income	₱1,033,367,400	₱255,155,354	₱568,550,176	₱161,807,528	₱–	₱2,018,880,458
Assets and Liabilities						
Segment assets	₱62,041,193,665	₱44,396,733,768	₱13,689,850,239	₱4,304,380,727	₱–	₱124,432,158,399
Investment in subsidiaries - at cost	11,009,215,946	–	–	25,500,000	(11,034,715,946)	–
Total segment assets	₱73,050,409,611	₱44,396,733,768	₱13,689,850,239	₱4,329,880,727	(₱11,034,715,946)	₱124,432,158,399
Total segment liabilities	₱50,795,652,791	₱7,837,493,381	₱2,173,027,970	₱770,678,726	₱–	₱61,576,852,868
Other segment information:						
Capital additions (Notes 12 and 13)						₱3,218,762,069
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱1,206,826,578
Cash flows from:						
Operating activities	₱1,113,402,908	₱969,715,502	₱1,138,646,423	₱547,122,706	₱–	₱3,768,887,539
Investing activities	(2,603,403,555)	(416,591,890)	(1,148,027,626)	(405,562,263)	–	(4,573,585,334)
Financing activities	1,661,922,878	(437,392,038)	–	(132,787,416)	–	1,091,743,424

The revenue of the Group consists of sales to domestic customers. Inter-segment revenue accounted for under PFRS arising from lease arrangements amounting ₱45 million, ₱54 million and ₱12 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively, are eliminated in consolidation.

The carrying amount of assets located outside the Philippines amounted to ₱22,379 million and ₱12,414 million as of December 31, 2018 and 2017, respectively.

No operating segments have been aggregated to form the above reportable segments. Capital additions consists of additions to property and equipment and investment properties.

Significant customers in lease arrangements under commercial centers division include the affiliated entities (see Note 22). Rental income arising from the lease of commercial properties to affiliated companies which are not part of the Group and therefore not eliminated amounted to ₱2,787 million, ₱2,337 million and ₱609 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively.

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
EBITDA	**₱16,337,101,403**	₱12,476,528,544	₱3,028,901,383
Depreciation (Notes 24 and 26)	**(4,456,732,645)**	(3,914,114,101)	(1,010,020,925)
Other losses	**(637,337,162)**	(727,006,605)	(378,127,619)
Income before income tax	**₱11,243,031,596**	₱7,835,407,838	₱1,640,752,839

7. **Cash and Cash Equivalents**

	2018	2017
Cash on hand and in banks	**₱1,129,430,200**	₱1,379,275,821
Short-term investments	**1,414,410,627**	696,178,702
	₱2,543,840,827	₱2,075,454,523

Cash in banks earns annual interest at the prevailing bank deposit rates. Short-term investments are invested for varying periods of up to three months and earn interest at the prevailing short-term investment rates ranging from 0.20% to 3.90%, 1.25% to 3.0% and 0.3% to 1.2% for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively.

Interest earned from cash in banks and short-term investments for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016 amounted to ₱157 million, ₱37 million and ₱7 million, respectively (see Note 28).

8. **Receivables**

	2018	2017
Trade		
Installment contract receivables	**₱283,447,326**	₱7,272,408,707
Rental receivables (Note 22)	**1,426,650,345**	793,963,283
Accrued rent receivables	**1,256,405,124**	886,325,031
Hotel operations	**168,058,728**	185,203,621
	3,134,561,523	9,137,900,642
Affiliated companies (Note 22)	**207,635,524**	23,419,773
Others		
Receivable from condominium corporations	**161,311,324**	125,144,625
Advances to officers and employees	**51,749,347**	39,526,617
Receivable for insurance	**30,687,835**	6,723,297
Others	**21,178,097**	55,968,490
	3,607,123,650	9,388,683,444
Less allowance for impairment losses	**47,676,601**	47,676,601
	3,559,447,049	9,341,006,843
Less noncurrent portion	**1,432,956,759**	3,775,948,572
	₱2,126,490,290	₱5,565,058,271

Installment contract receivables consist of accounts collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost, except for receivables from lease-to-own arrangements which are carried at fair value through OCI. The title of the real estate property, which is the subject of the installment contract receivable due beyond 12 months, passes to the buyer once the receivable is fully paid. Upon adoption of PFRS 15, the Group records any excess of progress of work over the right to an amount of consideration that is unconditional as contract asset (see Note 10).

Rental receivables from affiliated companies included under 'Rental receivables' amounted to about ₱168 million and ₱114 million as of December 31, 2018 and 2017, respectively (see Note 22).

Accrued rent receivables represent the portion of the lease as a consequence of recognizing income on a straight-line basis. As of December 31, 2018 and 2017, the noncurrent portion of accrued rent receivable amounted to ₱1,243 million and ₱708 million, respectively.

Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage and transportation services. These are normally collectible within thirty (30) to ninety (90) days.

The receivables from officers and employees are advances related to conduct of business activities subject to liquidation and for personal loans which are collected through salary deduction.

Other receivables consist primarily of insurance claims and advances to brokers.

Allowance for impairment losses on trade receivables follows:

	Rental Receivables	Hotels Operations	Installment Contract Receivables	Total
Balances at December 31, 2018 and 2017	**₱13,905,027**	**₱14,771,574**	**₱19,000,000**	**₱47,676,601**

Aging Analysis

The aging analysis of the Group's receivables follows:

	December 31, 2018						
		Neither	**Past Due But Not Impaired**				**Past**
	Total	**Past Due nor Impaired**	**Less than 30 days**	**30 to 60 days**	**61 to 90 days**	**Over 90 days**	**Due and Impaired**
Trade receivables							
Installment contract receivables	**₱283,447,326**	**₱–**	**₱38,452,136**	**₱20,243,920**	**₱28,004,369**	**₱177,746,901**	**₱19,000,000**
Rental receivables (Note 22)	**1,426,650,345**	**694,942,129**	**210,303,407**	**43,311,363**	**21,620,631**	**442,567,788**	**13,905,027**
Accrued rent receivables	**1,256,405,124**	**1,256,405,124**	**–**	**–**	**–**	**–**	**–**
Hotel operations	**168,058,728**	**49,736,994**	**31,718,550**	**17,266,655**	**5,210,532**	**49,354,423**	**14,771,574**
Affiliated companies (Note 22)	**207,635,524**	**207,635,524**	**–**	**–**	**–**	**–**	**–**
Others	**264,926,603**	**264,926,603**	**–**	**–**	**–**	**–**	**–**
	₱3,607,123,650	**₱2,473,646,374**	**₱280,474,093**	**₱80,821,938**	**₱54,835,532**	**₱669,669,112**	**₱47,676,601**

	December 31, 2017						
		Neither	Past Due But Not Impaired				Past
	Total	Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Due and Impaired
Trade receivables							
Installment contract receivables	₱7,272,408,707	₱6,855,942,934	₱93,685,610	₱76,414,224	₱51,280,219	₱176,085,720	₱19,000,000
Rental receivables (Note 22)	793,963,283	197,449,461	118,969,392	32,200,417	33,809,261	397,629,725	13,905,027
Accrued rent receivables	886,325,031	886,325,031	–	–	–	–	–
Hotel operations	185,203,621	75,600,122	29,206,995	13,020,649	7,151,953	45,452,328	14,771,574
Affiliated companies (Note 22)	23,419,773	23,419,773	–	–	–	–	–
Others	227,363,029	227,363,029	–	–	–	–	–
	₱9,388,683,444	₱8,266,100,350	₱241,861,997	₱121,635,290	₱92,241,433	₱619,167,773	₱47,676,601

A summary of the movements in the receivables of the Group categorized as fair value through other comprehensive income is as follows:

Beginning balance, as previously reported	₱1,569,530,439
Transition adjustment on fair value - credited to other comprehensive income	21,668,304
Beginning balance, as restated	1,591,198,743
Additions	220,241,407
Sale of lease-to-own receivables	(1,017,153,531)
Fair value adjustment – other comprehensive income	(9,064,944)
Ending balance	₱785,221,675

9. Subdivision Land, Condominium and Residential Units for Sale

	2018	2017 (as restated)
Land and condominium units	**₱11,600,778,843**	₱12,891,326,496
Land use right and development cost	**13,793,027,024**	11,710,995,852
Residential units and subdivision land	**3,306,112,679**	2,030,312,220
Land held for development	**2,764,535,752**	2,221,414,792
	₱31,464,454,298	₱28,854,049,360

The subdivision land, condominium and residential units for sale are carried at cost.

Land held for development previously presented as non-current asset includes land which the BOD has approved to be developed into residential development for sale. Before the adoption of PIC Q&A 2018-11, the classification was based on the Group's timing to start the development of the property. This was reclassified to inventories in the consolidated statement of financial position. Land with undetermined future use was retained in investment properties.

A summary of the movement in inventory is set out below:

	2018	2017 (as restated)
Beginning balance (as previously reported)	**₱28,854,049,360**	₱25,983,487,629
Reclassification from non-current asset (Note 2)	**−**	2,310,382,571
Beginning balance, as restated	**28,854,049,360**	28,293,870,200
Construction and development costs incurred	**5,868,091,167**	4,846,756,065
Transfers (to) / from		
Investment properties (Note 12)	**2,072,054,274**	(1,105,957,609)
Unrealized land cost (sale to SRPI)	**(398,312,678)**	(37,581,909)
Cost of real estate sales (Note 24)	**(4,931,427,825)**	(3,143,037,387)
	₱31,464,454,298	₱28,854,049,360

Borrowing cost capitalized amounted to ₱548 million, ₱490 million and ₱98 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 is 4.50%, 4.02% and 3.87%, respectively. These amounts were included in the construction and development costs incurred (see Note 18).

The amount of subdivision land, condominium and residential units for sale recognized as cost of real estate sales in the consolidated statements of comprehensive income amounted to ₱4,931 million, ₱3,143 million and ₱1,073 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 24).

On October 20, 2015, the Chinese government awarded the Contract for Assignment of the Rights to the Use of State-Owned Land to the Group. In May 2016, the Masterplan had been completed and was submitted for approval to the Chinese government in the same month. The Chinese government approved the Masterplan in the first quarter of 2017 and construction activities have commenced.

Under the Contract, the Group is entitled to transfer, lease, mortgage all or part of the state-owned construction land use right to a third party. Upon receipt of the Certificate of State-owned Land Use Right Assignment, the land title will be subdivided into Individual Property Titles which will be issued to unit owners one year after completion of the development and turn-over of the units to the buyers. When all or part of the state-owned construction land use right is transferred, through sale of commercial units and high-rise condominium units to buyers, the rights and obligations specified in the Contract and in the land registration documents shall be transferred accordingly to the buyer. The use term will be the remaining years as of the date of transfer based on the original use term specified in the Contract.

When the use term under the Contract expires (residential: 70 years and commercial: 40 years) and the land user continues using the assigned land under the Contract, an application for renewal shall be submitted to the Chinese government not less than one (1) year prior to the expiration of the use term.

The land use right amounting to ₱10,221 million as at December 31, 2018 and 2017 is pledged as security to the Renminbi (RMB)216 million (₱1,651 million) loan from Agricultural Bank of China (Note 18). Other than this, there are no subdivision land, condominium and residential units for sale that are pledged as security to liabilities as of December 31, 2018 and 2017.

10. **Contract Assets**

As at December 31, 2018, the Group has current and noncurrent contract assets amounting to ₱5,088 million and ₱6,445 million, respectively.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contract receivables when the monthly amortization of the customer is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period, increase in percentage of completion, less reclassification of installment contract receivable.

11. **Other Current Assets**

	2018	2017 (as restated)
Restricted cash – escrow	**₱7,607,789,241**	₱4,257,265
Input VAT – net	**1,418,062,733**	2,338,956,212
Prepaid expenses (Note 23)	**986,336,548**	212,715,201
Advances to suppliers and contractors	**866,819,174**	907,945,154
Advances to lot owners	**748,273,145**	665,791,569
Supplies	**60,511,778**	64,628,699
Utility deposits (Notes 33 and 34)	**7,831,041**	9,989,072
Others	**40,639,253**	43,455,923
	₱11,736,262,913	₱4,247,739,095

Restricted cash - escrow includes the deposits of buyers of Chengdu Xin Yao which will mainly be used for construction of real estate inventories.

Input VAT - net of output VAT can be applied against future output VAT.

Prepaid expenses consist mainly of prepayments for taxes and insurance and cost to obtain contract in relation to the Group's real estate sales.

Advances to suppliers and contractors consist of advance payment which will be applied against the final billing and are expected to occur within the year. Advances to contractors and suppliers previously presented under current assets, representing prepayments for the construction of investment property was reclassified to noncurrent asset in accordance with PIC Q&A 2018-15 which aims to classify the prepayment based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Supplies consist mainly of office and maintenance materials.

Utility deposits consist primarily of bid bonds and meter deposits.

Others consist primarily of creditable withholding taxes and refundable deposit made by the Group.

12. **Investment Properties**

Investment properties is composed of the following:

	2018	2017 (as restated)
Land	**₱16,401,461,680**	₱13,714,664,107
Land improvements	**218,207,864**	110,801,165
Buildings and improvements	**54,738,728,644**	46,631,477,330
Construction in progress	**6,314,587,588**	9,011,361,402
	77,672,985,776	69,468,304,004
Land held for future development	**21,644,110,051**	22,685,464,066
	₱99,317,095,827	₱92,153,768,070

Land, Land Improvements, Buildings and Improvements and Construction in Progress

A summary of the movement in land, land improvements, buildings and improvements and construction in progress is set out below:

	December 31, 2018				
	Land	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost					
Balances at January 1, 2018	**₱13,714,664,107**	**₱244,495,794**	**₱74,912,347,677**	**₱9,011,361,402**	**₱97,882,868,980**
Additions	**3,829,988**	**54,642,249**	**4,211,032,313**	**5,022,122,827**	**9,291,627,377**
Reclassification and transfers - net (Notes 9, 11 and 13)	**2,682,967,585**	**72,560,324**	**7,575,892,446**	**(7,718,896,641)**	**2,612,523,714**
Balances at December 31, 2018	**16,401,461,680**	**371,698,367**	**86,699,272,436**	**6,314,587,588**	**109,787,020,071**
Accumulated Depreciation					
Balances at January 1, 2018	**–**	**133,694,629**	**28,280,870,347**	**–**	**28,414,564,976**
Depreciation (Notes 24 and 26)	**–**	**19,795,874**	**3,679,673,445**	**–**	**3,699,469,319**
Balances at December 31, 2018	**–**	**153,490,503**	**31,960,543,792**	**–**	**32,114,034,295**
Net Book Value	**₱16,401,461,680**	**₱218,207,864**	**₱54,738,728,644**	**₱6,314,587,588**	**₱77,672,985,776**

	December 31, 2017 (as restated)				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at January 1, 2017	₱10,847,928,424	₱232,690,307	₱65,445,762,502	₱4,717,861,720	₱81,244,242,953
Additions	–	11,805,487	1,367,205,964	11,276,771,771	12,655,783,222
Reclassification and transfers - net (Notes 9, 11 and 13)	2,866,735,683	–	8,099,379,211	(6,983,272,089)	3,982,842,805
Balances at December 31, 2017	13,714,664,107	244,495,794	74,912,347,677	9,011,361,402	97,882,868,980
Accumulated Depreciation					
Balances at January 1, 2017	–	115,195,251	25,047,078,773	–	25,162,274,024
Depreciation (Notes 24 and 26)	–	18,499,378	3,233,791,574	–	3,252,290,952
Balances at December 31, 2017	–	133,694,629	28,280,870,347	–	28,414,564,976
Net Book Value	₱13,714,664,107	₱110,801,165	₱46,631,477,330	₱9,011,361,402	₱69,468,304,004

Investment properties consisted mainly of shopping malls/commercial centers and office buildings that are held to earn rentals. Land held for future development pertains to land held for capital appreciation and land banking activities for development.

The construction in progress reclassified during the years ended December 31, 2018 and 2017 amounted to ₱7,719 million and ₱6,983 million, respectively. This year’s reclassification represents malls in Ormoc, Iloilo, Tuguegarao and Bukidnon and office building in Ortigas and Quezon City that have been completed during the year ended December 31, 2018 and transferred to the corresponding assets accounts such as buildings and buildings improvements and land improvements. The remaining construction in progress represents new and expansion projects in various cities in Metro Manila and other parts of Luzon and Visayas regions.

For the year ended December 31, 2018, the Group reclassified investment properties to subdivision land, condominium and residential units for sale amounting to ₱114 million and on December 31, 2017 reclassified from subdivision land, condominium and residential units for sale to investment properties amounting to ₱1,017 million, respectively (see Note 9).

Depreciation expense charged to operations amounted to ₱3,699 million, ₱3,252 million and ₱839 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Notes 24 and 26).

Borrowing costs capitalized amounted to ₱323 million, ₱472 million and ₱34 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively. These amounts were included in the consolidated statements of cash flows under additions to investment properties. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 is 4.50%, 4.02% and 3.87%, respectively.

The fair value of investment properties which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The fair value as of December 31, 2018 and 2017 amounted to ₱168,572 million and ₱161,767 million, respectively, are based on independent third party appraisal reports, dated December 31, 2017. The fair value measurement using unobservable data in active market is Level 3 of the fair value hierarchy.

The fair value of the investment properties was arrived at using the Market Value Approach as of the date of the appraisal reports. Market Value which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Rental income derived from investment properties amounted to ₱13,548 million, ₱11,582 million and ₱2,718 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 23).

Property operations and maintenance costs arising from investment properties amounted to ₱791 million, ₱710 million and ₱184 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 24).

There are no investment properties as of December 31, 2018 and 2017 that are pledged as security to liabilities.

Land Held for Future Development

A summary of the movement in land held for future development is set out below:

	2018	2017 (as restated)
Beginning balance	**₱22,685,464,066**	₱17,730,922,918
Reclassification to inventories	**−**	(2,310,382,571)
Beginning balance, as restated	**22,685,464,066**	15,420,540,347
Acquisitions	**2,188,037,914**	9,454,634,133
Transfers (to)/from investment properties (Note 12)	**(3,229,391,929)**	(2,189,710,414)
Ending balance	**₱21,644,110,051**	₱22,685,464,066

The fair value of land held for future development which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The fair value as of December 31, 2018 and 2017 amounted to ₱37,584 million are based on independent third party appraisal reports dated December 31, 2017. The fair value measurement using unobservable data in active market is Level 3 of the fair value hierarchy.

The fair value of the land held for future development was arrived at using the Market Value Approach as of the date of the appraisal reports. Market Value which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

13. Property and Equipment

	December 31, 2018				
	Land Improvements	**Buildings and Improvements**	**Theater Furniture and Equipment**	**Other Equipment**	**Total**
Cost					
Balances at January 1, 2018	**₱8,975,133**	**₱7,531,420,307**	**₱1,012,987,465**	**₱4,124,232,121**	**₱12,677,615,026**
Additions	**645,871**	**1,453,993,898**	**50,854,444**	**459,759,373**	**1,965,253,586**
Write-off	–	–	–	**(63,810,257)**	**(63,810,257)**
Reclassifications	**80,000**	**(140,757,262)**	–	**140,677,262**	–
Balances at December 31, 2018	**9,701,004**	**8,844,656,943**	**1,063,841,909**	**4,660,858,499**	**14,579,058,355**
Accumulated Depreciation					
Balances at January 1, 2018	**5,429,407**	**2,299,060,389**	**745,329,815**	**2,935,437,010**	**5,985,256,621**
Depreciation (Notes 24 and 26)	**812,725**	**215,398,242**	**90,377,694**	**450,674,665**	**757,263,326**
Write-off	–	–	–	**(7,605,664)**	**(7,605,664)**
Balances at December 31, 2018	**6,242,132**	**2,514,458,631**	**835,707,509**	**3,378,506,011**	**6,734,914,283**
Net Book Value	**₱3,458,872**	**₱6,330,198,312**	**₱228,134,400**	**₱1,282,352,488**	**₱7,844,144,072**

	December 31, 2017				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at January 1, 2017	₱8,420,371	₱5,919,585,396	₱890,473,932	₱3,850,923,849	₱10,669,403,548
Additions	554,762	1,500,133,951	122,513,533	274,817,862	1,898,020,108
Write-off	–	–	–	(1,286)	(1,286)
Reclassifications and transfers (Note 12)	–	111,700,960	–	(1,508,304)	110,192,656
Balances at December 31, 2017	8,975,133	7,531,420,307	1,012,987,465	4,124,232,121	12,677,615,026
Accumulated Depreciation					
Balances at January 1, 2017	4,754,878	2,112,090,225	635,563,407	2,571,026,248	5,323,434,758
Depreciation (Notes 24 and 26)	674,529	186,970,164	109,766,408	364,412,048	661,823,149
Write-off	–	–	–	(1,286)	(1,286)
Balances at December 31, 2017	5,429,407	2,299,060,389	745,329,815	2,935,437,010	5,985,256,621
Net Book Value	₱3,545,726	₱5,232,359,918	₱267,657,650	₱1,188,795,111	₱6,692,358,405

Depreciation expense charged to operations amounted to ₱757 million, ₱662 million and ₱171 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Notes 24 and 26).

Borrowing cost capitalized amounted to ₱63 million, ₱72 million and ₱4 million for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively.

The following are the costs of property and equipment that are fully depreciated as of December 31, 2018 and 2017 but still used in operations:

	2018	2017
Building and improvements	**₱790,193,546**	₱780,821,421
Other equipment	**432,481,792**	346,790,615
Land improvements	**698,241**	698,241
	₱1,223,373,579	₱1,128,310,277

There are no property and equipment items as of December 31, 2018 and 2017 that are pledged as security to liabilities.

14. **Other Noncurrent Assets**

	2018	2017 (As restated)
Advances to suppliers and contractors	**₱1,947,197,919**	₱1,963,217,908
Advances to lot owners	**1,471,892,243**	1,408,448,709
Utility deposits (Notes 33 and 34)	**792,181,009**	874,345,792
Prepaid rent	**435,964,979**	382,799,970
Others (Note 32)	**128,973,493**	133,359,127
	₱4,776,209,643	₱4,762,171,506

Advances to suppliers and contractors represents prepayments for the construction of investment properties and property and equipment.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Utility deposits consist primarily of bill and meter deposits. These are deposits to utility companies in order to continue the availment of their services.

Prepaid rent pertains to advance rentals of the 25-year operating lease agreement between Bases Conversion and Development Authority (BCDA) and ASNC (a wholly-owned subsidiary) and 25-year operating lease agreement between the Province of Bulacan and the Parent Company. The contract is for the long-term and development of approximately 5,000 sqm Lawton Corporate Center along Lawton Avenue, Bonifacio South, Taguig City. Subsequently, the said contract was assigned to the Parent Company through a Deed of Assignment wherein ASNC assigns all its rights, interests, and obligations on the contract of lease with approval of BCDA as provided for under the contract.

Upon the expiration of the initial lease period, the Parent Company has the option to purchase the property or to renew its lease term. Should the Parent Company exercise its option to purchase the property, the purchase price shall be based on the fair market value including the permanent improvements. Otherwise, the ownership of all buildings and permanent improvements constructed by the Parent Company on the property shall automatically be transferred to BCDA.

Therefore, should the Parent Company opt to renew its lease over the property, the new lease rate for the 25-year extension period shall cover the land as well as the buildings and permanent improvements transferred to BCDA.

In 2018, the Parent Company paid ₱100 million upfront fee to the province of Malolos, Bulacan in relation to the lease agreement entered into during the year for the lease of contiguous land situated at Brgy. Bulihan, City of Malolos, owned by the Province of Bulacan, pursuant to Proclamation No. 832 dated July 17, 2014. The project shall involve the lease of the project site and development and utilization thereof by the Parent Company for (a) shopping mall/ terminal, (b) convention center, (c) hotel and (d) IT-BPM/BPO office buildings/dormitories.

The lease period of the project site shall be for the twenty-five years (25) commencing on the third (3rd) project year counted from the commencement of the Construction Date, and terminating on the date 25 years thereafter. The lease shall be automatically renewed for another 25 years upon mutual agreement by the parties. The payment will be offset against the rent due starting on the first (1st) year of operation of the Parent Company in the said property which is expected to occur beyond 1 2 months after the reporting date.

Others include deposit to various joint venture partners representing share in an ongoing real estate development which will be liquidated at the end of joint venture agreement. This deposit will be realized through the Group's share in the completed units or share in the sales proceeds of the units, depending on the agreement with the other party.

15. Accounts Payable and Accrued Expenses

	2018	2017
Accounts payable (Note 22)	**₱9,429,727,930**	₱9,685,757,998
Taxes and licenses payable	**2,128,522,470**	2,110,601,784
Accrued rent expense	**844,364,680**	806,830,746
Accrued contracted services	**491,610,543**	364,666,444
Accrued interest payable	**322,322,878**	370,835,301
Accrued salaries and wages	**308,964,942**	160,574,858
Commissions payable	**231,632,590**	–
Dividends payable	**43,304,321**	40,990,210
Other accrued payable	**524,116,354**	343,189,406
	₱14,324,566,708	₱13,883,446,747

Accounts payable mainly includes unpaid billings from suppliers and contractors related to construction activities.

Taxes and licenses payable, accrued salaries and wages, accrued interest payable and accrued contracted services are normally settled within one (1) year.

Accrued rent expense represents accrual for film rentals.

Commissions payable arises from obligations from contracts which were qualified for revenue recognition. The Company uses percentage of completion method in amortizing sales commissions consistent with PFRS 15.

Other accrued payable includes insurance payable and accrued utilities.

16. **Contract Liabilities**

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred by Group based on percentage of completion. Current and noncurrent contract liabilities as of December 31, 2018 is ₱12,932 million and ₱2,379 million, respectively. The movement in the contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold from increase in percentage of completion.

The amount of revenue recognized from the amounts included in contract liabilities at the beginning of the year amounted to ₱1,663 million.

17. **Deposits and Other Current Liabilities**

	2018	2017
Deposits from lessees (Notes 19, 33 and 34)	**₱2,658,678,992**	₱2,356,241,519
Payables to affiliated companies (Notes 22, 33 and 34)	**231,800,778**	185,692,813
Deposits from real estate buyers (Note 3)	**–**	1,204,355,371
Others	**13,760,000**	37,245,113
	₱2,904,239,770	₱3,783,534,816

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. Deposits from real estate buyers also include cash collections in excess of the installment contract receivables recognized under the percentage-of-completion method.

Deposits from lessees (including noncurrent portion shown in Note 19) represent cash received in advance equivalent to three (3) to six (6) month rent which shall be refunded to lessees at the end of lease term. These are initially recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of instruments. The accretion expense on these deposits, recognized in "accretion of security deposit" under cost of rental services, amounted to ₱73 million, ₱56 million and ₱21 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 24).

Included in the "Deposit from lessees" are unearned rental income amounting to ₱604 million and ₱373 million as of December 31, 2018 and 2017, respectively. Amortization of unearned rental income included in "Rental income" amounted to ₱97 million, ₱64 million and ₱16 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively.

Others pertain to amount payable to the Parent Company's co-stockholders in its subsidiaries.

18. **Loans Payable**

Short-term loans

	2018	2017
Short-term loan obtained from local banks that will mature in January 2019. Interest rate is at 5.25% per annum.	**₱896,700,000**	₱–
Short-term loan obtained from local banks that will mature in January 2018. Interest rate is at 2.80% per annum.	–	14,454,500,000
Short-term loan obtained from a local bank that will mature in February 2018. Interest rate is at 2.60% per annum.	–	1,238,900,000
	₱896,700,000	₱15,693,400,000

Long-term loans

Details of the principal amount of the long-term loans follow:

	2018	2017
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	**₱10,635,500,000**	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears	**7,000,000,000**	7,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	**6,500,000,000**	6,500,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in annual installment amounting to ₱10 million for six years and the balance upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	**4,980,000,000**	4,990,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable in annual installment amounting to ₱5 million for nine years and the balance upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	**4,495,000,000**	4,500,000,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000
Five-year loan maturing in August 2022. Principal of RMB216 million as of December 31, 2018 and RMB60 million as of December 31, 2017, payable upon maturity, with fixed rate at 4.7500%.	**1,651,127,328**	458,325,660
Three-year loan maturing in December 2019. Principal of RMB50 million payable upon maturity, with fixed rate at 4.7500%.	–	381,938,050
	36,626,127,328	35,830,263,710
Less debt issue costs	**137,588,327**	169,101,556
Long-term loans net of debt issue costs	**₱36,488,539,001**	₱35,661,162,154
Less current portion	**15,000,000**	15,000,000
Noncurrent portion of long-term loans	**₱36,473,539,001**	₱35,646,162,154

The Group's loans payable are all unsecured, except for the five-year loan from Agricultural Bank of China amounting to ₱1,651 million which the Group has guaranteed with its land use rights in China under Chengdu Xin Yao (see Note 9).

Debt issue costs are deferred and amortized using effective interest method over the term of the related loans.

Total interest cost expensed out from short-term and long-term loans amounted to ₱836 million, ₱778 million and ₱384 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Note 28).

Capitalized borrowing cost amounted to ₱934 million, ₱1,034 million and ₱136 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016, respectively (see Notes 9, 12 and 13).

Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022

On February 23, 2015, the Group issued ₱10,636 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants

The Group is required to maintain a debt-to-equity ratio not exceeding 2:1 as referenced from its consolidated financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Seven-year term loan from Metropolitan Bank and Trust Company maturing on March 15, 2024

On March 15, 2017, the Group borrowed ₱7,000 million under Term Loan Facility Agreements with Metropolitan Bank and Trust Company.

The loan amounting to ₱7,000 million was released on March 15, 2017 which bears interest rate at 4.7500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants

The Group is required to maintain a ratio of consolidated total borrowings to consolidated shareholders' equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its calendar year end December 31 and the consolidated interim financial statements as of March 31, June 30, and September 30. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021

On July 8, 2016, the Group borrowed ₱6,500 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The loan was released on July 8, 2016 amounting to ₱3,000 million and on September 27, 2016 amounting to ₱3,500 million with interest rate at 3.8327% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants

The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Seven-year term loan from Bank of the Philippine Islands maturing on August 10, 2023

On August 10, 2016, the Group borrowed ₱5,000 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The ₱5,000 million loan was released on August 10, 2016 with interest rate at 3.8900% per annum and shall be payable quarterly, computed on the basis of a 360-day year and on the actual number of days elapsed.
Partial payments for this loan amounting to ₱10 million each were made in 2018 and 2017.

Debt Covenants

The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Ten-year term loan from BPI maturing on February 13, 2027

On February 10, 2017, the Group borrowed ₱4,500 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The loan was released on February 10, 2017 amounting to ₱4,500 million with interest rate at 4.9500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Partial payment for this loan amounting to ₱5 million was made on February 13, 2018.

Debt Covenants

The Group is required to maintain a ratio of net debt-to-equity not exceeding 2:1 as measured at each fiscal year-end date based on the audited consolidated financial statements. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025

On February 23, 2015, the Group issued ₱1,365 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants

The Group is required to maintain a debt-to-equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2018 and 2017.

Five-year loan from Agricultural Bank of China (ABC) maturing in August 2022

In 2017, Chengdu Xin Yao entered into a facility loan agreement with ABC amounting to RMB500 million. On August 22, 2017, Chengdu Xin Yao made a drawdown which amounting to RMB60 million (₱458 million) which is payable after a period of 5 years. Interest on the loan shall be based on the rates released by the People's Bank of China which is 4.75% per annum as of loan agreement date.

In 2018, Chengdu Xin Yao made an additional drawdown amounting to RMB156 million (₱1,193 million) which is payable on August 19, 2022.

As of December 31, 2018, total drawdown from this loan agreement is RMB216 million.

Debt Covenants

Chengdu Xin Yao is required to maintain the following financial indicators: (a) actual revenue in its operating period which should not be lower than 20%; (b) debt-asset ratio should not equal or exceed 70%; (c) the borrower should not have a bad credit; and (d) borrower contingent liability ratio should not exceed 4%. Chengdu Xin Yao has complied with the debt covenant as of December 31, 2018 and 2017.

Three-year entrusted loan from Chengdu Ding Feng Real Estate Development Co. Ltd. Maturing in December 2019

In 2017, Chengdu Xin Yao entered into a loan agreement with Chengdu Ding Feng Real Estate Development Co. Ltd. amounting to RMB50 million (₱382 million). Interest on the loan is 4.75%.

The said loan was preterminated on December 13, 2018.

Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019

On July 8, 2014, the Group borrowed ₱9,000 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The ₱9,000 million loan was released in two tranches amounting to ₱5,000 million and ₱4,000 million on July 14, 2014 and August 27, 2014, respectively. The interest rate is at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. On October 17, 2016, the Group preterminated the ₱9,000 million loan.

Debt Covenants

The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019

On July 8, 2014, the Group borrowed ₱1,000 million under Term Loan Facility Agreements with BDO Leasing and Finance, Inc.

The ₱1,000 million loan was released on July 14, 2014 with interest rate at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. On October 17, 2016, the Group preterminated the ₱1,000 million loan.

Debt Covenants

The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

Pre-termination of term loans from BDO Unibank, Inc. and BDO Leasing & Finance, Inc.
On October 17, 2016, the Group pre-terminated the outstanding balance of the ₱9,000 million five-year term loan from BDO Unibank, Inc. and ₱1,000 million five-year term loan from BDO Leasing and Finance, Inc. Pursuant to the Term Loan Facility Agreement between the Group, BDO Unibank, Inc. and BDO Leasing and Finance, Inc. dated July 8, 2014, the Group may prepay the loan in part or full together with accrued interest thereof to prepayment date subject to the penalty of one percent (1%). The Group paid a prepayment charge amounting to ₱100 million which is included in finance charges under "Other income (losses)" (see Note 28).

Details of the Group's loans payable by maturity follow:

Long-term loans

	Within 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
December 31, 2018	**₱15,000,000**	**₱15,000,000**	**₱6,515,000,000**	**₱12,301,627,328**	**₱17,779,500,000**	**₱36,626,127,328**
December 31, 2017	₱15,000,000	₱396,938,050	₱15,000,000	₱6,515,000,000	₱28,888,325,660	₱35,830,263,710

Debt issue cost

	2018	2017
Beginning balance	**₱169,101,556**	₱138,522,322
Additions	**–**	57,500,000
Amortizations	**(31,513,229)**	(26,920,766)
Ending balance	**₱137,588,327**	₱169,101,556

19. Deposits and Other Noncurrent Liabilities

	2018	2017
Deposits from lessees (Notes 17, 33 and 34)	**₱2,650,771,913**	₱2,341,568,583
Accrued rent expense	**1,608,663,933**	1,458,843,803
Accounts payable (Note 22)	**645,174,274**	2,536,748,920
Pension liabilities (Note 31)	**325,012,487**	324,547,653
Advances for marketing and promotional fund	**220,031,526**	199,189,605
Others	**246,544,614**	246,625,744
Deposits from real estate buyers (Note 3)	**–**	1,220,643,793
	₱5,696,198,747	₱8,328,168,101

Accounts payable mainly consists of retentions payable which represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

Accrued rent expense represents the portion of the lease as a consequence of recognizing expense on a straight-line basis. These pertain to various lease of land entered by the Group where the malls are located.

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. The deposits from real estate buyers which are expected to be applied to the contract price within one year are classified as current. As of December 31, 2018, the 'deposits from real estate buyers' account wass reported as 'contract liabilities' in the consolidated statements of financial position under the modified retrospective approach.

Advances for marketing and promotional fund represents advances from suppliers for sales promotions and marketing programs.

Others include payable to the non-controlling interests of the Parent Company's subsidiaries.

20. Retained Earnings

The declarable dividend of Parent Company amounted to ₱23,395 million and ₱18,491 million as of December 31, 2018 and 2017, respectively.

Restriction

A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱2,223 million and ₱1,793 million as of December 31, 2018 and 2017, respectively, are not available for dividend declaration by the Parent Company until received in the form of dividends.

Also ₱27,000 million and ₱24,500 million as of December 31, 2018 and 207, respectively, of retained earnings appropriated for future and ongoing expansions are not available for dividends.

Dividends declared

The BOD declared cash dividends in favor of all its stockholders for the years ended December 31, 2018 and 2017 as follows:

	December 31, 2018	December 31, 2017
Date of declaration	**April 6, 2018**	March 3, 2017
Date of payment	**May 23, 2018**	May 2, 2017
Ex-dividend rate	**April 26, 2018**	April 3, 2017
Dividend per share	**₱0.36**	₱0.36
Total dividends	**₱1,869,779,047**	₱1,473,779,046

Appropriation

On December 14, 2018, the BOD approved the reversal of the retained earnings it appropriated in 2017 amounting to ₱24,500 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱27,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in December 2018. These projects and acquisitions are expected to be completed in various dates in 2019 up to 2023.

On December 12, 2017, the BOD approved the reversal of the retained earnings it appropriated in 2016 amounting to ₱16,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱24,500 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2018 up to 2022.

21. Capital Stock and Other Equity Reserve

The details of the number of common shares as of December 31, 2018 and 2017 follow:

	December 31, 2018		December 31, 2017	
	Shares	**Amount**	Shares	Amount
Authorized - at ₱1 par value	**8,200,000,000**	**₱8,200,000,000**	8,200,000,000	₱8,200,000,000
Issued and outstanding				
Common shares	**5,193,830,685**	**₱5,193,830,685**	4,111,528,685	₱4,111,528,685
Treasury shares	–	–	(17,698,000)	(221,834,657)
	5,193,830,685	**₱5,193,830,685**	4,093,830,685	₱3,889,694,028

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2018:

	Number of shares registered	Issue/ offer price	Date of SEC approval	Number of holders of securities as of year end
Balance before Initial public offering	300,000,000			
Initial public offering	200,000,000	₱1.00/share	February 10, 1989	
Increase in offer price		₱5.81/share	June 3, 1989	
Add:				
1:1 stock rights offering	500,000,000	₱2.50/share	March 15, 1991	
20% stock dividend	200,000,000	₱1.00/share	June 16, 1993	
1:2 stock rights offering	600,000,000	₱2.50/share	March 21, 1995	
Exchange for shares of JGSHI in MMHLC and in RII	496,918,457		April 3, 1997	
1:2 New share offering	450,000,000	₱12.00/share	September 25, 2006	
1:2 stock rights offering	1,364,610,228	₱10.00/share	May 17, 2011	
October 1, 2016	4,111,528,685			1,086
Add (deduct) movement	–			(7)
December 31, 2016	4,111,528,685			1,079
Add (deduct) movement	–			(13)
December 31, 2017	4,111,528,685			1,066
Add: Stock rights offering (SRO)	1,082,302,000	₱18.20/share	February 8, 2018	(5)
December 31, 2018	5,193,830,685			1,061

JGSHI - JG Summit Holdings, Inc.
MMHLC - Manila Midtown Hotels and Land Corporation
RII - Robinson's Inn Inc.
Note: Inclusive of 17,698,000 treasury shares

Stock rights offering

On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the SRO to finance the acquisition of land located in various parts of the country for all its business segments.

The Company obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the SRO was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date - January 24, 2018
- Ex-date - January 26, 2018
- Record date - January 31, 2018
- Offer period - February 2 to 8, 2018
- Listing date - February 15, 2018

The Parent Company successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

Additional Paid-In Capital Stock

As a result of the SRO, the Group incurred total issuance cost of ₱90 million of which ₱69 million was charged to Additional Paid-In Capital while the ₱21 million was charged to expense.

Below is the movement of the Additional Paid-In Capital:

	2018	2017
Beginning Balance	**₱20,392,532,781**	₱20,392,532,781
Proceeds of SRO in excess of par		
From new shares issued	**18,615,594,400**	–
From treasury shares	**100,268,943**	–
Stock issuance costs	**(67,067,888)**	–
	₱39,041,328,236	₱20,392,532,781

Treasury Shares

On October 22, 2009, the Parent Company's BOD approved the creation and implementation of a share buy-back program allotting up to ₱1,000 million to reacquire a portion of the Parent Company's issued and outstanding common shares, representing approximately 3.1% of current market capitalization.

As of December 31, 2017, the Parent Company had a total of 17,698,000 treasury shares with a total purchase price of ₱222 million at an average price of ₱12.53 per share.

The Company reissued these treasury shares during the SRO in 2018.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity attributable to the equity holders of the Parent Company. Following is a computation of the Group's debt-to-capital ratio as of December 31, 2018 and 2017.

	2018	2017
(a) Loans payable (Note 18)	**₱37,522,827,328**	₱51,523,663,710
(b) Capital	**₱93,510,602,099**	₱67,091,340,611
(c) Debt-to-capital ratio (a/b)	**0.40:1**	0.77:1

As of December 31, 2018 and 2017, the Group is compliant with its debt covenants with lenders.

Other Equity Reserve

On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in Altus San Nicolas Corp. (ASNC), increasing its ownership interest from 80% to 100%. Cash consideration of ₱198 million was paid to the non-controlling shareholders. The total carrying value of the net assets of ASNC at the date of acquisition was ₱578 million, and the 20% equivalent of the carrying value of the remaining non-controlling interest acquired was ₱111 million. The difference of ₱87 million between the consideration and the carrying value of the interest acquired was booked in "Other equity reserve" account within equity.

22. Related Party Transactions

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities. Transactions are generally settled in cash, unless otherwise stated.

The amounts and balances arising from significant related party transactions are as follows:

	December 31, 2018 (One Year)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
a) Rental income/receivable	**₱57,964,248**	**₱4,495,516**	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances from	**45,808,682**	**(201,313,407)**	Non-interest bearing; due and demandable	Unsecured
Under common control of Ultimate Parent Company				
c) Cash and cash equivalents				
• Cash in banks	**327,025,906**	**811,808,669**	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	**1,414,410,627**	**1,414,410,627**	Interest bearing at prevailing market rate; at 1.25% to 3.00% per annum due and demandable	Unsecured; no impairment
• Interest income	**53,029,144**	**337,080**		
a) Rental income/receivable	**2,728,947,022**	**163,069,995**	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**292,051,648**	**17,635,524**	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	**299,283**	**(30,487,371)**	Non-interest bearing; due and demandable	Unsecured
d) Sale of lease receivables	**1,017,153.531**	**–**	Non-interest bearing; payable in installments	Unsecured; no impairment
Joint ventures in which the Parent Company is a venturer				
b) Advances to	**190,000,000**	**190,000,000**	Interest-bearing at PDST R2 of applicable interest period	Unsecured; no impairment
f) Sale of land - contract liabilities	**2,705,550,000**	**(2,705,550,000)**	Non-interest bearing; due in one year	Unsecured; no impairment
Elimination of excess of gain on sale against investment in joint venture	**–**	**(1,118,639,671)**		
f) Sale of land - contract assets	**2,507,450,000**	**4,011,920,000**	Interest bearing at 4% interest rate; due in 4 annual installment	Unsecured; no impairment
Interest income from sale of land - contract assets	**39,317,438**	**78,634,875**		
Elimination of excess of interest income against investment in joint venture – contract liabilities	**–**	**(39,317,437)**		
		₱2,597,004,400		

		December 31, 2017 (One Year)			
		Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company					
a)	Rental income/receivable	₱51,766,433	₱3,189,986	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b)	Advances from	51,979,442	(155,504,725)	Non-interest bearing; due and demandable	Unsecured
e)	Accounts payable	6,544,360,000	(4,842,826,400)	Non-interest bearing; payable within three years	Unsecured
Under common control					
	c) Cash and cash equivalents				
	• Cash in banks	182,113,340	484,782,763	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
	• Short-term investments	528,119,065	528,119,065	Interest bearing at prevailing market rate; at 1.25% to 3.00% per annum due and demandable	Unsecured; no impairment
	• Interest income	2,730,662	10,546		
	a) Rental income/receivable	2,284,829,922	110,555,182	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b)	Advances to	5,276,611	23,419,773	Non-interest bearing; due and demandable	Unsecured; no impairment
b)	Advances from	4,501,086	(30,188,088)	Non-interest bearing; due and demandable	Unsecured
d)	Sale of lease receivables	891,045,585	–	Non-interest bearing; payable in installments	Unsecured; no impairment
			(₱3,878,441,898)		

Outstanding balances consist of the following:

	December 31	
	2018	2017
Cash and cash equivalents (Note 7)	**₱2,226,219,296**	₱1,012,901,828
Receivable from affiliated companies (Note 8)	**207,635,524**	23,419,773
Rental receivables (Note 8)	**167,902,591**	113,755,714
Contract assets (Note 10)	**4,090,554,875**	–
Contract liabilities (Note 16)	**(3,863,507,108)**	–
Payable to affiliated companies (Note 17)	**(231,800,778)**	(185,692,813)
Accounts payable and accrued expenses (Note 15)	–	(2,600,000,000)
Deposits and other noncurrent liabilities (Note 19)	–	(2,242,826,400)
	₱2,597,004,400	(₱3,878,441,898)

Significant transactions with related parties are as follows:

a) Rental income
The Group leases commercial properties to affiliated companies with a lease term of three to five years based on prevailing market lease rates.

b) Advances to (from) affiliated companies
The Group, in the normal course of business, has transactions with its major stockholders, Ultimate Parent Company and its affiliated companies consisting principally of lease arrangements and advances principally for working capital requirement, financing for real estate development, and purchase of investment properties.

In October 2018, the Parent Company entered a Loan Agreement with RHK Land Corporation, a joint venture with Hong Kong Land Group, to make available a loan facility amounting to ₱1,400 million. As of December 31, 2018, total drawdown from this credit facility is ₱190 million.

The Group also made an advance payment to one of its joint venture's stockholder for the purchase of land amounting to ₱297 million as of December 31, 2018

c) Cash and cash equivalents
The Group maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

There are no other arrangements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled to under the Group's pension plan.

d) Sale of lease receivables
On May 26, 2017, the Parent Company entered into a master agreement with an affiliate bank to sell the former's installment contracts receivable on a without recourse basis through various tranches. For the year ended December 31, 2018, the Parent Company sold its lease receivables with a carrying value of ₱1,017 million to the affiliate bank which resulted to a gain amounting to ₱119 million.

e) Accounts payable to Ultimate Parent
In December 2017, the Parent Company entered into a Deed of Absolute Sale with JGSHI, wherein JGSHI sold to the Parent Company its 130,965 square-meter parcels of land for a total selling price of ₱6,544 million plus 12% VAT on an installment basis for three years. In 2018, the Parent Company paid the entire outstanding payable to JGSHI.

f) Sale of Land
On June 2018, the Parent Company entered into a contract to sell two (2) adjoining parcels of land located at Bonifacio, Global City Taguig, with Shang Robinsons Properties Inc. (SRPI), a joint venture with Shang Properties, Inc. (SPI). Total selling price is ₱5,015 million (net of value added tax) and shall be payable in five (5) annual installments, with interest at a rate of 4% per annum on the unpaid amount of the purchase price. Out of the amount of selling price and cost of land, ₱2,507 million and ₱398 million were recognized in real estate sales and cost of real estate sales, respectively. These amounts represent the portion sold to SPI by virtue of its 50% ownership in SRPI. The remaining 50% will be recognized as the SRPI starts to sell to its customers - ₱990 million was charged against the carrying value of the Investment in SRPI and ₱1,119 million is currently presented under noncurrent contract liabilities as of December 31, 2018 (see Note 32). As of December 31, 2018, outstanding balance for the purchase price amounted to ₱4,012 million presented under contract assets while interest from the said receivable amounted to ₱39 million.

During the year, the Parent Company also entered into a contract to sell a parcel of land located within the Bridgetowne Complex in Pasig City with RHK Land Corporation. Total purchase price of the land is ₱2,706 million (net of value added tax) which was fully paid as of December 31, 2018 and presented as contract liabilities in consolidated statements of financial position.

Terms and conditions of transactions with related parties
There have been no guarantees provided or received for any related party receivables or payables. The Group has not recognized any impairment losses on amounts receivables from related parties for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.
Compensation of key management personnel by benefit type follows:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Short-term employee benefits	**₱971,417,842**	₱863,112,728	₱258,657,149
Post-employment benefits	**61,807,906**	55,303,477	10,962,639
	₱1,033,225,748	₱918,416,205	₱269,619,788

23. Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time, respectively, in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Revenue from contracts with customers			
Recognized over time			
Residential development	**₱8,345,617,524**	₱5,973,248,023	₱1,472,300,349
Recognized at a point in time			
Industrial and integrated development	**2,507,450,000**	–	–
Hotels and resorts	**1,982,137,914**	1,892,873,758	496,892,214
Amusement income	**1,972,527,785**	1,802,643,181	431,783,166
	6,462,115,699	3,695,516,939	928,675,380
Total revenue from contracts with customers	**14,807,733,223**	9,668,764,962	2,400,975,729
Rental income	**13,548,204,208**	11,581,560,401	2,718,339,596
Other income	**1,189,376,460**	1,266,492,267	575,454,463
	₱29,545,313,891	₱22,516,817,630	₱5,694,769,788

Performance obligations
Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the (i) serviced lot; (ii) service lot and house and (ii) condominium unit and Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

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

Within one year	₱11,833,678,481
More than one year	3,476,526,315
	₱15,310,204,796

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three years and five years, respectively, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

Residential development

Type of Product	**December 31,**		
	2018	2017	2016
	(One year)	(One year)	(Three months)
Residences	**₱5,118,889,727**	₱3,239,567,530	₱624,258,905
Communities	**1,380,754,562**	1,368,215,466	574,033,260
Luxuria	**961,311,272**	602,867,325	102,536,115
Homes	**884,661,963**	762,597,702	171,472,069
	₱8,345,617,524	₱5,973,248,023	₱1,472,300,349

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Real estate sales include interest income from installment contracts receivable amounting to ₱942 million, ₱1,715 million and ₱168 million for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016. These are also recognized over time.

Industrial and Integrated Developments

The real estate revenue from the sale of land amounting to ₱2,507 million in 2018 pertains to the sale of two (2) adjoining parcels of land which was recognized at a point in time (see Note 22).

Hotels and resorts

Type of Product	December 31, 2018 (One year)	2017 (One year)	2016 (Three months)
Rooms	**₱1,312,576,731**	₱1,210,221,728	₱303,155,640
Food and beverage	**593,105,042**	621,883,904	181,876,204
Franchise revenue	**16,819,902**	16,838,778	408,028
Others	**59,636,239**	43,929,348	11,452,342
	₱1,982,137,914	₱1,892,873,758	₱496,892,214

Costs to obtain contract

The balances below pertain to the cost to obtain contract presented in the consolidated financial statements.

Balance at the beginning of the year	₱354,758,625
Additions	653,599,770
Amortization (Note 25)	(725,081,987)
	₱283,276,408

24. **Costs**

	December 31, 2018 (One year)	2017 (One year)	2016 (Three months)
Real Estate Operations			
Cost of Rental Services			
Depreciation (Note 26)	**₱4,208,494,869**	₱3,732,988,642	₱962,971,811
Property operations and maintenance costs (Note 12)	**791,291,480**	710,458,514	184,083,433
Accretion of security deposit (Note 17)	**72,906,097**	56,147,861	21,327,753
	5,072,692,446	4,499,595,017	1,168,382,997
Cost of Real Estate Sales (Note 9)	**4,931,427,825**	3,143,037,387	1,072,837,533
Cost of Amusement Services			
Film rentals expense	**906,006,116**	820,824,802	195,593,971
Others			
Contracted services	**363,415,700**	253,137,260	32,508,845
Others	**838,169,402**	559,279,805	79,178,093
	1,201,585,102	812,417,065	111,686,938
	12,111,711,489	9,275,874,271	2,548,501,439

	December 31, 2018 (One year)	2017 (One year)	2016 (Three months)
Hotel Operations			
Cost of Room Services			
Property operations and maintenance costs	**₱425,605,463**	₱386,759,727	₱48,267,241
Depreciation (Note 26)	**248,237,776**	181,125,459	47,049,114
	673,843,239	567,885,186	95,316,355
Cost of Food and Beverage	**320,069,980**	353,667,814	99,516,430
Others			
Salaries and wages (Note 27)	**97,141,168**	60,005,353	48,551,120
Contracted services	**85,818,160**	69,033,445	31,856,217
Management fee	**73,189,792**	64,430,314	18,583,900
Supplies	**37,493,390**	21,336,897	14,480,280
Commission	**15,255,321**	8,709,538	9,428,004
Others	**254,069,725**	205,443,822	15,590,833
	562,967,556	428,959,369	138,490,354
	1,556,880,775	1,350,512,369	333,323,139
	₱13,668,592,264	₱10,626,386,640	₱2,881,824,578

Others under costs of real estate operations and hotel operations include expenses for utilities, and other overhead expenses.

25. General and Administrative Expenses

	December 31, 2018 (One year)	2017 (One year)	2016 (Three months)
Salaries and wages (Notes 22, 27 and 31)	**₱936,084,580**	₱858,410,852	₱221,068,668
Commission	**800,153,709**	588,617,839	132,465,128
Taxes and licenses	**732,215,601**	688,653,834	72,327,507
Advertising and promotions	**655,239,141**	520,144,547	169,868,301
Rent (Note 36)	**245,990,220**	52,014,409	43,593,841
Insurance	**132,096,341**	140,294,103	9,852,203
Association dues	**117,117,754**	105,739,200	29,696,574
Supplies	**104,142,986**	133,003,519	30,349,451
Light, water and communication	**97,834,528**	105,103,790	21,619,899
Travel and transportation	**77,071,904**	69,776,197	12,630,360
Entertainment, amusement and recreation	**18,231,929**	21,153,204	13,504,404
Others	**80,174,176**	45,105,053	37,088,416
	₱3,996,352,869	₱3,328,016,547	₱794,064,752

26. Depreciation

	December 31, 2018 (One year)	2017 (One year)	2016 (Three months)
Real estate (Notes 12, 13 and 24)	**₱4,208,494,869**	₱3,732,988,642	₱962,971,811
Hotel operations (Notes 13 and 24)	**248,237,776**	181,125,459	47,049,114
	₱4,456,732,645	₱3,914,114,101	₱1,010,020,925

27. Personnel Expenses

Personnel expenses consist of (see Notes 24 and 25):

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Salaries, wages and other staff costs	**₱917,284,253**	₱811,588,387	₱243,588,858
Pension expense (Note 31)	**61,807,906**	55,303,477	10,962,639
SSS contributions, PAG-IBIG contributions, premiums and others	**54,133,589**	51,524,341	15,068,291
	₱1,033,225,748	₱918,416,205	₱269,619,788

The above amounts are distributed as follows:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
General and administrative (Note 25)	**₱936,084,580**	₱858,410,852	₱221,068,668
Hotel operations (Note 24)	**97,141,168**	60,005,353	48,551,120
	₱1,033,225,748	₱918,416,205	₱269,619,788

28. Other Income (Losses)

Interest income consists of:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Interest income:			
Bank deposits (Note 7)	**₱156,969,192**	₱36,809,915	₱7,286,604
Receivable from affiliates	**39,317,437**	–	–
Interest income from installment contract receivable - recognized under real estate sales (Note 23)	**942,301,995**	1,714,559,283	168,336,421
	₱1,138,588,624	₱1,751,369,198	₱175,623,025

Interest expense consists of (see Notes 17 and 19):

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Loans payable (Note 18)	**₱836,112,262**	₱778,194,869	₱237,171,367
Finance charges (Note 18)	**–**	–	146,968,284
	₱836,112,262	₱778,194,869	₱384,139,651

Capitalized borrowing costs for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 are discussed in Notes 9, 12, 13 and 18.

Interest income pertains to the Group's interest received from cash and cash equivalents.

29. **Income Tax**

The Group's provision for income tax includes the regular corporate income tax (RCIT), minimum corporate income tax (MCIT) and final tax paid at the rate of 20% for peso deposits and 7.50% for foreign currency deposits which are final withholding tax on gross interest income. Details follow:

	December 31,		
	2018 (One year)	2016 (One year)	2016 (Three months)
Current			
RCIT	**₱2,305,197,006**	₱1,771,169,116	₱444,558,754
Final tax	**14,307,463**	6,460,001	365,067
MCIT	**403,217**	315,448	251,922
	2,319,907,686	1,777,944,565	445,175,743
Deferred	**699,159,325**	173,025,316	(59,422,873)
	₱3,019,067,011	₱1,950,969,881	₱385,752,870

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	December 31,		
	2018 (One year)	2017 (One year)	2016 (Three months)
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.41)**	(0.01)	(0.01)
Tax exempt real estate sales	**(0.22)**	(0.11)	(0.16)
Income subjected to BOI, PEZA and lower tax	**(2.52)**	(4.98)	(6.32)
Effective income tax rate	**26.85%**	24.90%	23.51%

Deferred taxes as of December 31, 2018 and 2017 relate to the tax effects of the following:

	2018	2017
Deferred tax assets:		
Accrued rent expense	**₱507,821,606**	₱474,822,924
Accrued interest expense	**242,597,937**	220,795,887
Pension liabilities	**107,369,265**	106,170,155
Allowance for impairment loss	**14,302,980**	14,302,980
MCIT	**2,168,956**	2,168,956
	874,260,744	818,260,902
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(1,961,848,143)**	(1,878,456,323)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(1,870,869,852)**	(1,277,103,559)
Accrued rent income	**(439,867,823)**	(330,627,337)
Unamortized debt issuance cost	**(44,102,089)**	(53,556,058)
Fair value reserve of financial assets at FVOCI	**(3,781,008)**	–
Prepaid rent (Note 14)	**(134,440,664)**	(143,707,812)
	(4,454,909,579)	(3,683,451,089)
Net deferred tax liabilities	**(₱3,580,648,835)**	(₱2,865,190,187)

Provision for deferred tax relating to remeasurements of defined benefit liability recognized directly in equity amounted to (₱12) million, (₱29) million and ₱6 million for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively.

The Group has deductible temporary difference that is available for offset against taxable income or tax payable for which deferred tax asset has not been recognized. This deductible temporary difference with no deferred tax assets recognized in the consolidated financial statements pertains to NOLCO of subsidiaries amounting to ₱3 million and P4 million as of December 31, 2018 and 2017, respectively. The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱1 million as of December 31, 2018 and 2017.

The carryforward benefits of NOLCO, which can be claimed as a deduction by the Group against future taxable income for the next three (3) years from the year of incurrence, are as follows:

Period of recognition	Amount	Period of expiration
NOLCO		
December 31, 2018	₱–	December 31, 2021
December 31, 2017	517,845	December 31, 2020
December 31, 2016	540,064	December 31, 2019
September 30, 2016	1,796,845	September 30, 2019
	₱2,854,754	

Period of recognition	Amount	Period of expiration
MCIT		
December 31, 2018	₱456,442	December 31, 2021
December 31, 2017	315,448	December 31, 2020
December 31, 2016	63,272	December 31, 2019
September 30, 2016	227,828	September 30, 2019
	₱1,062,990	

Movement in NOLCO and MCIT follows:

NOLCO	**2018**	2017
Beginning balances	**₱3,754,601**	₱4,248,915
Additions	–	517,845
Expirations	**(899,847)**	(1,012,159)
Ending balances	**₱2,854,754**	₱3,754,601

MCIT	**2018**	2017
Beginning balances	**₱1,404,339**	₱1,296,774
Additions	**456,442**	315,448
Expirations	**(797,791)**	(207,883)
Ending balances	**₱1,062,990**	₱1,404,339

30. **Basic/Diluted Earnings Per Share**

Earnings per share amounts were computed as follows:

		December 31,		
		2018	2017	2016
		(One year)	(One year)	(Three months)
a.	Net income attributable to equity holders of Parent Company	**₱8,216,002,328**	₱5,881,150,728	₱1,254,917,783
b.	Weighted average number of common shares outstanding adjusted (Note 21)	**5,056,330,685**	4,093,830,685	4,093,830,685
c.	Earnings per share (a/b)	**₱1.62**	₱1.44	₱0.31

There were no potential dilutive shares for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016.

31. **Employee Benefits**

Pension Plans

The Group has funded, noncontributory, defined benefit pension plans covering all of its regular employees.

It provides benefits based on a number of month's salary for every year of service. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with Robinsons Bank Corporation (RBC) as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Group, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions.

The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. RBC manages the plan assets based on the mandate as defined in the trust agreement.

The components of pension expense (included in "Personnel expenses" under "Costs and General and administrative expenses" in the consolidated statements of comprehensive income) follow:

	December 31,		
	2018	2017	2016
	(One year)	(One year)	(Three months)
Service cost	**₱43,783,555**	₱42,269,949	₱8,074,069
Net interest cost	**18,024,351**	13,033,528	2,888,570
Pension expense	**₱61,807,906**	₱55,303,477	₱10,962,639

There are no plan amendments, curtailments or settlements for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016.

The amounts recognized as pension liabilities included under “Deposit and other noncurrent liabilities” in the consolidated statements of financial position follow:

	2018	2017
Present value of defined benefit obligation	**₱464,993,377**	₱470,681,322
Fair value of plan assets	**(139,980,890)**	(146,133,669)
Pension liabilities	**₱325,012,487**	₱324,547,653

Changes in net defined benefit liability of funded funds follow:

	December 31, 2018 (One Year)		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Balance at January 1, 2018	**₱470,681,322**	**₱146,133,669**	**₱324,547,653**
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	**43,783,555**	**–**	**43,783,555**
Net interest cost	**25,565,458**	**7,541,107**	**18,024,351**
Subtotal	**69,349,013**	**7,541,107**	**61,807,906**
Benefits paid	**(32,771,253)**	**(10,747,898)**	**(22,023,355)**
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	**8,541,377**	**–**	**8,541,377**
Actuarial changes arising from changes in financial/demographic assumptions	**(50,807,082)**	**–**	**(50,807,082)**
Return on plan assets	**–**	**(2,945,988)**	**2,945,988**
Subtotal	**(42,265,705)**	**(2,945,988)**	**(39,319,717)**
Balance at December 31, 2018	**₱464,993,377**	**₱139,980,890**	**₱325,012,487**

	December 31, 2017 (One Year)		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at January 1, 2017	₱510,599,931	₱157,465,185	₱353,134,746
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	42,269,949	–	42,269,949
Net interest cost	19,296,205	6,262,677	13,033,528
Subtotal	61,566,154	6,262,677	55,303,477
Benefits paid	(6,537,538)	(4,285,569)	(2,251,969)
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	(3,493,005)	₱–	(3,493,005)
Actuarial changes arising from changes in financial/demographic assumptions	(91,454,220)	–	(91,454,220)
Return on plan assets	–	1,586,115	(1,586,115)
Subtotal	(94,947,225)	1,586,115	(96,533,340)
Others	–	(14,894,739)	14,894,739
Balance at December 31, 2017	₱470,681,322	₱146,133,669	₱324,547,653

	December 31, 2016 (Three Months)		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at October 1, 2016	₱479,132,556	₱151,524,900	₱327,607,656
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	8,074,069	–	8,074,069
Net interest cost	4,033,638	1,145,068	2,888,570
Subtotal	12,107,707	1,145,068	10,962,639
Contributions	–	6,241,908	(6,241,908)
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience adjustments	16,299,125	–	16,299,125
Actuarial changes arising from changes in financial/demographic assumptions	3,060,543	–	3,060,543
Return on plan assets	–	(1,446,691)	1,446,691
Subtotal	19,359,668	(1,446,691)	20,806,359
Balance at December 31, 2016	₱510,599,931	₱157,465,185	₱353,134,746

The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

	2018	2017
Cash and cash equivalents:		
Savings deposit account	**₱12,029,790**	₱38,313,660
Other securities	**72,112,909**	22,606,464
	84,142,699	60,920,124
Investment in debt instruments:		
Fixed rate bonds	**40,496,961**	72,214,780
Other debt instruments	**593,429**	140,807
	41,090,390	72,355,587
Accrued interest receivable	**1,292,771**	595,215
Prepaid tax	**86,384**	-
Other assets	**13,357,745**	12,274,270
Accrued trust and management fee payable	**10,901**	(11,527)
	₱139,980,890	₱146,133,669

The composition of the fair value of the Fund includes:

- Cash and cash equivalents - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas.
- Investment in debt instruments - include investment in long-term debt notes and retail bonds issued by locally listed entities.
- Accrued interest receivable and other receivable - include interest earned from investments and receivable from affiliated companies.
- Accrued trust and management fee payable - pertains mainly to charges of trust or in the management of the plan.

The fund has no investment in the Parent Company as of December 31, 2018 and 2017.

The plan assets have diverse investments and do not have any concentration risk.

The management performs an asset-liability matching strategy annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The overall expected rates of return on assets are based on the market expectations prevailing as at the reporting date, applicable to the period over which the obligation is settled.

The Group expects to contribute ₱65 million to the defined benefit pension plans in 2019.

The average duration of the defined benefit obligation of the Group as of December 31, 2018 and 2017 is 17 and 15 years, respectively.

The principal assumptions used to determine the pension benefits of the Group follow:

	December 31, 2018 (One Year)	December 31, 2017 (One Year)
Discount rate	**7.22% to 7.47%**	5.63% to 5.80%
Rate of salary increase	**5.70%**	5.50%

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of December 31, 2018 and 2017, assuming if all other assumptions were held constant.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The balances below show the addition/reduction in pension obligation assuming assumptions are changed:

		Increase (decrease) on pension liabilities	
		December 31, 2018	December 31, 2017
Discount rates	+1.00%	**(₱429,489,169)**	(₱435,084,092)
	-1.00%	**495,647,840**	511,246,772
Salary increase rates	+1.00%	**₱498,939,922**	₱514,060,694
	-1.00%	**(426,064,803)**	(431,994,139)

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

	December 31, 2018	December 31, 2017
Less than 1 year	**₱35,924,617**	₱33,835,830
More than 1 years to 5 years	**206,215,578**	166,775,205
More than 5 years to 10 years	**359,644,904**	335,554,425
More than 10 years to 15 years	**462,759,453**	423,658,912
More than 15 years to 20 years	**333,364,369**	311,502,005
More than 20 years	**607,938,614**	600,038,794

32. Interest in Joint Ventures and Joint Operations

A. Interest in Joint Ventures

This account consists of the following:

Investment in stocks - cost:	
Balance at beginning of year	₱–
Additions	2,400,000,000
Elimination of interest income on the sale of land	(39,317,438)
Elimination of gain on sale of land to joint venture	(951,180,215)
Balance at end of year	1,409,502,348
Accumulated equity in net earnings:	
Balance at beginning of year	–
Equity in net loss during the year	(26,148,678)
Balance at end of year	(26,148,678)
	₱1,383,353,670

Joint Venture with Shang Properties, Inc.

On November 13, 2017, the Parent Company's BOD approved the agreement with Shang Properties, Inc. (SPI) to form a joint venture corporation (JVC).

On May 23, 2018, Shang Robinsons Properties, Inc. (SRPI), the JVC, was incorporated. Both RLC and SPI each own 50% of the outstanding shares in SRPI. The office address of SRPI is at Lower Ground Floor, Cyber Sigma Building, Lawton Avenue, Fort Bonifacio Taguig.

RLC and SPI, through SRPI, shall build and develop a property situated at McKinley Parkway corner 5th Avenue and 21st Drive at Bonifacio Global City, Taguig, Metro Manila. The project is intended to be a mixed-use development and may include residential condominium units, serviced apartments and commercial retail outlets. SRPI also plans to pursue other development projects.

The investment in the SRPI is accounted as joint venture using equity method of accounting because the contractual arrangement between the parties establishes joint control.

In accordance with the joint venture agreement with SPI, the Parent Company agrees to extend loan to SRPI, at fair and commercial rates comparable to loans extended by third party banks and financial institutions, an amount of ₱1,000 million annually starting April 1, 2019 up to April 1, 2022. As of December 31, 2018, the Parent Company has not yet extended a loan to SRPI.

Summarized financial information of SRPI, presented in Philippine Peso, which is its functional and presentation currency and prepared in accordance with PFRS as at December 31, 2018 and for the period May 23, 2018 to December 31, 2018 are as follows:

Current assets	₱863,605,652
Noncurrent assets	5,158,809,613
Current liabilities	(1,032,479,961)
Noncurrent liabilities	(3,008,940,000)
Equity	1,980,995,304
Proportion of Group's ownership	50.00%
Group's share in identifiable net assets	990,497,652
Carrying amount of investment	₱–

Reconciliation of the carrying amount of investment in SRPI as of December 31, 2018 is as follows:

Initial investment in SRPI	₱1,000,000,000
Equity in net loss	(9,502,348)
	990,497,652
Elimination of gain on sale of land (Note 22)	(990,497,652)
Carrying amount of investment, December 31, 2018	₱–

Gain on sale of land to SRPI attributable to the Parent Company was offset against the remaining carrying amount of investment in SRPI. The excess of the gain on sale of land amounting to ₱1,119 million was presented as noncurrent contract liability as of December 31, 2018.

Joint Venture with Hong Kong Land Group

On February 5, 2018, the Parent Company's BOD approved the agreement with Hong Kong Land Group (HKLG) represented by Hong Kong Land International Holdings, Ltd. and its subsidiary Ideal Realm Limited to form a joint venture corporation (JVC).

On June 14, 2018, RHK Land Corporation (RHK Land), the JVC, was incorporated. RLC and HKLG owns 60% and 40%, respectively, of the outstanding shares in RHK Land. The principal office of the JVC is at 12F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Ortigas Center, Pasig City.

RLC and HKLG, through RHK Land, shall engage in the acquisition, development, sale and leasing of real property. RHK Land shall initially undertake the purchase of a property situated in Block 4 of Bridgetowne East, Pasig City, develop the property into a residential enclave and likewise carry out the marketing and sales of the residential units. RHK Land also plans to pursue other development projects.

On October 2018, the Parent Company entered into a Shareholder Loan Agreement with RHK Land to make available a loan facility of ₱1,400 million which RHK Land may draw from time to time subject to the terms and conditions set out in the agreement. On November 6, 2018, RHK Land has made a drawdown amounting to ₱190 million from the said facility with a repayment date falling on the fifth anniversary of the effective date.

The investment in the JVC is accounted as joint venture using equity method of accounting because the contractual arrangement between the parties establishes joint control.

Summarized financial information of RHK Land, presented in Philippine Peso, which is its functional and presentation currency and prepared in accordance with PFRS as at December 31, 2018 and for the period June 14, 2018 to December 31, 2018 are as follows:

Current assets	₱394,474,314
Noncurrent assets	2,763,931,339
Current liabilities	(6,149,537)
Noncurrent liabilities	(380,000,000)
Equity	2,772,256,116
Proportion of Group’s ownership	60.00%
Group’s share in identifiable net assets	1,663,353,670
Carrying amount of investment	₱1,383,353,670

B. Joint Operations

The Group has entered into joint venture agreements with various landowners and other companies with various percentage interests in these joint operations depending on the value of the land or investment against the estimated development costs. These joint venture agreements entered into by the Group relate to the development and sale of subdivision land, condominium and residential units, with certain level of allocation of condominium unites/lots to be sold to buyers with provisions for sharing in the cash collection on the sale of allocated developed unites.

The Group’s joint venture agreements typically require the joint venture partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all the cost related to the land development and the construction of subdivision land, condominium and residential units, including the facilities.

Sales and marketing costs are allocated to both the Group and the joint operations partner. The projects covering the joint venture agreement are expected to be completed within two to three years. Each joint operations party has committed to contribute capital based on the terms of the joint venture agreement.

Interest in joint projects with Horizon Land Property & Development Corporation, formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (Jointly Controlled Operations)

On February 7, 2011, the Parent Company entered into a joint venture agreement with Horizon Land Property & Development Corporation (HLPDC), formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (FLI) to develop Axis Residences (the Project) located along Pioneer Street in Mandaluyong City. The construction of the planned 2-phase residential condominium has commenced in March 2012. One tower of first phase was completed on September 2015.

The agreed contributions of the parties follow:

a. The Parent Company: Road lot valued at ₱89 million and development costs amounting ₱1,390 million
b. FLI: Development costs amounting ₱739 million
c. HLPDC, an affiliate of FLI: Four (4) adjoining parcels of land valued at ₱739 million located along Pioneer St., Mandaluyong City, 21,109 sqm

Further, the sharing of saleable units (inventories) of real estate revenue, cost of real estate sales and any common expenses incurred, are as follows: the Parent Company-50% and FLI-50%. Based on the foregoing, the Parent Company accounted for the joint arrangement as a jointly controlled operations and accordingly, recognized its share in the installment contracts receivables, subdivision land, condominium and residential units for sale, deposits to joint venture partners, accounts payable, real estate sales and cost of real estate sales of the joint operations.

On December 6, 2017, the Parent Company executed an addendum agreement with HLPDC and FLI to discontinue the development of Phase II.

The following were the agreements included in the addendum:

a. The development of the Project shall be limited to Phase 1;
b. The discontinuance shall be without fault on either of the Parties. Accordingly, HLPDC and FLI shall reimburse RLC the amount of ₱193 million representing the non-development of four (4) towers of Phase II;
c. Ownership and right of possession of the parcels of land corresponding to Phase II shall remain to be with HLPDC and shall be excluded from the provisions of the JVA.
d. The perpetual right to use RLC's land contribution is limited to Phase I and to the adjacent properties owned by HLPDC, FLI or its affiliates.

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33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, comprise of loans payable, deposit from lessees, receivables from affiliated companies, payables to affiliated companies, utility deposits, receivables and cash and cash equivalents. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks currently arising from the Group's financial instruments are foreign currency market risk, liquidity risk, interest rate risk and credit risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below, together with the related risk management structure.

<u>Risk Management Structure</u>
The Group's risk management structure is closely aligned with that of the Parent Company.
The BOD of the Parent Company and the respective BODs of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks.

The risk management framework encompasses environmental scanning, the identification and assessment of business risks, development of risk management strategies, design and implementation of risk management capabilities and appropriate responses, monitoring risks and risk management performance, and identification of areas and opportunities for improvement in the risk management process.

Each BOD has created the board-level Audit Committee (AC) to spearhead the managing and monitoring of risks.

Audit Committee

The AC shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.

The AC also aims to ensure that:

a. financial reports comply with established internal policies and procedures, pertinent accounting and audit standards and other regulatory requirements;
b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management;
c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and
d. the Group's BOD is properly assisted in the development of policies that would enhance the risk management and control systems.

Enterprise Risk Management Group (ERMG)

To systematize the risk management within the Group, the ERMG was created to be primarily responsible for the execution of the enterprise risk management framework. The ERMG's main concerns include:

a. recommending risk policies, strategies, principles, framework and limits;
b. managing fundamental risk issues and monitoring of relevant risk decisions;
c. providing support to management in implementing the risk policies and strategies; and
d. developing a risk awareness program.

Support groups have likewise been created to explicitly manage on a day-to-day basis specific types of risks like trade receivables, supplier management, etc.

Compliance with the principles of good corporate governance is also one of the objectives of the BOD. To assist the BOD in achieving this purpose, the BOD has designated a Compliance Officer who shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

Risk Management Policies

The main risks arising from the use of financial instruments are foreign currency risk, liquidity risk, interest rate risk and credit risk. The Group's policies for managing the aforementioned risks are summarized below.

Market risk

Foreign Currency Risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from financial instruments that are denominated in United States Dollar (USD) which result primarily from movement of the Philippine Peso (PHP) against the USD.

The Group does not have any foreign currency hedging arrangements.

The table below summarizes the Group's exposure to foreign currency risk:

	December 31, 2018		December 31, 2017	
Assets				
Cash and cash equivalents	**$547,927**	**₱28,809,976**	$1,204,233	₱60,115,324
Liabilities				
Accounts payable and accrued expenses	**431,915**	**22,710,086**	442,277	22,078,499
Net foreign currency-denominated assets	**$116,012**	**₱6,099,890**	$761,956	₱38,036,825

	December 31, 2018		December 31, 2017	
Assets				
Cash and cash equivalents	**RMB15,032,760**	**₱114,850,286**	RMB88,379,546	₱675,219,731
Restricted cash - escrow	**995,642,536**	**7,606,708,972**	–	–
Liabilities				
Accounts payable and accrued expenses	**77,008,156**	**588,342,313**	33,926,080	259,195,249
Loans payable	**216,116,142**	**1,651,127,328**	110,000,000	840,263,710
Net foreign currency-denominated assets	**RMB717,550,997**	**₱5,482,089,617**	(RMB55,546,534)	(₱424,239,228)

	December 31, 2018		December 31, 2017	
Assets				
Cash and cash equivalents	**SGD3,512**	**₱135,501**	SGD–	₱–

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of December 31, 2018 and 2017 follow:

	December 31, 2018	December 31, 2017
US Dollar - Philippine Peso exchange rate	**₱52.58 to US$1.00**	₱49.92 to US$1.00

	December 31, 2018	December 31, 2017
Chinese Yuan - Philippine Peso exchange rate	**₱7.64 to RMB1.00**	₱7.64 to RMB1.00

	December 31, 2018	December 31, 2017
Singaporean Dollar - Philippine Peso exchange rate	**₱38.58 to SGD1.00**	-

The following table sets forth the impact of the range of reasonably possible changes in the USD-PHP exchange rate on the Group's income before income tax for the year ended December 31, 2017 and for the three months ended December 31, 2016.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2018 (One year)	
2.0% PHP appreciation	**(₱121,998)**
2.0% PHP depreciation	**121,998**
December 31, 2017 (One year)	
2.0% PHP appreciation	(₱760,737)
2.0% PHP depreciation	760,737

Reasonably Possible Changes in RMB-PHP Exchange Rates	Change in OCI
December 31, 2018 (One year)	
2.0% PHP appreciation	**(₱109,560,034)**
2.0% PHP depreciation	**109,560,034**
December 31, 2017 (One year)	
2.0% PHP appreciation	(₱8,311,819)
2.0% PHP depreciation	8,311,819

Reasonably Possible Changes in SGD-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2018 (One year)	
2.0% PHP appreciation	**(₱2,710)**
2.0% PHP depreciation	**2,710**

Sensitivity to foreign exchange rates is calculated on the Group's foreign currency denominated assets and liabilities, assuming a more likely scenario of foreign exchange rate of USD-PHP that can happen within 12 months after reporting date using the same balances of financial assets and liabilities as of reporting date.

The Group does not expect the impact of the volatility on other currencies to be material.

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2018 and 2017, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant.

	December 31, 2018					
	On Demand	**1 to 3 months**	**4 to 12 months**	**More than 1 year but less than 5 years**	**5 years or more**	**Total**
Cash and cash equivalents	**₱1,129,430,200**	**₱1,414,410,627**	**₱–**	**₱–**	**₱–**	**₱2,543,840,827**
Receivables						
Trade	**1,085,800,675**	**682,336,457**	**75,791,031**	**629,176,753**	**613,780,006**	**3,086,884,922**
Affiliated companies	**207,635,524**	**–**	**–**	**–**	**–**	**207,635,524**
Others	**30,590,863**	**167,861,293**	**66,474,447**	**–**	**–**	**264,926,603**
Other assets						
Restricted cash - escrow	**7,607,789,241**	**–**	**–**	**–**	**–**	**7,607,789,241**
Utility deposits	**7,831,041**	**–**	**–**	**558,738,138**	**233,442,871**	**800,012,050**
Total financial assets	**10,069,077,544**	**2,264,608,377**	**142,265,478**	**1,187,914,891**	**847,222,877**	**14,511,089,167**
Contract assets	**–**	**2,351,957,764**	**2,736,398,896**	**5,683,109,009**	**761,886,317**	**11,533,351,986**
Total financial assets and contract assets	**₱10,069,077,544**	**₱4,616,566,141**	**₱2,802,873,343**	**₱6,871,023,900**	**₱1,609,109,194**	**₱26,044,441,153**
Accounts payable and accrued expenses	**₱2,958,788,007**	**₱5,386,449,769**	**₱3,850,806,462**	**₱908,418,034**	**₱1,670,432,660**	**₱14,774,894,932**
Payables to affiliated companies and others (included under Deposits and other current liabilities)	**245,560,778**	**–**	**–**	**–**	**–**	**245,560,778**
Deposits from lessees	**–**	**1,326,597,382**	**1,332,081,610**	**1,847,971,470**	**802,800,443**	**5,309,450,905**
Loans payable and future interest payment	**–**	**1,450,394,536**	**1,057,821,292**	**4,509,498,021**	**631,982,342**	**7,649,696,191**
Other financial liabilities	**₱3,204,348,785**	**₱8,163,441,687**	**₱6,240,709,364**	**₱7,265,887,525**	**₱3,105,215,445**	**₱27,979,602,806**

	December 31, 2017					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Loans and receivables						
Cash and cash equivalents	₱1,379,275,821	₱696,178,702	₱–	₱–	₱–	₱2,075,454,523
Receivables						
Trade	1,074,906,493	2,579,540,392	1,659,828,584	2,577,739,263	1,198,209,309	9,090,224,041
Affiliated companies	23,419,773	–	–	–	–	23,419,773
Others	24,330,885	140,654,800	62,377,344	–	–	227,363,029
Other assets						
Utility deposits	9,989,072	–	–	635,179,895	239,165,897	884,334,864
Restricted cash - escrow	4,257,265	–	–	–	–	4,257,265
Total financial assets	₱2,516,179,309	₱3,416,373,894	₱1,722,205,928	₱3,212,919,158	₱1,437,375,206	₱12,305,053,495
Accounts payable and accrued expenses	₱2,359,183,403	₱4,629,264,792	₱4,784,396,768	₱2,814,683,963	₱1,505,456,413	₱16,092,985,339
Payables to affiliated companies and others (included under Deposits and other current liabilities)	222,937,926	–	–	–	–	222,937,926
Deposits from lessees	892,315,691	208,108,544	1,255,817,284	1,454,412,903	887,155,680	4,697,810,102
Loans payable and future interest payment	–	16,237,677,001	1,030,191,134	11,229,814,365	13,479,678,832	41,977,361,332
Other financial liabilities	₱3,474,437,020	₱21,075,050,337	₱7,070,405,186	₱15,498,911,231	₱15,872,290,925	₱62,991,094,699

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both onshore and offshore.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligation with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts, whenever it's advantageous to the Group.

The Group has no financial instruments with variable interest rates exposed to interest rate risk as of December 31, 2018 and 2017.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.
In addition, receivable balances are monitored on an ongoing basis. These measures result in the Group's exposure to impairment loss as not significant.

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2018 and 2017 without considering the effects of collaterals and other credit risk mitigation techniques:

	2018	2017
Cash and cash equivalents (net of cash on hand)	**₱2,514,810,790**	₱2,049,551,271
Receivables - net		
Trade receivables		
Installment contract receivable	**264,447,326**	7,253,408,707
Rental receivables	**1,412,745,318**	780,058,256
Accrued rent receivable	**1,256,405,124**	886,325,031
Hotel operations	**153,287,154**	170,432,047
Affiliated companies	**207,635,524**	23,419,773
Other receivables	**264,926,603**	227,363,029
Other assets		
Restricted cash - escrow	**7,607,789,241**	4,257,265
Utility deposits	**800,012,050**	884,334,864
	₱14,482,059,130	₱12,279,150,243

The credit risk on installment contracts receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

Applying the expected credit risk model did not result in the recognition of an impairment loss for all financial assets at amortized cost in 2018.

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risks.

c. Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as of December 31, 2018 and 2017, gross of allowance for credit and impairment losses:

	December 31, 2018					
	Neither Past Due Nor Impaired			**Past Due**		
	High Grade	**Standard Grade**	**Substandard Grade**	**but not Impaired**	**Past Due and Impaired**	**Total**
Cash and cash equivalents	**₱2,514,810,790**	**₱–**	**₱–**		**₱–**	**₱2,514,810,790**
Receivables:						
Trade receivables						
Installment contract receivables	**–**	**–**	**–**	**264,447,326**	**19,000,000**	**283,447,326**
Rental receivables	**694,942,129**	**–**	**–**	**717,803,189**	**13,905,027**	**1,426,650,345**
Accrued rent receivables	**1,256,405,124**	**–**	**–**	**–**	**–**	**1,256,405,124**
Hotel operations	**49,736,994**	**–**	**–**	**103,550,160**	**14,771,574**	**168,058,728**
Affiliated companies	**207,635,524**	**–**	**–**	**–**	**–**	**207,635,524**
Other receivables	**264,926,603**	**–**	**–**	**–**	**–**	**264,926,603**
Other assets						
Restricted cash - escrow	**7,607,789,241**	**–**	**–**	**–**	**–**	**7,607,789,241**
Utility deposits	**800,012,050**	**–**	**–**	**–**	**–**	**800,012,050**
	₱13,396,258,455	**₱–**	**₱–**	**₱1,085,800,675**	**₱47,676,601**	**₱14,529,735,731**

	December 31, 2017					
	Neither Past Due Nor Impaired			Past Due		
	High Grade	Standard Grade	Substandard Grade	but not Imparied	Past Due and Impaired	Total
Loans and receivables						
Cash and cash equivalents	₱2,049,551,271	₱–	₱–		₱–	₱2,049,551,271
Receivables:						
Trade receivables						
Installment contract receivables	6,855,942,934	–	–	397,465,773	19,000,000	7,272,408,707
Rental receivables	197,449,461	–	–	582,608,795	13,905,027	793,963,283
Accrued rent receivables	886,325,031	–	–		–	886,325,031
Hotel operations	75,600,122	–	–	94,831,925	14,771,574	185,203,621
Affiliated companies	23,419,773	–	–		–	23,419,773
Other receivables	227,363,029	–	–		–	227,363,029
Other assets						
Utility deposits	884,334,864	–	–		–	884,334,864
Restricted cash - escrow	4,257,265	–	–		–	4,257,265
	₱11,204,243,750	₱–	₱–	₱1,074,906,493	₱47,676,601	₱12,326,826,844

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in foreign and local banks belonging to the top ten (10) banks, including an affiliate bank, in the Philippines in terms of resources, profitability and credit standing.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Receivable from installment contract receivables are considered high grade as title of the real estate property of the subject receivable passes to the buyer once fully paid. Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up actions and extended payment terms.

34. **Financial Instruments**

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, utility deposits, receivable and payable to affiliated companies and accounts payable and accrued expenses are approximately equal to their fair value due to the short-term nature of the transaction.

Set out below is a comparison of carrying amounts and fair values of installment contracts receivables, deposits from lessees and loans payable that are carried in the consolidated financial statements.

	December 31, 2018		December 31, 2017	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable				
Measured at amortized cost	**₱283,447,326**	**₱265,449,828**	₱7,253,408,707	₱6,693,558,292
Measured at FVOCI	**785,221,675**	**785,221,675**	1,569,530,440	1,591,198,742
Deposits from lessees	**5,309,450,905**	**4,570,524,401**	4,697,810,102	4,272,486,127
Loans payable	**37,385,239,001**	**7,649,696,191**	51,354,562,154	41,977,361,332

The fair values of installment contract receivables, customers' deposits and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date. The discount rates used range from 6.8% to 7.0% as of December 31, 2018 and 3.0% to 4.7% as of December 31, 2017.

Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of financial instruments:

Level 1: - quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of installment contracts receivables, deposits from lessees and loans payable disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy. There has been no reclassification from Level 1 to Level 2 or 3 category.

35. Registration with the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA)

Certain operations of the Group are registered with the BOI and PEZA as preferred pioneer and non-pioneer activities. As registered enterprises, these consolidated subsidiaries are subject to some requirements and are entitled to certain tax and non-tax incentives which are considered in the computation of the provision for income tax.

<u>Go Hotel, Dumaguete</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Dumaguete)” on a Non-Pioneer status at a capacity of one hundred two (102) rooms, under Certificate of Registration No. 2012-020 dated February 1, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

<u>Go Hotel, Bacolod</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Bacolod)” on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-039 dated March 13, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to July 2016.

<u>Go Hotel, Palawan</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Palawan)” on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-017 dated January 25, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

<u>Go Hotel, Tacloban</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel- Go Hotel, Tacloban)” on a Non-Pioneer status at a capacity of ninety eight (98) rooms, under Certificate of Registration No. 2011-250 dated November 23, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2012 to April 2016.

<u>Go Hotel, Iloilo</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iloilo)” on a Non-Pioneer status at a capacity of one hundred sixty seven (167) rooms, under Certificate of Registration No. 2014-016 dated January 29, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2014 to January 2018.

Go Hotel, Butuan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Butuan)" on a Non-Pioneer status at a capacity of one hundred four (104) rooms, under Certificate of Registration No. 2014-214 dated December 5, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2015 to December 2019.

Azalea Place, Gorordo Avenue,Cebu City
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of three hundred eight (308) units, under Certificate of Registration No. 2011-203 dated September 15, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to June 2016.

The Pearl Place - Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of six hundred twenty five (625) units, under Certificate of Registration No. 2012-008 dated January 11, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2013 to September 2016.

Escalades East Tower
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of two hundred twenty six (226) units, under Certificate of Registration No. 2014-197 dated November 6, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 10, 2014 to November 9, 2017.

Axis Residences (Phase 1)-Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of four hundred fifty six (456) units, under Certificate of Registration No. 2015-048 dated February 26, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from February 27, 2015 to February 26, 2018.

The Pearl Place - Tower B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of four hundred forty six (446) units, under Certificate of Registration No. 2016-159 dated August 3, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2016 to October 2019.

Acacia Escalades-(Phase 2)-Building B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of two hundred eighty-six (286) units, under Certificate of Registration No. 2016-264 dated December 22, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from January 2018 to January 2021.

Axis Residences (Phase 1)-Tower B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of four hundred fifty-six (456) units, under Certificate of Registration No. 2016-263 dated December 22, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from August 2018 to August 2021.

Go Hotels Davao, Inc.
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Go Hotels Lanang - Davao City)” on a Non-Pioneer status at a capacity of one hundred eighty three (183) rooms, under Certificate of Registration No. 2015-266 dated December 3, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2016 to December 2019.

Summit Hotel Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Summit Hotel Tacloban)” on a Non-Pioneer status at a capacity of one hundred thirty eight (138) rooms, under Certificate of Registration No. 2017-236 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

Go Hotel, Iligan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iligan)” on a Non-Pioneer status at a capacity of one hundred (100) rooms, under Certificate of Registration No. 2017-235 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

Robinsons Cyberpark
The Group is also registered with PEZA (beginning October 1, 2004) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 68,596 square meters of land located at EDSA corner Pioneer Street, Mandaluyong City as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Center
The Group is also registered with PEZA (beginning February 8, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 11,125 square meters of land located at Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental as an IT Park to be known as The Robinsons Cybergate Center. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Place Lipa

The Group is also registered with PEZA (beginning November 3, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 65,399 square meters of land located at JP Laurel Highway, Mataas na Lupa, Lipa City, Batangas as an IT Park to be known as The Robinsons Place Lipa. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Big Supercenter Cainta Junction

The Group is also registered with PEZA (beginning October 28, 2005) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 19,522 square meters of land located at Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Luisita

The Group is also registered with PEZA (beginning January 5, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 16-694 dated December 9, 2016, for the construction of an additional floor area of 6,306 square meters, more or less, for annexation to the existing Robinsons Luisita IT Center located along McArthur Highway, San Miguel, Tarlac City. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Naga

The Group is also registered with PEZA (beginning May 12, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 15-715 dated December 17, 2015, for creating and designating a building, which stands on a 24,807-square meter, more or less, lot located at Naga Diversion Road corner Almeda Highway, Brangay Triangulo, Naga City as an IT Center, to be known as Robinsons Cybergate Naga. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cyberpark Davao

The Group is also registered with PEZA (beginning October 3, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 16-377 dated June 28, 2016, for creating and designating 12,022 square meters, more or less, of land located along J.P. Laurel Avenue, Davao City as an IT Park, to be known as Robinsons Cyberpark Davao. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Galleria Cebu
The Group is also registered with PEZA (beginning July 12, 2013) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 12-001 dated January 17, 2012, for creating and designating a building with an area of 46,345 square meters, more or less, located at General Maxilom Avenue, Cebu City as Information Technology (IT) Center, to be known as Robinsons Galleria Cebu. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives under RA 7916, as amended.

Robinsons Place Ilocos Norte Expansion
The Group is also registered with PEZA (beginning May 28, 2016) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 15-271 dated May 13, 2016, for creating and designating a building located at Barangay 1 San Francisco, San Nicolas, Ilocos Norte, with an aggregate land area of 26,537 square meters, more or less, as Information Technology (IT) Center, to be known as Robinsons Place Ilocos Norte Expansion. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Cyberscape Gamma
The Group is also registered with PEZA (beginning July 16, 2015) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 15-377 dated January 16, 2015, for creating and designating a building which stands on a 1,954.50 square meters, more or less, lot located at Topaz and Ruby Roads, Ortigas Center, Pasig City as Information Technology (IT) Center, to be known as Cyberscape Gamma. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Starmills Pampanga
The Group is also registered with PEZA (beginning September 11, 2007) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 06-544 dated November 28, 2006, for creating and designating a building established on parcels of land containing an aggregate area of 238,324 square meters, more or less, located at Gapan-Olongapo Road, Brgy. San Jose, San Fernando, Pampanga as an Information Technology (IT) Center, to be known as Robinsons Starmills Pampanga. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

On May 23, 2017, the Group also registered for the construction, operation, and management of a 6-level building with a gross floor area of 12,503.25 square meters to be annexed into its existing Robinsons Starmills Pampanga IT Center under resolution No. 17-276. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime

JG Summit Center
The Group is also registered with PEZA (beginning September 1, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 04-387 dated November 22, 2004, for creating and designating a building which stands on two parcels of land with an aggregate area of 2,430 square meters, more or

less, lot located at 6783 Ayala Avenue, Salcedo Village, Barangay Bel-Air, Makati City, as Information Technology (IT) Building, to be known as JG Summit Center. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Equitable Tower
The Group is also registered with PEZA (beginning July 21, 2003) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 03-129 dated May 28, 2003, for creating and designating a 2,832 square meters parcel of land with an existing 43 storey condominium office building, located at ADB Avenue corner Poveda Street, Pasig city, as an Information Technology (IT) Zone to be known as Robinsons Equitable Tower. Under the terms of its registration, the Group, as the Developer/Operator of the IT Zone, shall not be entitled to PEZA incentives.

Cyberscape Alpha
The Group is also registered with PEZA (beginning January 4, 2013) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 11-665 dated November 25, 2011, for creating and designating a building located at Sapphire and Garnet Roads, Ortigas Center, Pasig City, as Information Technology (IT) Center, to be known as Cyberscape Alpha. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Cyberscape Beta
The Group is also registered with PEZA (beginning November 22, 2012) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 11-624 dated November 8, 2011, for creating and designating a building located at Topaz and Ruby Roads, Ortigas Center, Pasig City, containing an area of 1,955 square meter, more or less (a portion of Lot 2-C) as an Information Technology (IT) Center, henceforth to be known as Cyberscape Beta. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Cybergate Cebu
The Group is also registered with PEZA (beginning October 28, 2009) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 08-312 dated June 26, 2008, for creating and designating 4,772 square meter, more or less, of land located at Don Gil Street, Barangay Capitol Site, Cebu City, as an Information Technology Center, to be known as Robinsons Cybergate Cebu. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Bridgetowne
The Group is also registered with PEZA (beginning June 26, 2015) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 13-182 dated March 22, 2013, for creating and designating several parcels of land located along C-5 Road, Ugong Norte, Quezon City, with an aggregate area of 79,222 square meters as Information Technology (IT) Park, to be known as Bridgetowne. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

36. Commitments and Contingencies

Operating Lease Commitments - Group as Lessee
The Group entered into long-term operating leases of land with lease terms ranging from 25 to 50 years. Total rent expense amounted to ₱246 million, ₱52 million and ₱44 million for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively. There is no contingent rent. Future minimum rentals payable under noncancellable operating leases are as follows:

	December 31	
	2018	2017
Within one (1) year	**₱128,337,691**	₱92,616,575
After one (1) year but not more than five (5) years	**589,327,721**	414,556,934
After more than five (5) years	**5,953,173,907**	5,823,064,725
	₱6,670,839,319	₱6,330,238,234

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. These noncancellable leases have remaining noncancellable lease terms of between 1 and 10 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent, which is a certain percentage of actual monthly sales or minimum monthly gross sales, whichever is higher. Total rent income amounted to ₱13,548 million, ₱11,582 million and ₱2,718 million for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016, respectively. Total percentage rent recognized as income for the years ended December 31, 2018, 2017 and for the three months ended December 31, 2016 amounted to ₱3,515 million, ₱3,067 million and ₱751 million, respectively.

Future minimum rentals receivable under noncancellable operating leases follows:

	December 31	
	2018	2017
Within one (1) year	**₱11,590,512,976**	₱6,263,952,404
After one (1) year but not more than five (5) years	**17,971,125,898**	8,250,489,462
After more than five (5) years	**2,377,232,451**	923,369,939
	₱31,938,871,325	₱15,437,811,805

Finance Lease Commitments - Group as Lessor

The Group has significantly entered into residential property leases on its residential condominium unit's portfolio. These leases have lease period of 5 to 10 years and the lessee is given the right to purchase the property anytime within the lease period provided that the lessee any arrears in rental payment, condominium dues and other charges.

Future minimum lease payments under finance lease with the present value of future minimum lease payment as of December 31, 2018 and 2017 follow:

	December 31, 2018	
	Minimum Lease Payments	**Present Value of Minimum Lease Payments**
Within one (1) year	**₱552,580,889**	**₱517,494,745**
After one (1) year but not more than five (5) years	**302,637,036**	**247,180,550**
After more than five (5) years	**81,800,866**	**58,213,995**
Total minimum lease payments	**₱937,018,791**	**₱822,889,290**

	December 31, 2017	
	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one (1) year	₱311,429,745	₱302,265,068
After one (1) year but not more than five (5) years	270,312,270	238,254,749
After more than five (5) years	72,498,624	57,502,961
Total minimum lease payments	₱654,240,639	₱598,022,778

Capital Commitments

The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱7,219 million and ₱15,742 million as of December 31, 2018 and 2017, respectively. Moreover, the Group has contractual obligations amounting to ₱5,646 million and ₱1,411 million as of December 31, 2018 and 2017, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies

The Group has various collection cases or claims against or from its customers and certain tax assessments, arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The Group does not believe that such assessments will have a material effect on its operating results and financial condition. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments.

37. **Notes to the Consolidated Statements of Cash Flows**

Noncash investing activities pertain to the following:

- Transfers from investment properties to subdivision land, condominium and residential units for sale amounting to P114 million for the year ended December 31, 2018 and transfers from subdivision land, condominium and residential units for sale to investment properties amounting to ₱1,017 million for the year ended December 31, 2017;
- Transfers from other current assets to investment properties amounting to nil and ₱758 million and for the year ended December 31, 2018 and 2017, respectively;
- Transfers from other current assets to property and equipment amounting to ₱532 million for the three months ended December 31, 2016;
- Transfers from subdivision land, condominium and residential units for sale to property and equipment amounting to ₱38 million ₱50 million for the years ended December 31, 2017 and 2016, respectively.
- Transfers from investment properties to property and equipment amounting to ₱43 million for the year ended December 31, 2016;
- Transfers from investment properties to subdivision land, condominium and residential units for sale amounting to ₱113 million for the year ended December 31, 2016.

Details of the movement in cash flows from financing activities follow:

	For the Year Ended December 31, 2018					
			Non-cash Changes			
	January 1, 2018	Cash flows	Foreign exchange movement	Changes on fair values	Other	December 31, 2018
Loans payable	₱35,661,162,154	₱858,890,076	₱–	₱–	(₱31,513,229)	₱36,488,539,001
Short term loans	15,693,400,000	(14,796,700,000)	–	–	–	896,700,000
Advances for marketing and promotional fund and others	445,815,349	(2,929,317)	–	–	–	442,886,032
Accrued interest payable	370,835,301	(853,111,456)	–	–	804,599,033	322,322,878
Payables to affiliated companies and others	222,937,926	53,870,732	–	–	–	276,808,658
Dividends payable	40,990,210	(1,867,464,936)	–	–	1,869,779,047	43,304,321
Total liabilities from financing activities	₱52,435,140,940	(₱16,607,444,901)	₱–	₱–	₱2,642,864,851	₱38,470,560,890

	For the Year Ended December 31, 2017					
			Non-cash Changes			
	January 1, 2017	Cash flows	Foreign exchange movement	Changes on fair values	Other	December 31, 2017
Loans payable	₱23,361,477,678	₱12,272,763,710	₱–	₱–	₱26,920,766	₱35,661,162,154
Short term loans	16,010,000,000	(316,600,000)	–	–	–	15,693,400,000
Advances for marketing and promotional fund and others	448,744,666	(2,929,317)	–	–	–	445,815,349
Accrued interest payable	356,881,319	(764,240,887)	–	–	778,194,869	370,835,301
Payables to affiliated companies and others	169,067,194	53,870,732	–	–	–	222,937,926
Dividends payable	16,021,302	(1,448,810,138)	–	–	1,473,779,046	40,990,210
Total liabilities from financing activities	₱40,362,192,159	₱9,794,054,100	₱–	₱–	₱2,278,894,681	₱52,435,140,940

Other includes amortization of debt issue cost, declaration of dividends and accrual of interest expense on loans.

38. **Events After the Reporting Period**

Joint Venture with DMCI Project Developers, Inc.

In October 2018, the Parent Company entered into a Joint Venture Agreement with DMCI Project Developers, Inc. (DMCI PDI) to develop, construct, manage, and sell a residential condominium situated in Las Pinas City. Both parties agreed to incorporate a joint venture corporation where each party will hold a 50% ownership.

On March 18, 2019, RLC DMCI Property Ventures, Inc. was incorporated as the joint venture company (JVC) between RLC and DMCI PDI. RLC DMCI Property Ventures, Inc., shall purchase, lease and develop real estate properties situated in Las Pinas City. The proposed project is intended to be a multi-tower residential condominium and may include commercial spaces. RLC and DMCI PDI have agreed to put in an initial capitalization of ₱500 million each.

SGV
Building a better working world

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at December 31, 2018 and 2017 and for the years ended December 31, 2018 and 2017 and for the three months ended December 31, 2016 have issued our report thereon dated April 3, 2019. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta
Partner
CPA Certificate No. 0112825
SEC Accreditaton No. 1744-A (Group A),
March 14, 2019, valid until March 13, 2022
Tax Identification No. 301-106-775
BIR Accreditation No. 08-001998-130-2018,
February 9, 2018, valid until February 8, 2021
PTR No. 7332516, January 3, 2019, Makati City

April 3, 2019

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

DECEMBER 31, 2018

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

The Group does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as of December 31, 2018.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

The Group does not have Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties) above ₱100,000 as of December 31, 2018.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2018:

	Volume of Transactions		Receivable	Terms
Robinsons Properties Marketing and Management Corporation (RPMMC)	Share in expenses	(₱155,101,986)	₱58,009,893	Non-interest bearing and to be settled within one year
Altus Angeles, Inc. (AAI)	Advances	(27,939,740)	27,643,498	Non-interest bearing and to be settled within one year
Altus San Nicolas Corp (ASNC)	Advances	(22,599,101)	1,191,157	Non-interest bearing and to be settled within one year
Purchase of investment property			283,020,984	Non-interest bearing and to be settled within one year
Lingkod Pinoy Bus Liner, Inc. (LPBL)	Sale of Lingkod Pinoy	(49,727,238)	-	Non-interest bearing and to be settled within one year
GoHotels Davao, Inc. (GHDI)	Share in expenses	1,689,427	2,157,286	Non-interest bearing and to be settled within one year
Robinsons Realty and Management Corporation (RRMC)	Share in Expenses	17,782	623,964	Non-interest bearing and to be settled within one year
Bonifacio Property Ventures, Inc. (BPVI)	Advances	2,021,260	2,021,260	Non-interest bearing and to be settled within one year
RLC Resources Limited (RLCRL)	Advances	(1,126,732)	-	Non-interest bearing and to be settled within one year
		(₱252,766,328)	₱374,668,042	

	Balance at beginning of period	Additions	Collections	Balance at end of period
RPMMC	₱213,111,879	₱-	(₱155,101,986)	₱58,009,893
AAI	55,583,238	–	(27,939,740)	27,643,498
ASNC	333,680,668	–	(49,468,527)	284,212,141
LPBL	49,727,238	–	(49,727,238)	–
GHDI	467,859	–	(467,859)	–
RRMC	606,182	1,551,104	–	2,157,286
BPVI	–	2,021,260	–	2,021,260
RLCRL	1,126,732	–	(502,768)	623,964
	₱654,303,796	₱ 3,572,364	(₱283,208,118)	₱374,668,042

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses, marketing fees and advances for cost of equipment. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

Related Party Transactions

Due from related parties

Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of December 31, 2018:

	Nature	Balance at end of period
Under common control of Ultimate Parent Company		
Robinsons Recreation Corporation	B	₱11,334,271
Universal Robina Corporation	A	1,543,831
JG Summit Capital Markets Corporation	A	1,520,227
Robinsons Savings Bank	A	–
Express Holdings, Inc.	A	973,513
Oriental Petroleum & Mining Corp.	A	754,095
Robinsons Pharmacies, Inc.	A	586,618
Others	A, B	922,969
Joint ventures in which the Parent Company is a venturer		
Shang Robinsons Properties, Inc.	C	4,090,554,875
RHK Land Corporation	D	190,000,000
		₱4,298,190,399

Other receivables from affiliates account consist primarily of receivables from Robinsons Handyman, Inc., Cebu Pacific and other affiliates.

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements.
(c) Sale of land – this pertains to the receivable from the sale of land to the joint venture.
(d) Shareholders' loan – this pertains to the loan extended to the joint venture in accordance with the joint venture agreement.

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2018.

Schedule D. Intangible Assets
The Group does not have intangible assets as of December 31, 2018.

Schedule E. Long-term debt
Below is the schedule of long-term debt of the Group as of December 31, 2018:

	Amount	Current	Noncurrent
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	₱10,635,500,000	₱–	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears.	7,000,000,000	–	7,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	6,500,000,000	–	6,500,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in annual installment amounting to ₱10 million for six years and the balance upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	4,980,000,000	–	4,980,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable in annual installment amounting to ₱5 million for nine years and the balance upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	4,495,000,000	–	4,495,000,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	1,364,500,000	–	1,364,500,000
Five-year loan maturing in August 2022. Principal of RMB216 million as of December 31, 2018 and RMB60 million as of December 31, 2017, payable upon maturity, with fixed rate at 4.7500%.	1,651,127,328	–	1,651,127,328
	₱36,626,127,328	₱–	₱36,626,127,328

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)
Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of December 31, 2018:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Westpoint Industrial Mills	Under common control of the Ultimate Parent Company	A	₱22,753,985	₱22,753,985
JG Summit Holdings, Inc.	Ultimate Parent Company	A, C	4,998,331,125	201,313,407
Others	Under common control of the Ultimate Parent Company	A, B	7,434,103	7,733,386
			₱5,028,519,213	₱231,800,778

Others consist of payables to Robinsons Department Store, Robinsons Supermarket and Robinsons Savings Bank, among others

Due to JG Summit Holdings, Inc. mainly due to share in IT and corporate expenses.

Nature of intercompany transactions
The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements
(c) Management and marketing fee

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2018.

Schedule G. Guarantees of Securities of Other Issuers
The Group does not have guarantees of securities of other issuers as of December 31, 2018.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	8,200,000,000	5,193,830,685	–	3,166,806,886	16,739,176	2,010,284,623

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
RECONCILIATION OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2018

Unappropriated Retained Earnings, beginning, as previously reported		**₱16,964,627,458**
Effect of the adoption of PFRS 15		84,325,424
Unappropriated Retained Earnings, beginning, as restated		**17,048,952,882**
Adjustments:		
Other unrealized expense as a result of transactions accounted for under PFRS:		
	Straight line adjustment for rental expense (PAS 17)	1,539,350,222
	Discounting effect on installment contract receivable (PAS 39)	871,068,298
	Straight line adjustment rental income (PAS 17)	(883,254,992)
	Discounting effect on security deposits (PAS 39)	(769,336)
Unappropriated Retained Earnings as adjusted, beginning		18,575,347,074
Net income actually earned/realized during the year		
Net income during the year closed to Retained Earnings		9,218,999,087
Less:	Non-actual/unrealized income, net of tax	
	Equity in net income of associate/joint venture	
	Unrealized foreign exchange gain - net	
	Unrealized actuarial gain	
	Fair value adjustment (M2M gains)	
	Fair value adjustment of Investment Property resulting to gain	
	Adjustment due to deviation from PFRS/GAAP - gain	
	Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	
	Straight line adjustment for rental expense (PAS 17)	109,995,606
	Discounting effect on installment contract receivable (PAS 39)	215,595,947
	Straight line adjustment rental income (PAS 17)	(368,550,619)
	Discounting effect on security deposits (PAS 39)	(13,088,378)
Add:	Non-actual losses	
	Movements in deferred tax assets	
	Depreciation on revaluation increment (after tax)	
	Adjustment due to deviation from PFRS/GAAP - loss	
	Loss on fair value adjustment of investment property (after tax)	
		9,162,951,643
Less:	Cash dividend declaration during the year	(1,869,779,047)
	Reversal of appropriation	24,500,000,000
	Additional appropriation during the year	(27,000,000,000)
Total Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2018		**₱23,368,519,670**

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2, Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4, Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts		✓	
PFRS 15	Revenue from Contracts with Customers	✓		
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 12	Income Taxes	✓		
PAS 16	Property, Plant and Equipment	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
PAS 17	Leases	✓		
PAS 19	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
PAS 23	Borrowing Costs	✓		
PAS 24	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27	Separate Financial Statements	✓		
PAS 28	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property	✓		
	Amendments to PAS 40, Transfers of Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
Philippine Interpretation IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of December 31, 2018**		**Adopted**	**Not Adopted**	**Not Applicable**
Philippine Interpretation IFRIC-2	Members’ Shares in Co-operative Entities and Similar Instruments			✓
Philippine Interpretation IFRIC-4	Determining whether an Arrangement contains a Lease	✓		
Philippine Interpretation IFRIC-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
Philippine Interpretation IFRIC-6	Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment			✓
Philippine Interpretation IFRIC-7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
Philippine Interpretation IFRIC-10	Interim Financial Reporting and Impairment	✓		
Philippine Interpretation IFRIC-12	Service Concession Arrangements			✓
Philippine Interpretation IFRIC-14	PAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
Philippine Interpretation IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✓
Philippine Interpretation IFRIC-17	Distributions of Non-cash Assets to Owners			✓
Philippine Interpretation IFRIC-19	Extinguishing Financial Liabilities with Equity Instruments			✓
Philippine Interpretation IFRIC-20	Stripping Costs in the Production Phase of a Surface Mine			✓
Philippine Interpretation IFRIC-21	Levies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Interpretation IFRIC-22	Foreign Currency Transactions and Advance Consideration	✓		
Philippine Interpretation SIC-7	Introduction of the Euro			✓
Philippine Interpretation SIC-10	Government Assistance—No Specific Relation to Operating Activities			✓
Philippine Interpretation SIC-15	Operating Leases—Incentives	✓		
Philippine Interpretation SIC-25	Income Taxes—Changes in the Tax Status of an Entity or its Shareholders			✓
Philippine Interpretation SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
Philippine Interpretation SIC-29	Service Concession Arrangements: Disclosures			✓
Philippine Interpretation SIC-32	Intangible Assets—Web Site Costs			✓

Financial Soundness Indicator

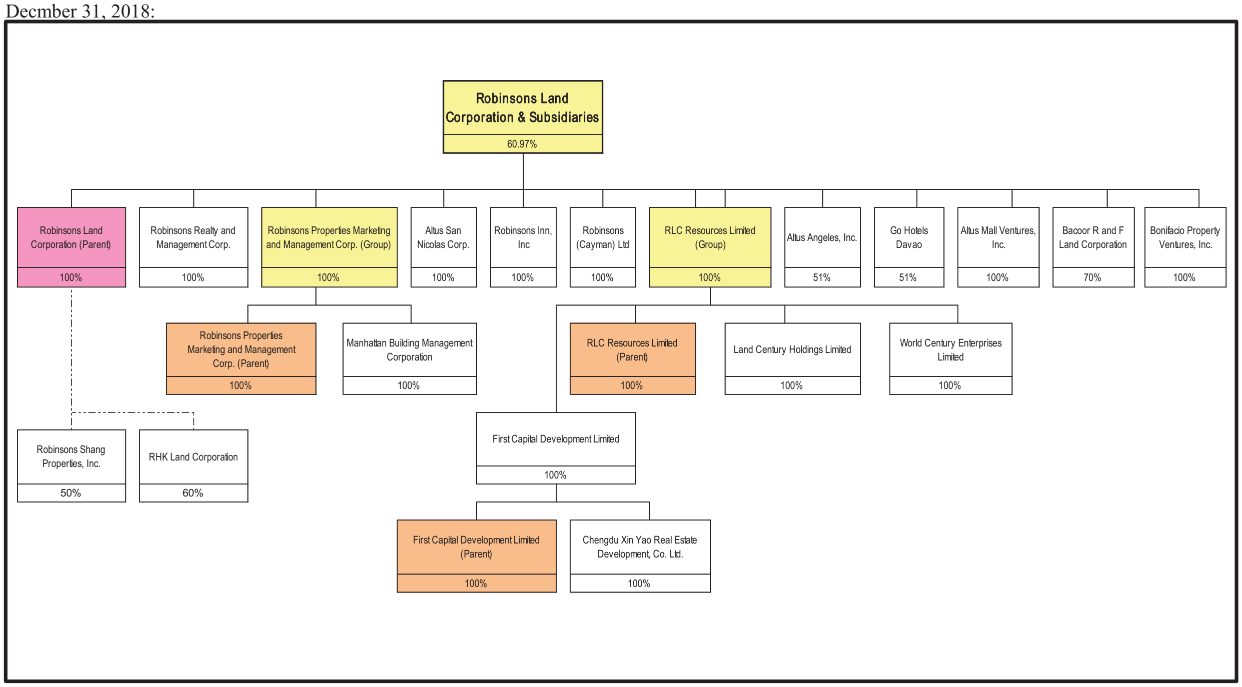
Below are the financial ratios that are relevant to the Group for the year ended December 31, 2018 and 2017:

Financial ratios		2018	2017
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	18.00	16.39
Current ratio	Total Current Assets / Total Current Liabilities	1.65	1.20
Debt to equity ratio	Total Loans Payable / Total Equity	0.40	0.76
Asset to equity ratio	Total Assets / Total Equity	1.85	2.20

		December 31,		
Financial ratios		2018 (One Year)	2017 (One Year)	2016 (Three Months)
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	1.62	1.44	0.31
Interest coverage ratio	EBIT / Interest expense	6.71	4.72	5.41
Operating margin ratio	Operating income (EBIT) / Revenue	0.40	0.38	0.35

Map of the Relationships of the Company within the Group

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of Decmber 31, 2018:



INDEX TO EXHIBITS

Form 17-A

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* These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has nine subsidiaries as of December 31, 2018:

SUBSIDIARY	BUSINESS	% OWNERSHIP DIRECT	% OWNERSHIP EFFECTIVE	COUNTRY OF INC. OR RESIDENCE
Robinson's Inn, Inc. [1]	Apartelle Operation	100	-	Philippines
Robinsons Realty and Management Corporation	Property development	100	-	Philippines
Robinsons (Cayman) Limited	Property development	100	-	Cayman Islands
. Robinsons Properties Marketing and Management Corporation	Marketing of office and residential units	100	-	Philippines
Altus Angeles, Inc.	Property management	51	-	Philippines
Altus Mall Ventures, Inc.	Property management	100	-	Philippines
Altus San Nicolas Corp.	Property management	100	-	Philippines
GoHotels Davao, Inc.	Hotel Operation	51	-	Philippines
RLC Resources Ltd.	Property management	100	-	British Virgin Islands
Bonfacio Property Ventures, Inc.	Property management	100	-	Philippines
Bacoor R and F Land Corporation	Property management	70	-	Philippines

[1] Closed operations effective August 31, 2007

C O V E R S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9	3	2	6	9	-	A				

C O M P A N Y N A M E

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

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

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

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

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	397-1888	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,066	Second Week of June	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Kerwin Max S. Tan	Kerwin@robinsonsland.ph	397-1888	N/A

CONTACT PERSON's ADDRESS

14 Floor Robinsons Cyberscape Alpha cor. Sapphire & Garnet Road Ortigas Center, Pasig City

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

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

SEC Number 93269-A
File Number ______________

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

(Company's Full Name)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

(Company's Address)

3971-888

(Telephone Number)

DECEMBER 31

(Calendar Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

Amendment Designation (if applicable)

December 31, 2017

Period Ended Date

CN 000452-R-Listed

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended : **December 31, 2017**

2. SEC Identification Number : **93269-A**

3. BIR Tax Identification No. **000-361-376-000**

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

5. **Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila**
   Address of principal office Postal Code

8. **3971-888**
   Issuer's telephone number, including area code

9. **N.A** ………………...
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	4,093,830,685 shares
Registered bonds payable	₱ 12,000,000,000.00

11. Are any or all of these securities listed on a Stock Exchange.

    Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱34,005,860,466.90**

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines and has six wholly-owned consolidated subsidiaries and two 51%-owned companies.

The Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The Group has 2,130 and 2,069 employees as of December 31, 2017 and September 30, 2016, respectively.

RLC is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls and hotels, and the development of mixed-use properties, office and residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an "investment" component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings and hotels) and a "development" component, in which RLC develops residential real estate projects for sale (principally residential condominiums, upper-middle to high-end residential developments and low-and-middle-cost lots and houses in its subdivision developments).

RLC's operations are divided into its five business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of December 31, 2017, RLC operated 47 shopping malls, comprising nine (9) malls in Metro Manila and thirty eight (38) malls in other urban areas throughout the Philippines, and had another eight (8) new malls and four (4) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of December 31, 2017, RLC's Residential Division had completed 84 residential condominium buildings/towers/housing projects, 23 ongoing, of which two (2) projects are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of December 31, 2017, this division has completed seventeen (17) office developments, located in Quezon City, Ortigas Central Business District in Pasig City, Mandaluyong City, Makati Central Business District in Makati City, Fort Bonifacio in Taguig City, Cebu City, San Nicolas, Ilocos Norte, Tarlac City, Naga City and Davao City. These office projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels Division has a diverse portfolio covering three brand segments: upscale international deluxe hotels, mid-market boutique city and resort hotels, and essential service value hotels. In the international deluxe category, Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria, both managed by the Intercontinental Hotels Group, are key players in the hotel market in the Ortigas business district in Pasig City, Metro Manila. The Company's mid-market Summit Hotels and Resorts brand operates Summit Ridge Tagaytay, Summit Circle Cebu, Summit Hotel Magnolia and the recently-opened Summit Galleria Cebu. The third brand segment is the popular Go Hotels that is present in 15 key cities across the Philippines.

- The Infrastucture and Integrated Developments Division focuses on mixed-used developments and masterplanned communities. These developments incorporate different property formats such as residences, work places, commercial centers, and other institutional developments into a single setting. Another major role of this division is to seek business opportunities brought about by Public-Private Partnerships. As of December 31, 2017, this division has completed the masterplanning of two (2) integrated developments located in the cities of Pasig and Quezon and in the municpalities of Taytay and Cainta.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.3 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of calendar year 2017.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the Offer to finance the acquisition of land located in various parts of the country for all its business segments.

The Company has obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the offer was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date – January 24, 2018
- Ex-date – January 26, 2018
- Record date – January 31, 2018
- Offer period – February 2 to 8, 2018
- Listing date – February 15, 2018

The Company has successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

b) Business

RLC has five business divisions – Commercial Centers, Residential, Office Buildings, Hotels, and Infrastructure and Integrated Developments.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱10.79 billion or 48% of RLC's revenues and ₱7.04 billion or 56% of RLC's EBITDA in calendar year 2017 and ₱10.14 billion or 44% of RLC's revenues and ₱6.80 billion or 56% of RLC's EBITDA in calendar year 2016. As of December 31, 2017, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱79.21 billion.

During calendar year 2017, the Commercial Centers Division opened three (3) new malls and expanded two (2) malls, increasing its gross floor area by 8.6%. It currently operates 47 shopping malls, comprising nine (9) malls in Metro Manila and thirty eight (38) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 2.628 million square meters.

As of December 31, 2017, RLC had a portfolio of 47 shopping malls:

Name,	Location	Calendar Year opened	Approximate gross floor area
			(in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1990	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1997	241
Robinsons Novaliches	Quirino Highway, Novaliches, Quezon City	2001	66
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2001	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2004	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2007	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2013	17
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2014	59
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	54
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1998	65
Robinsons Fuente Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2001	79
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2002	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96

Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2002	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2003	59
Robinsons Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2004	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2008	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2008	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	62
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete	Calindagan Business Park, Dumaguete City	2009	38
Robinsons Ilocos Norte	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2009	65
Robinsons Cybergate Cebu	Don Gil Garcia St., Capitol, Cebu City	2009	20
Robinsons Place Pangasinan	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2013	59
Robinsons Place Malolos	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2013	68
Robinsons Place Roxas	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Robinsons Place Antique	Brgy. Maybato, San Jose, Antique	2015	28
Robinsons Galleria Cebu	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2015	139
Robinsons Place Tagum	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Robinsons Place Iligan	Macapagal Ave., Brgy. Tubod, Iligan City, Lanao del Norte	2017	54
Robinsons Place Naga	Roxas Ave., cor. Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur	2017	62
Robinsons North Tacloban	Brgy. Abucay, Tacloban City, Leyte	2017	57
Total			2,628

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be the driver for the Company's growth in the future.

As of calendar year 2017, the Company had eight (8) new shopping malls and four (4) expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,337 million and ₱609 million for the year ended December 31, 2017 and for the three months ended December 31, 2016, respectively.

ii. Residential Division

The Residential Division focuses on the construction of residential condominium and subdivision projects. The Division accounted for ₱6.57 billion or 29% of RLC's revenues and ₱1.78 billion or 15% of RLC's EBITDA in calendar year 2017, and ₱7.86 billion or 34% of RLC's revenues and ₱1.86 billion or 15% of RLC's EBITDA in calendar year 2016. As of December 31, 2017, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱45.05 billion.

Percentage of realized revenues from foreign sales to total revenues for calendar year 2017 and fiscal years 2016 and 2015 are 0.75%, 0.24% and 0.59%, respectively while percentage of realized revenues from foreign sales to net income for calendar year 2017 and fiscal years 2016 and 2015 are 2.86%, 0.88% and 2.04%, respectively.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are nine (9) residential condominium buildings/towers under the Luxuria portfolio, of which eight (8) have been completed and one (1) project is under construction.

Key details of the Company's Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
The Residences at The Westin Manila Sonata Place (1)	50	344
Completed Projects		
Galleria Regency (1) (2)	13	108
AmiSa Private Residences Tower A (1)	14	131
AmiSa Private Residences Tower B (1)	18	155
AmiSa Private Residences Tower C (1)	18	189
Signa Designer Residences Tower 1....................................	29	306
Signa Designer Residences Tower 2....................................	28	351
Sonata Private Residences – Building 1 (1)	29	270
Sonata Private Residences – Building 2 (1)	30	269

The Robinsons Luxuria projects are detailed as follows:

1. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

2. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of 6 mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

3. ***Sonata Private Residences – Buildings 1 and 2*** are part of a mixed-use Sonata Place community in Ortigas Center that has been masterplanned to consist of three residential condominiums, and one hotel. RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project in 2016.

4. ***The Residences at The Westin Manila Sonata Place (legal name Sonata Premier)*** is the first Westin-branded Residences in Southeast Asia and the final residential tower in the Sonata Place mixed-use community.

5. ***Signa Designer Residences Towers 1 and 2*** is a joint venture project between Robinsons Land Corporation and Security Land Corporation in Makati CBD. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Residential Condominium in the Philippines.

The Company's Business Plan for its Luxuria Brand is to continue to acquire and launch properties in key central and strategic locations within Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive

[1] Part of a mixed-used development
[2] Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel

features and amenities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the Luxuria segment as of December 31, 2017:

Location	Acquisition Date	Approximate gross land area [1]
		(in hectares)
Fort Bonifacio, Taguig City	March 2007	0.9
Lapu-Lapu City	May 2007	1.4
Total		2.3

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, efficiently designed living spaces, stress-busting amenities and lifestyle perks and privileges.

As of December 31, 2017, Robinsons Residences segment had a portfolio of twenty nine (29) residential condominium buildings/towers, of which twenty five (25) had been completed and four (4) are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 (1)..	21	270
Galleria Residences Cebu Tower 2 (1)..	22	352
The Trion Towers – Building 3 ………………………..………..	50	636
The Radiance Manila Bay North Tower ………………………	36	538
Completed Projects		
Robinsons Place Residences 1 (1)	38	388
Robinsons Place Residences 2 (1)	38	388
One Gateway Place (1)	28	413
Gateway Garden Heights (1)	32	549
One Adriatico Place (1)	38	572
Two Adriatico Place (1)	38	546
Three Adriatico Place (1)...	38	537
Fifth Avenue Place	38	611
Otis 888 Residences (1)	3	195

[1] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Storeys	Number of Units
Current projects		
McKinley Park Residences	44	391
East of Galleria	44	693
The Fort Residences	31	242
Vimana Verde Residences Tower A	6	20
Vimana Verde Residences Tower B	6	20
Vimana Verde Residences Tower C	7	45
Azalea Place Cebu	25	408
The Trion Towers - Building 1	49	694
The Trion Towers - Building 2	50	725
Gateway Regency (1)	31	463
The Magnolia Residences Tower A (1)	36	378
The Magnolia Residences Tower B (1)	38	419
The Magnolia Residences Tower C (1)	38	433
The Sapphire Bloc North Tower	38	412
The Sapphire Bloc West Tower	38	416
Woodsville Residences	2	185

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, the Robinsons Forum mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go Hotels Mandaluyong.

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of a mixed-use development in Paco, Manila, which includes Robinsons Otis mall and Go Hotels Otis.

4. ***The Magnolia Residences Towers A, B and C*** are part of a mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines.

5. ***Fifth Avenue Place*** is a 38-storey development in Bonifacio Global City. Composed of 611 units, it is the first completed project of RLC in the area.

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[1] *Part of a mixed-use development*

6. ***McKinley Park Residences*** is a 44-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units—flat and loft type.

8. ***The Trion Towers 1, 2 and 3*** compose the three-tower development in Bonifacio Global City. In 2015, RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project.

9. ***East of Galleria*** is a one tower development located along Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mall.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex. This project was recognized in the 2015 Philippine Property Awards and 2016 Asia Pacific Awards, as the Best Mid-Range Condo Development and Best Residential High-Rise Development in the country, respectively. The project was recognized as the Best Residential Interior Design during 2017 Philippine Property Awards and 2017 Asian Property Award (Philippines).

12. ***Vimana Verde Residences Buildings A, B and C*** is a three mid-rise building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City.

14. ***The Radiance Manila Bay North*** is part of a two-tower development that features a lifestyle retail wing. It is located along Roxas Boulevard in Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Towers 1 and 2*** are part of a three-tower residential component of the Robinsons Galleria Cebu Complex which will consist of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City.

The Company's Business Plan for its Robinsons Residences is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of December 31, 2017:

Location	Acquisition Date	Approximate land area
		(in hectares)
Maxilom Avenue, Cebu City	September 2008	0.2
Merville, Paranaque City	March 2006	3.3
Ortigas Center, Pasig City………………………..	November 2011	0.3
Total		3.8

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically located near major gateways, highly developed cities and central business districts to provide easy access to schools, work places and vital institutions.

As of December 31, 2017, Robinsons Communities had completed twenty six (26) residential condominium buildings/towers and two (2) subdivision projects. It has three (3) on-going projects in different stages that are scheduled for completion over the next five years.

Robinsons Communities is currently focusing on the development of both Mid-rise and High-rise residential condominium projects that primarily offer compact units with an average price levels below ₱3.0 million. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	NUMBER OF RESIDENTIAL FLOORS	NUMBER OF RESIDENTIAL UNITS
Current Projects		
Axis Residences - Building B ……………..	37	792
Acacia Escalades - Building B ……………	13	414
Chimes Greenhills....................................	24	378
Completed Projects		
Acacia Escalades - Building A ……………	11	383
Axis Residences - Tower A ……………….	37	913
Escalades East Tower …………………….	11	269
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	33	653
The Pearl Place - Tower B	34	640
Wellington Courtyard - Bldg A	5	34
Wellington Courtyard - Bldg B	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E	5	38
Gateway Garden Ridge...........................	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches		461
Centennial Place		50

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is a mixed-use development located in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

2. ***Escalades at 20th Avenue Towers 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (10) residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, this is another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. These project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs), with 192 units.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is a residential development located in Sucat, Muntinlupa. Comprising initially of tow (2) out of six (6) mid-rise residential buildings, it boasts of generous open spaces allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families, inventors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6th floor (Towers A and B) and 40th floor (Tower A), and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two mid-rise buildings with commercial component.

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan.

10. ***Escalades East Tower*** is a 14-storey residential development located along 20th Ave., Cubao, QC and is part of the Escalades-Cubao complex.

11. ***Bloomfields Novaliches*** is a horizontal residential development situated behind the Robinsons Place Novaliches mall.

12. ***Centennial Place*** - This is a half-hectare townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) townhouses, with lots ranging from 65 to 70 square meters.

The Company's Business Plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. It plans to acquire additional properties through purchase or joint venture.

The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of December 31, 2017:

Location	**Acquisition Date**	**Approximate land area**
		(in hectares)
Cubao, Quezon City [2]	2004	0.3
Sucat, Muntinlupa [1]...	2002	1.4
Las Pinas City [1]	2011	1.5
Total		3.2

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of RLC. It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of December 31, 2017, Robinsons Homes has thirty eight (38) projects in its portfolio. Thirteen (13) of these projects are on-going construction, two of which are awating for the receipt of License to Sell (LS) to launch. Among the thirty eight (38) projects, twenty five (25) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of calendar year 2017 are set forth in the table below:

[1] *This property is part of a mixed-use development of RLC, and represents the unused residential portion only.*

Name	Location	Started [1]	Approximate Gross Land Area [2]	Number of Lots/Units
			(in hectares)	
Robinsons Homes East..................	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard.......................	Cavite	May 1996	71.8	2,899
South Square Village	Cavite	August 1998	26.7	3,896
San Lorenzo Homes	Antipolo City	September 1999	2.8	372
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place............................	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´......	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates...........................	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes	Pampanga	November 2005	14.5	654
Rosewood Parkhomes	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights...............................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences..................	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra..................................	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag............................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos……….	General Santos City	May 2014	33.0	755
Brighton Bacolod…………………….	Negros Island	February 2016	22.4	735
Brighton Puerto Princesa…………..	Palawan	August 2016	13.1	377
Springdale at Pueblo Angono……	Angono, Rizal	November 2016	3.8	197
Brighton at Pueblo Angono……….	Angono, Rizal	August 2017	4.6	140
Terrazo at Robinsons Vineyard…	Cavite	-	13.4	477
Monte Del Sol………………………	Misamis Oriental	-	3.3	256

[1] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[2] *"Gross Land Area" means the total area of land acquired by the Company*

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East*.** A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring fourteen (14) shop house units at 190sqm/unit and eight commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard*.** A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village*.** This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot. The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes*.** This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.

5. ***Robinsons Highlands*.** This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.

6. ***Grosvenor Place*.** This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.

7. ***Robinsons Hillsborough Pointé*.** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four phases, which have been fully completed. The lots have an average size of 150 square meters.

8. ***Forest Parkhomes*.** An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC's first

housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.

9. ***San Jose Estates*.** This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.

10. ***Robinsons Residenza Milano*.** Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes' first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.

11. ***Fernwood Parkhomes*.** This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282 lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is aA 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 365-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 79 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview.*** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with

predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates*.** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades*.** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra*.** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of 180 square meters.

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

35. ***Brighton Puerto Princesa.*** This mediterranean-themed subdivision offers 377 residential lots in a 13.1-hectare development catered to locals and tourists. Average lot area is 180 square meters which is complemented by amenities such as clubhouse, multi-purpose court and swimming pool.

36. ***Springdale at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 3.8 hectares of land. This subdivision offers 197 units with a predominant area of 100 square meters.

37. ***Brighton at Pueblo Angono.*** An Asian-Tropical themed subdivision of 140 residential lots ideal for clients with a growing family. This development has a predominant lot cut of 180 square meters and is completed by amenities fit for families looking for a brighter future ahead.

38. ***Terrazo at Robinsons Vineyard.*** This 13.4-hectare contemporary-themed expansion of Robinsons Vineyard offers 477 residential lots catered to middle-class families who want to reside in Dasmariñas, Cavite.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of December 31, 2017, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Terrazo at Robinsons Vineyard and Monte Del Sol.

The Company's Business Plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of December 31, 2017, it was in various stages of negotiations for the acquisition of approximately 85 hectares of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱3.27 billion or 15% of RLC's revenues and ₱2.93 billion or 23% of RLC's EBITDA in calendar year 2017, and ₱3.00 billion or 13% of RLC's revenues and ₱2.71 billion or 23% of RLC's EBITDA in calendar year 2016. As of December 31, 2017, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱17.91 billion.

RLC engages outside architects and engineers for the design of its office buildings developments. Due to the sustained growth from the IT Business Process Management (IT-BPM) sector and increasing office space demands from other multinational and logistic companies, the Company has secured a number of major customers as long-term tenants in its office building space and has continuously improved its building developments including its building features, office layouts and amenities. The Company is one of the leading providers of office spaces in the Philippines.

As of December 31, 2017, the Office Buildings Division has completed seventeen (17) office developments with the completion of Cyber Sigma in Fort Bonifacio, Taguig City, Cybergate Delta in Davao City, Cybergate Naga in Naga City and Robinsons Luisita office in Tarlac City thereby increasing its leasable spaces by 22% In the next two years, the Company is targeting to complete six (6) office buildings located in key cities across the country. The Company's completed office building projects are described below.

Name, Location		Size & Designation
Galleria Corporate Center	Along EDSA corner Ortigas Avenue, Quezon City	30-storey
Robinsons-Equitable Tower......................	Corner of ADB and Poveda Streets, Pasig City	45-storey
Robinsons Summit Center.........................	Ayala Avenue, Makati City	37-storey
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18-storey
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12-storey
Robinsons Cybergate Cebu.....................	Fuente Osmena, Bo. Capitol, Cebu City	3-storey
Cyberscape Alpha....................................	Sapphire and Garnet Roads, Pasig City	26-storey
Cyberscape Beta......................................	Ruby and Topaz Roads, Pasig City	37-storey
Tera Tower...	Bridgetowne, C5 Road, Quezon City	20-storey
Robinsons Galleria Cebu Office...............	Gen. Maxilom Avenue, Cebu City	4-storey
Robinsons Place Ilocos Office.................	San Nicolas, Ilocos Norte	4-storey
Cyber Sigma..	Fort Bonifacio, Taguig City	21-storey
Robinsons Luisita Office.......................	Luisita, Tarlac City	3-storey
Cybergate Delta.................................	JP. Laurel Ave., Davao City	5-storey
Cybergate Naga.................................	Roxas Ave., Naga City	4-storey

The Company's completed office buildings are described as follows:

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an approximate net floor area (comprising only leasable space) of 25,000 square meters. As of December 31, 2017, approximately 85% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 100% occupancy rate.

2. ***Robinsons-Equitable Tower.*** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of December 31, 2017, RLC had sold approximately 70% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 100% occupancy rate as of December 31, 2017.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 100% occupancy rate as of December 31, 2017.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of December 31, 2017.

5. ***Robinsons Cybergate Center Tower 2*.** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of December 31, 2017.

6. ***Robinsons Cybergate Center Tower 3*.** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.6% occupancy rate as of December 31, 2017.

7. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 99.4% occupancy rate as of December 31, 2017.

8. ***Robinsons Cybergate Cebu*.** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of December 31, 2017, the office floors had an occupancy rate of 100%.

9. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 100% occupancy rate as of December 31, 2017.

10. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the

Ground and Mezzanine levels. The office floors are located from the 9th to the 37th levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 100% occupancy rate as of December 31, 2017.

11. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6th to 20th floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 100% occupancy rate as of December 31, 2017.

12. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had a 70.7% occupancy rate as of December 31, 2017.

13. ***Robinsons Place Ilocos Office.*** This office development is integrated with the mall expansion. The office development has a gross leasable area of 7,500 square meters and it is 100% owned by RLC.

14. ***Cyber Sigma.*** This is a 21-storey office development located in Fort Bonifacio, Taguig City. The office project has access to both Lawton Avenue and Le Grand in Mckinley West. It has a leasable area of approximately 50,000 sqm and was completed last December 2017. It had an occupany rate of 36.6% as of December 31, 2017.

15. ***Robinsons Luisita Office.*** This build to suit development consists of a 3-storey of dedicated office space to a BPO client. The space was commited ahead and was custom built based on the requirement of our client. It has a leasable area of 5,700 sqm and was completed last October 31, 2017. As of December 31, 2017, it had a 100% occupancy rate.

16. ***Cybergate Delta.*** This is a 5-storey office project located within the PEZA registered IT Park, Robinsons Cyberpark located in JP. Laurel Avenue in Davao City. The development sits on more than a hectare property and has it's own commercial spaces at the ground floor to support its office tenants' food and dining requirements. It has a leasable area of approximately 11,900 sqm and was completed last December 2017. As of the same period, it had an occupancy rate of 28%.

17. ***Cybergate Naga.*** This office development is located within the Robinsons Place Naga complex in Roxas Ave, Naga City. It is a 4-storey office development with a leasable area of approximately 5,700 sqm. This was completed in December 31, 2017 and during the same period it had a 54.9% occupancy rate.

iv. Hotels Division

RLC's hotels division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. For this calendar year 2017, RLC opened Summit Galleria Cebu right next to the stunning Robinsons Galleria Cebu mall complex. As the flagship hotel, Summit Galleria Cebu offers all the hallmarks of the Summit Hotels and Resorts brand of RLC with its 220-room modern structure exquisitely designed by renowned architects and interior designers and inspired by Cebu's history, culture and people. RLC's hotels division currently has a portfolio of sixteen (16) hotel properties. As of December 31, 2017, the Company's Hotels Division had assets, valued on a historical cost less depreciation basis, of ₱5.95 billion.

The hotels division accounted for ₱1.89 billion or 8% of RLC's revenues and ₱0.72 billion or 6% of RLC's EBITDA in calendar year 2017, and ₱1.81 billion or 8% of RLC's revenues and ₱0.67 billion or 6% of RLC's EBITDA in calendar year 2016.

Although the hotels division is an important part of RLC's business, the Company considers its primary value to be as a complement to its other developments. Over the next years, we will see more Go Hotels and Summit Hotels in major cities of the country.

Serving over 2.0 million guests to date, Go Hotels has steadily increased its presence in the Philippines with ten (10) operational branches, offering a total of more than 1,400 rooms, in strategic cities across the country. Its thrust is to build in locations with high market demand. To support expansion of the brand, Go Hotels has also opened its business to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of December 31, 2017:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF ROOMS
Crowne Plaza Manila Galleria ….	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria…………….………….....	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel) ……………	Fuente Osmena, Bo. Capitol, Cebu City	Standard	211
Summit Ridge Tagaytay …….....	Aguinaldo Highway, Tagaytay City	De Luxe	108
Summit Hotel Magnolia…………	Dona Hemady cor. Aurora Boulevard, Quezon City	-	82
Summit Galleria Cebu……………	Benedicto St. Cor. Gen. Maxilom Ave. Ext., Cebu City	-	220
Go Hotel …………………………..	EDSA, Mandaluyong City	Economy	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	Economy	108

Go Hotel …………………………..	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel …………………………..	Tacloban City, Leyte	Tourist Inn	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	Economy	108
Go Hotel …………………………..	Paco, Manila	Economy	118
Go Hotel …………………………..	Iloilo City	Economy	167
Go Hotel …………………………..	Ortigas Center, Pasig City	Economy	198
Go Hotel…………………………....	Butuan City	Economy	104
Go Hotel…………………………....	Lanang, Davao City	Economy	183
Total			2,578

As of December 31, 2017, the Company's Hotels Division has an average occupancy rate of 66%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has an initial term of ten years. On June 2015, the contract was extended for another 3 years and is extendible further upon mutual agreement between RLC and InterContinental. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It must also carry out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay, Summit Hotel Magnolia, Summit Galleria Cebu and the ten (10) Go Hotels directly.

In calendar year 2017, Go Hotels opened in Ermita-Manila, Timog-Quezon City, Cubao-Quezon City and North Edsa-Quezon City, completing the five (5) franchised hotels under its franchise partner, Roxaco Vanguard Hotels Corporation (RVHC) and bringing the total number of properties to fifteen (15) with 2,372 rooms. Go Hotels is present in Mandaluyong-Manila, Puerto Princesa, Dumaguete, Tacloban, Bacolod, Otis-Manila, Iloilo, Ortigas Center-Manila, Butuan, Lanang-Davao, and Manila Airport Road.

In the coming years, construction of 6 additional hotels is ongoing with Go Hotels in Iligan, Tuguegarao and Naga, and Summit Hotels and Resorts in Tacloban, Greenhills-Manila and Naga.

For its international branded hotels, the development of the 2.8 hectares, 271-room Dusit Thani Mactan Cebu Resort in Punta Engano, Mactan island and The Westin Manila Sonata Place Hotel in Ortigas Center, Pasig City is in full swing.

v. Infrastructure and Integrated Developments

IID is focused on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, and development of warehouse and logistics facilities. Pilot projects under IID are the development of Sierra Valley, the 18-hectare property in Cainta, Rizal, as well as the eight-hectare Bridgetowne Complex near Ortigas Center and the warehousing facility in Muntinlupa. In 2018, the Company aims to commence the land development in Sierra Valley and to complete the construction of the warehouse facility in Muntinlupa.

c) Significant Subsidiaries

As of December 31, 2017, RLC has six wholly-owned subsidiaries, one 80%-owned subsidiary and two 51%-owned subsidiaries, all of which are consolidated with the Company's financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RCL, RPMMC, AAI, ASN, GHDI, RLCRL and LPBLI.

Key details of each of RLC's subsidiary companies are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by RLC. RII's principal business is to engage in the development and operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. The company acts as a real estate agent on the international market, among others, for the Residential Division.

4. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's residential division. RPMMC manages the marketing of the portfolio of residential and office units that are available for sale through the residential division's Robinsons Communities, Robinsons Residences, and Luxuria Brands. RPMMC's primary purpose is to acquire, own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on March 28, 2007, has a registered share capital of 40,000,000 and is 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. ASNC's principal business is to establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations, without engaging in retail business.

7. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture within the Company's Hotels Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage

hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations.

8. ***RLC Resources, Ltd.*** RLC Resources, Ltd. (RLCRL) was incorporated on September 10, 2001 in the British Virgin Islands as an International Business Company, has an initial registered share capital of 50,000, which was increased to 500,000 in fiscal year 2016 and is 100%-owned by the Parent Company. RLC Resources, Ltd.'s principal business is to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into arrangements with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organize, manage, supervise and control any corporation, company, fund, trust, business or institution; to purchase or otherwise acquire and hold, in any manner and upon any terms, and to underwrite, invest and deal in shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities and enter into any interest rate exchange contracts, forward contracts, futures contracts and enforce all rights and powers incidental to the Company's interest therein.

9. ***Lingkod Pinoy Bus Liner, Inc.*** Lingkod Pinoy Bus Liner, Inc. (LPBLI) was incorporated on April 7, 2016 to engage in land transportation for the transportation and carriage of passengers, goods, and merchandise within any place in the Philippines.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its commercial centers division—SM Prime Holdings, Inc. (SM) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SM's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of December 31, 2017, the mall segment of SM has ₱354.8 billion and ₱150.2 billion while the mall segment of ALI has ₱143.7 billion and ₱29.6 billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

ii. Residential Division

1. ***Robinsons Luxuria***

   The Robinsons Luxuria brand continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land (Rockwell), Century Properties and Megaworld Corporation (Megaworld) to its developments. Rockwell's total assets and equity accounts as of September 30, 2017 amounted to ₱44.6 billion and ₱16.9 billion, respectively; Century Properties' total assets and equity accounts as of September 30, 2017 amounted to ₱41.5 billion and ₱15.8 billion, respectively, while Megaworld's total assets and equity accounts as of September 30, 2017 amounted to ₱296.3 billion and ₱154.4 billion, respectively.

2. ***Robinsons Residences***

   RLC's competitors (Alveo Land, Megaworld, Filinvest, and Ortigas & Co.) under this segment targets the same market and offers similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remains one of the top of mind developments as a result of growing experienced sales and distribution network and convenient locations. Projects are found within Central Business Districts or a RLC mixed-use development.

3. ***Robinsons Communities***

   RLC Robinsons Communities in particular, has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), Filinvest Land (FL), SM Development Corporation (SMDC) and DMCI Homes. As of September 30, 2017, total assets and equity accounts amounted to ₱141.7 billion and ₱61.5 billion, respectively, for FL while total assets and equity accounts of SM Prime Holdings Inc. (SMDC was ultimately merged with SM Prime Holdings thru SM Land in 2013) as of September 30, 2017 amounted to ₱521.9 billion and ₱252.1 billion, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. ***Robinsons Homes***

Recognizing the growing housing market in the Philippines, RLC continues to embark on building subdivisions through its Robinsons Homes brand. For families aspiring to own their first home or upgrade to a better abode and neighborhood, Robinsons Homes provides them themed, master planned, secure and gated horizontal subdivisions in key urbanized cities nationwide ideal to start the good life. In order to cater to varying market profiles, Robinsons Homes launched its four sub-brands namely: *Happy Homes* for socialized housing, *Springdale* for our affordable market segment, *Brighton* for our mid-cost development and *Bloomfields* for our high-end market.

It stands in close competition with ALI, FL and Vista Land (VL). Total assets and equity accounts of VL as of September 30, 2017 amounted to ₱195.7 billion and ₱82.1 billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is creating not just subdivisions but is forming nurturing communities with lifestyle amenities and support developments in response to the changing lifestyle of Filipinos.

The Company believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success.

iii. Office Buildings Division

The Company believes that competition for office space is principally on the basis of location, quality and reliability of the project's design and equipment, reputation of the developer, availability of space, and PEZA registration. The biggest competitors of the Company under this segment are ALI, Megaworld and SM. The Company competes in this market on the basis of the strategic locations of its buildings, including their proximity to the malls and residences as part of its mixed-use developments and its accessibility to public transportation, building features as the office projects can accommodate all types of tenants including companies in the IT Business Process Management (IT-BPM) sector, corporate headquarters and traditional offices. The Company also believes that its established reputation of good quality, ease of doing business, and completing projects on time makes it one of the most preferred choices of the IT-BPM industry as well as local and multinational companies. The Company is committed in providing an excellent customer experience and satisfaction by developing office projects of high quality and reliability, meeting the evolving needs of its customers.

iv. Hotels Division

Philippine Tourism is highly influenced by general political and economic conditions within the country. The Philippines is a preferred destination in the global tourism industry because of its competitiveness in terms of pricing hotel rooms and airline ticket, natural resources and eco-tourism.

The hotel business has seen a continued stabilized situation due to remittances from Filipino overseas workers, IT infrastructure projects in the Philippines, and the continuous drive of the local tour operators in developing affordable tour packages.

Foreseen increase of business travels coming from government led infrastructure projects with Chinese and Japanese investors such as construction of the Mega Manila Subway, Manila Bay Smart City Development – 407 hectare reclamation project, Manila- Clark Railway Project, Ortigas-BGC flyover.

There is sustained growth in domestic tourism due to more affordable flights and ease of air access. 28% of domestic travelers are millennials aged 15-24 years of age; 24% are aged 25-34 years of age, 19% for 35-44 years of age, 14% for 45 t0 54 years age; 9% for 55-64 and 6% above 65 years old.

The tourism outlook in the Philippines seems optimistic, driven by the presence of low cost carriers and with several hotels opening in Makati, Ortigas, and Fort Bonifacio CBD. With total expected supply of 3,500 rooms from year 2017, the DOT continues to attract in bound tourism by an aggressive global marketing campaign and brand awareness.

Taking advantage of the increasing inbound and outbound travels looking for accommodation, a number of local and foreign competitors have entered or signified interest to enter the country. These chains, considered competitors of the Company's Go Hotels, include Red Planet, Fave Hotels of Indonesia, Tryp hotels and Microtel by Wyndham. Other hotel chains which have also been growing geographically include Park Inn by Radisson, Novotel, Seda Hotels by Ayala, Accor and Ascott Hotels. These hotel chains cater to the mid-scale market and are thus considered competitors of the Company's Summit Hotel brand. In the Ortigas Central Business District, new players such as Mercure, Citadines, JoyNostalg by Accor and Marco Polo compete with the Company's two IHG-managed hotels.

Planned of removal of VAT incentives to Business Processing Outsourcing/Offshoring companies (a main industry driver) as part of the governments TAX reform program will weaken the country's competitive advantage in the region, thus may slowdown expansion programs.

The Department of Tourism is projecting 6.6 million foreign tourists for 2017 while the top five source markets have remained the same for the last two years.

Crowne Plaza Manila Galleria, with upcoming brand refresh is expected to ensure Travelling for Success --- Sleep Advantage supporting the environment expected by our high achiever and Meetings Success, assuring a unique guest experience when conducting meetings and celebrating milestones.

Holiday Inn remains to be the only dominant international mid-market brand in Ortigas which caters to both Leisure and Corporate Transient business in the area, despite increasing competition from Mercure & Joy Nostalg by Accor and Citadines by Ascott, which have mushroomed over last two years.

v. Infrastructure and Integrated Developments Division

Though Infrastructure and Integrated Developments is a new Division under RLC, RLC is not a newcomer in integrated developments. RLC has developed four major mixed used developments in Metro Manila alone, namely, Robinsons Galleria, Robinsons Forum, Robinsons Manila, and Robinsons Magnolia. These projects are anchored by Robinsons Mall with components of Office and/or Residential and/or Hotel/Leisure. With the formation of the Infrastructure and Integrated Development Division, RLC can now focus on this new fast growing development format.

All major developers are now into integrated development. Developers are now acquiring big parcels of land and incorporating different real estate components to attract investors and customers. The biggest competitors of RLC in integrated developments are Ayala Land, Megaworld, Filinvest, Eton, and SM.

RLC-IID will harness opportunities for synergies with RLC's other business units: Commercial, Residential, Hotel, and Office Division. RLC, having years of experience in these real estate components, will thus have a competitive advantage. With efficient master planning, innovative designs, and quality construction, RLC is committed to sustainable and future-proof communities.

e) Sources and Availability of Raw Materials and Names of Principal Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes the Company will undertake to procure the construction materials when it believes that it has an advantage in doing so. The Company typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge the Company. If the Company believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

f) Employees and Labor

As of December 31, 2017, RLC and its subsidiaries had a total of 9,060 employees, including 2,130 permanent full-time managerial and support employees and approximately 6,930 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	1,024	5,414	6,438
Office Buildings Division.........................	40	270	310
Residential Division................................	410	677	1,087
Hotels Division	646	537	1,183
Infrastructure and Integrated Developments Division…………………...	10	32	42
Total	2,130	6,930	9,060

The 2,130 permanent full-time managerial and support employees of RLC and its subsidiaries as of December 31, 2017 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	790
Administrative	938
Technical	402
Total	**2,130**

The Company foresees an increase in its manpower complement to 2,215 employees in the ensuing twelve months.

Almost all of the Company's hotels division employees are covered by a collective bargaining agreement which will mature on September 30, 2021 for Summit Circle Cebu (formerly Cebu Midtown Hotel) and September 30, 2020 for Holiday Inn Manila Galleria's hotel. The Company's other employees are not unionized or party to collective bargaining agreements with the Company.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures.

g) Industry Risk

The Company substantially conducts its business activities in the Philippines where majority of its assets are located.

Demand for and prevailing prices of shopping mall and office leases, as well as the development of the Philippine hospitality sector are directly related to the strength of the Philippine domestic economy and the overall levels of business activity in the Philippines.

RLC's Commercial Centers Division is directly affected by level of consumption, demographic structure, social trends, changing spending patterns and consumer sentiments in the Philippines, which are in turn heavily influenced by economic, political and security conditions in the Philippines. The level of consumption is largely determined by the income levels of consumers which is supplemented by a large number of Overseas Filipino Workers (OFWs) and expatriate Filipinos employed in countries around the world. This exposes RLC to changes in the specific economies of the countries where OFWs are deployed.

As the fastest growing sector in the Philippine real estate industry, the Information Technology-Business Process Management (IT-BPM) outsourcing sector drives office space demand which fuels the performance and profitability of RLC's Office Buildings Division. The growth of the IT-BPM sector is heavily dependent on the availability of Information and

Communications Technology (ITC) hubs across the country which provide sufficient labor supply and upgraded talent ecosystem, good ITC infrastructure and service capabilities, efficient cost and overall business environment as a product of sound macroeconomic fundamentals and geopolitical climate in the country.

RLC's Hotels and Resorts Division, on the other hand, is anchored on the development of Philippine tourism which is contingent on the rate of response of the Philippine government to address infrastructure challenges across the country.

On the development side of the Company's business, RLC is engaged in both domestic and international residential development. The property market has been cyclical where property values have been affected by confidence in the economy as well the interest rate environment.

Considerable economic and political uncertainties exist in the Philippines that may have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because majority of RLC's businesses are in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally may materially adversely affect RLC's financial performance, position and profitability.

RLC operates in a highly competitive industry. The Company's future growth and development is dependent, in large part, on the availability and affordability of large tracts of land suitable for development. As the Company and its competitors attempt to locate sites for development, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company, particularly in Metro Manila and other urban areas. To the extent that the Company is unable to acquire suitable land at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other commercial center and residential developers and real estate services companies, some with greater financial and other resources and more attractive land banks than the Company, compete with RLC in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect RLC's ability to develop and sell its properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for commercial and residential real estate.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

Over the years, the Company has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance. The Company also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them exclusive development and marketing rights.

The following are locations of the Company's properties:

Location	Use	Status
Land		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/ Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/ Residential/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential/Mall	No encumbrances
Isabela	Mall	No encumbrances
Ilocos	Mixed use (mall/office)	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Hotel	No encumbrances
Capiz	Mall	No encumbrances
Antique	Mall	No encumbrances
Visayas area	Land bank	No encumbrances

Mindanao		
Agusan Del Norte	Mall/Hotel	No encumbrances
Misamis Oriental	Residential	No encumbrances
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Lanao Del Norte	Mall	No encumbrances
Davao Del Norte	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential/Office Building	No encumbrances
Malabon City	Mall	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Ilocos Norte	Mixed use (mall/office)	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/ Residential/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall/Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Isabela	Mall	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Visayas		
Iloilo	Mall/Mixed-use (mall/hotel)	No encumbrances
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Hotel	No encumbrances
Capiz	Mall	No encumbrances
Antique	Mall	No encumbrances
Mindanao		
Misamis Oriental	Mall/Residential	No encumbrances
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Agusan Del Norte	Mixed-use (mall/hotel)	No encumbrances
Davao Del Norte	Mall	No encumbrances
Lanao Del Norte	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances

The Company owns all the land properties upon which all of its existing commercial centers are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, (v) Robinsons Place Jaro, and (vi) Cyber Sigma. These six land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta, Pulilan and Cyber Sigma properties are for 25 years each and commenced in December 2003, January 2008 and August 2014, respectively. Renewal options for Cainta, Pulilan and Cyber Sigma are available to the Company, with an Option to Purchase the property and its improvements for Cyber Sigma. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015. Total rent expense amounted to ₱52 million in calendar year 2017 and ₱180 million and ₱199 million in fiscal year 2016 and 2015, respectively.

Capital expenditure incurred amounted to ₱28.9 billion, ₱26.7 billion and ₱16.8 billion for calendar year 2017 and fiscal years 2016 and 2015, respectively, representing about 128%, 118% and 85% of revenues in those years, respectively.

The Company has allotted approximately ₱6.15 billion for capital expenditures in the Philippines for January to March 2018; wherein 56% will be spent on the construction and expansion of malls, offices and hotels, 12% for mixed-used developments and masterplanned communities, 13% for residential property developments and the balance of 19% on land acquisitions.

For calendar year 2018, the Company has budgeted approximately ₱24.6 billion for domestic capital expenditures which will be funded through internally generated cash from operations and borrowings. Approximately 56% will be allocated for the development of new and expansion of existing malls, offices and hotels, 12% will be allocated to mixed-used developments and masterplanned communities, 13% is expected to be incurred for the completion of ongoing residential property developments, while the remaining 19% will be spent on replenishing the landbank.

Item 3. Legal Proceedings

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Company's consolidated financial position.

Item 4. Submission of Matters to A Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the relevant local government unit in which the project is situated. The development of subdivision and condominium projects can commence only after the relevant government body has issued the development permit.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked afer a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with Presidential Decree 957, which set out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls.

Further, Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future. The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under current law, income derived by domestic corporations from the development and sale of socialized housing which currently, among other things, must have a basic selling price of no more than ₱450,000, is exempt from project related income taxes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

c) Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the "Hotel Code") in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

d) Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

e) Special Economic Zone

The Philippine Economic Zone Authority ("PEZA") is a government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Information technology (“IT”) enterprises offering IT services (such as call centers, and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company’s tenants. PEZA registration provides significant tax incentives to those of the Company’s customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company’s PEZA-registered buildings potentially more attractive to them. As of calendar year 2017, a number of RLC malls and office buildings are PEZA-registered.

f) Effect of Existing or Probable Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations mentioned under "items 5a-e" as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱30.5 million in calendar year 2017, ₱27.9 million and ₱20.8 million in fiscal years 2016 in 2015, respectively.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

Data on the quarterly price movement of its shares for the past three calendar years are set forth below.

	2017			2016			2015		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	23.20	22.75	23.00	29.20	27.55	27.90	31.60	30.20	30.80
2	24.40	23.80	24.25	31.65	29.50	29.50	29.60	28.60	29.30
3	26.15	25.00	25.30	31.35	30.30	31.00	28.65	28.40	28.45
4	21.75	21.30	21.30	26.30	25.10	26.00	27.50	26.70	27.50

Additional information as of March 31, 2018 are as follows:

Market Price:	**Period**	**High**	**Low**
	Jan. to Mar. 2018	₱20.25	₱19.66

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the calendar year 2017 and fiscal years 2016 and 2015.

For calendar year 2017, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2016 to all stockholders on record as of April 3, 2017. The cash dividends were paid out on May 2, 2017.

For fiscal year 2016, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2015 to all stockholders on record as of March 29, 2016. The cash dividends were paid out on April 22, 2016.

For fiscal year 2015, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2014 to all stockholders on record as of May 14, 2015. The cash dividends were paid out on June 9, 2015.

RLC’s unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱1,793 million and ₱1,275 million as of December 31, 2017 and 2016, respectively. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the cost of shares held in treasury amounting to ₱222 million and amount appropriated for expansion totaling ₱16 billion as of December 31, 2017.

The Board of Directors (BOD) of the Company approved on April 6, 2018 the declaration of a cash dividend in the amount of Thirty Six Centavos (₱0.36) per share from the unrestricted earnings of the Company as of December 31, 2017, to all stockholders of record as of April 26, 2018 and payable on May 23, 2018.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of December 31, 2017:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	2,496,114,787	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,069,563,519	26.13%
3	PCD Nominee Corporation (Filipino)	494,203,490	12.07%
4	Elizabeth Yu	8,737,200	0.21%
5	John Gokongwei, Jr.	8,124,721	0.20%
6	Cebu Liberty Lumber	2,203,200	0.05%
7	James L. Go	1,685,994	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Quality Investments & Sec Corp.	904,200	0.02%
10	Frederick D. Go	700,001	0.02%
11	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.01%
17	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	7,748,037	0.19%
	Total	**4,093,830,685**	**100.00%**

Item 9. Management Discussion and Analysis of Financial Condition and Results of Operation

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 92% of the Company's total revenues and are derived from the lease of commercial spaces in the various Robinsons malls, the lease and sale of space from RLC's office buildings, and the sale of residential units from the Company's various housing projects. Approximately 8% of total revenues are derived from hotel operations.

i. Year ended December 31, 2017 versus same period in 2016

	For the Years Ended December 31	
	2017	2016
REVENUE		
Real Estate Operations		
Rental income	**₱11,581,560,401**	₱10,746,626,900
Real estate sales	**5,973,248,023**	6,973,938,019
Amusement income	**1,802,643,181**	1,673,249,242
Others	**1,266,492,267**	1,608,619,627
	20,623,943,872	21,002,433,788
Hotel Operations	**1,892,873,758**	1,806,612,441
	22,516,817,630	22,809,046,229
COSTS		
Real Estate Operations		
Cost of rental services	**4,499,595,017**	4,273,894,548
Cost of real estate sales	**3,143,037,387**	4,153,220,627
Cost of amusement services	**820,824,802**	751,257,456
Others	**812,417,065**	538,388,429
	9,275,874,271	9,716,761,060
Hotel Operations	**1,350,512,369**	1,308,841,469
	10,626,386,640	11,025,602,529
	11,890,430,990	11,783,443,700
GENERAL AND ADMINISTRATIVE EXPENSES	**3,328,016,547**	3,510,879,439
OPERATING INCOME	**8,562,414,443**	8,272,564,261
OTHER INCOME (LOSSES)		
Interest income	**36,809,915**	19,340,620
Gain from insurance claims	**28,397,634**	208,713,905
Gain (loss) on foreign exchange	**(14,019,285)**	68,410,856
Interest expense and finance charges	**(778,194,869)**	(943,109,383)
Gain on sale of investment property	–	7,281,855
	(727,006,605)	(639,362,147)
INCOME BEFORE INCOME TAX	**7,835,407,838**	7,633,202,114
PROVISION FOR INCOME TAX	**1,950,969,880**	1,877,886,479
NET INCOME	**5,884,437,957**	5,755,315,635

RLC generated total gross revenues of ₱22.52 billion for calendar year 2017, a slight decrease of 1.3% from ₱22.81 billion total gross revenues for calendar year 2016. EBIT grew 3.5% to ₱8.56 billion while EBITDA posted a 3.6% growth to ₱12.48 billion. Net income stood at ₱5.89 billion, up by 2.2% compared to last year.

The Commercial Centers Division accounted for ₱10.79 billion of the real estate revenues for the year versus ₱10.14 billion last year or a 6.4% increase. Rental revenues increased due to opening of new malls in Iligan, Naga and North Tacloban and expansion of Robinsons Place Antique and Robinsons Butuan this year. Also, the full year impact of Robinsons Place General Trias, Robinsons Place Tagum, Robinsons Place Jaro and the expansion of Robinsons Ilocos Norte last year, contributed to the growth, despite renovation of Robinsons Galleria, one of our largest revenue contributors. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 3.3% and 3.4%, respectively.

Revenues of Office Buildings Division grew by 8.8% to ₱3.27 billion from ₱3.00 billion over the same period last year. Revenue growth was mainly attributable to sustained occupancy rates, and escalation of rents in existing offices and contribution from the new offices namely Cyber Sigma, Galleria Cebu Office, Robinsons Lusitia Office and Cybergate Delta. The Division's EBIT and EBITDA showed positive variances of 10.3% and 7.9%, respectively.

The Residential Division realized revenues is at ₱6.57 billion this year versus ₱7.86 billion last year, a decrease of 16.5%, due to lower level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA decreased by 5.4% and 3.8%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.89 billion as against last year's ₱1.81 billion. The 4.8% increase in hotel revenues principally came from the new hotels Go Hotels Davao and Summit Galleria Cebu. The hotel average occupancy rate is 66% in 2017. Hotels Division EBIT and EBITDA grew by 9.0% and 7.5%, respectively.

Interest income increased to ₱36.8 million from ₱19.3 million last year due to higher average balance of cash and cash equivalents during the calendar year 2017.

Real estate costs went down by 4.5% to ₱9.28 billion from ₱9.72 billion last year. The lower level of realized sales of residential units brought cost of real estate sales to decrease by ₱1.01 billion or 24.3%. Furthermore, cinema expense rose by 9.3% or ₱69.6 million as a result of increase in cinema revenues.

Gain from insurance is lower this year by 86% to ₱28.4 million from ₱208.7 million last year, which basically included insurance proceeds from Typhoon Yolanda. Finance charge amounting to ₱147.0 million last year pertain to pretermination of loans. Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of RLC's foreign subsidiary.

Total assets of the Company stood at ₱148.13 billion, a growth of 19.0% from ₱124.43 billion in 2016.

Investment Properties and Property and Equipment increased by 27.9% to ₱94.38 billion and 25.2% to ₱6.69 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Naga, Iligan, Tagum, North Tacloban, redevelopment of Robinsons Galleria, expansion of malls in Antique and Butuan and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons malls in San Pedro, Bridgetowne, Pavia-Iloilo, Tuguegarao, Ormoc and Cabanatuan, and ongoing expansion of Starmills-Pampanga and Magnolia malls contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Accounts payable and accrued expenses went up by 48.6% to ₱13.88 billion due to higher level of operating expenses this year.

Loans Payable (current and noncurrent) increased by 30.4% to ₱51.35 billion due to availment of additional long term loans to fund the Company's property constructions and developments. Deposits (current and noncurrent) and Other liabilities went up by 29.9% to ₱12.11 billion primarily due to payable to JG Summit Holdings for the purchase of an investment property.

Equity attributable to equity of the Parent Company as of December 31, 2017 stood at ₱67.09 billion, up by 7.2% from ₱62.58 billion last year due to the earnings during the year of ₱5.88 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators for the calendar year follows:

	2017	2016
Gross revenues	₱22.52 billion	₱22.81 billion
EBIT	8.56 billion	8.27 billion
EBITDA	12.48 billion	12.05 billion
Net income	5.88 billion	5.76 billion
Earnings per share	1.44	1.41
Net book value per share	16.39	15.29
Current ratio	1.21:1	1.34:1
Debt-to-equity ratio	0.76:1	0.63:1
Interest coverage ratio	4.72:1	5.66:1
Asset to equity ratio	2.20:1	1.98:1
Operating margin ratio	0.38:1	0.36:1

Capital additions for the calendar year ended December 31, 2017 amounted to ₱28.86 billion. Funding for the capital additions was sourced from proceeds of short-term and long-term loans and internally generated funds.

ii. Year ended September 30, 2016 versus same period in 2015

RLC generated total gross revenues of ₱22.51 billion for fiscal year 2016, an increase of 14.2% from ₱19.71 billion total gross revenues for fiscal year 2015. EBIT grew 12.2% to ₱8.45 billion while EBITDA posted a 12.5% growth to ₱12.02 billion. Net income stood at ₱6.15 billion, up by 7.9% compared to last year.

The Commercial Centers Division accounted for ₱9.96 billion of the real estate revenues for the year versus ₱9.10 billion last year or a 9.4% increase. Rental revenues increased due to opening of new malls in Cebu City, Tagum (Davao), General Trias (Cavite) and Jaro (Iloilo). Also, the full year impact of Robinsons Place Antique and the expansion of Robinsons Novaliches, as well as the expansion of Robinsons Ilocos this year, contributed to the growth. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 5.2% and 8.5%, respectively.

Revenues of Office Buildings Division grew by 30% to ₱2.91 billion from ₱2.24 billion over the same period last year. Revenue growth was mainly attributable to the contribution from new office developments completed in 2014 and 2015 namely Cyberscape Alpha, Cyberscape Beta and Tera Tower. System-wide occupancy rate ended at 96% as of September 30, 2016. The Division's EBIT and EBITDA showed positive variances of 27.9% and 25.0%, respectively.

The Residential Division realized revenues rose to ₱7.83 billion for the year versus ₱6.62 billion last year, an increase of 18.2%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 13.8% and 13.5 %, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.81 billion as against last year's ₱1.75 billion. The 3.5% increase in hotel revenues principally came from the relatively new hotels namely Go Hotels Iloilo, Go Hotels Ortigas Center, Go Hotels Butuan, and Summit Hotels Magnolia. The hotel average occupancy rate is 68% in 2016. Hotels Division EBIT and EBITDA grew by 8.3% and 6.7%, respectively.

Interest income decreased to ₱18.1 million from ₱39.3 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2016 resulting from higher level of capital expenditures and operating expenses.

Real estate cost and expenses went up by 19% to ₱9.34 billion from ₱7.84 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱330 million or 14% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱87 million or 16%. In addition, the higher level of realized sales of residential units brought cost of real estate sales to increase by ₱775.0 million or 24%. Furthermore, cinema expense rose by 10% or ₱ 69.8 million as a result of increase in cinema revenues.

General and administrative expenses went up by 11% to ₱3.40 billion due to higher taxes and licenses, salaries, insurance, donations, advertising and promotions and supplies expense, among others.

Interest expense significantly increased to ₱571.6 million due to higher level of short-term and long-term borrowings.

Total assets of the Company stood at ₱120.04 billion, a growth of 21% from ₱99.07 billion in 2015. Receivables (current and noncurrent net) increased by 30% or ₱2.29 billion to ₱10.02 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale increased by 67% to ₱25.85 billion due to purchase of land rights located in Chengdu Province, China, and higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment Properties and Property and Equipment both increased by 12% to ₱71.90 billion and 27% to ₱4.46 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Maxilom-Cebu, Tagum, Jaro-Iloilo, Ilocos (expansion), General Trias-Cavite, redevelopment of Robinsons Galleria and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons Iligan, Naga and Pavia-Iloilo contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Other current assets increased by 13% to ₱4.45 billion due to increase in advances to suppliers and contractors for mall, office buildings and residential constructions. On the other hand, other noncurrent assets decreased by 31% to ₱2.21 billion mainly due to return of bid deposit for land use rights amounting to ₱1.4 billion.

Accounts payable and accrued expenses went up by 34% to ₱7.94 billion due to higher level of capital expenditures and operating expenses this year.

Loans Payable (current and noncurrent) increased by 50% to ₱37.34 billion due to availment of additional term loans totaling ₱11.5 billion and short-term loans totaling ₱0.99 billion in 2016. Deposits (current and noncurrent) and

Other liabilities went up by 16% to ₱9.83 billion due to higher level of deposits from from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2016 stood at ₱61.34 billion, up by 8% from ₱56.66 billion last year due to the earnings during the year of ₱6.15 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2016	2015
Gross revenues	₱22.51 billion	₱19.71 billion
EBIT	8.45 billion	7.54 billion
EBITDA	12.02 billion	10.69 billion
Net income	6.15 billion	5.70 billion
Earnings per share	1.50	1.39
Net book value per share	14.98	13.84
Current ratio	2.25:1	1.98:1
Debt-to-equity ratio	0.61:1	0.44:1
Interest coverage ratio	6.06:1	7.91:1
Asset to equity ratio	1.95:1	1.74:1
Operating margin ratio	0.38:1	0.38:1

Capital additions for the fiscal year ended September 30, 2016 amounted to ₱26.7 billion. Funding for the capital additions was sourced from proceeds of short-term and long-term loans and internally generated funds.

iii. Year ended September 30, 2015 versus same period in 2014

RLC generated total gross revenues of ₱19.71 billion for fiscal year 2015, an increase of 15.6% from ₱17.05 billion total gross revenues for fiscal year 2014. EBIT grew 21% to ₱7.54 billion while EBITDA posted a 19.2% growth to ₱10.69 billion. Net income stood at ₱5.70 billion, up by 20.4% compared to last year.

The Commercial Centers Division accounted for ₱9.10 billion of the real estate revenues for the year versus ₱8.10 billion last year or a 12.3% increase. The newly opened malls in 2014 and 2015 namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Antipolo and Robinsons Las Pinas contributed to the increase in revenues. In addition, the reopening of Robinsons Tacloban in June 2014 contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 9.2% and 11.3%, respectively.

The Residential Division realized revenues rose to ₱6.62 billion for the year versus ₱5.86 billion last year, an increase of 12.9%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 25.5% and 25.3 %, respectively.

Revenues of Office Buildings Division grew by 45.2% to ₱2.24 billion from ₱1.54 billion over the same period last year. This increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, both with occupancy rates of 100% as of September 30, 2015, respectively. The Division's EBIT and EBITDA showed positive variances of 50.1% and 42.6%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.75 billion as against last year's ₱1.53 billion. The 13.8% increase in hotel revenues was principally due to the opening of new Go Hotels Iloilo and Go Hotels Ortigas Center in January 2014 and August 2014, respectively, and the reopening of Go Hotels Tacloban in May 2014. The hotel average occupancy rate is 69% in 2015. Hotels Division EBIT and EBITDA grew by 26.0% and 17.6%, respectively.

Interest income increased to ₱39.3 million from ₱14.6 million last year due to higher average balance of cash and cash equivalents during the fiscal year 2015 resulting from the proceeds of fixed rate bonds.

Real estate cost and expenses went up by 11% to ₱7.84 billion from ₱7.06 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱310 million or 15% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱104 million or 24%. Furthermore, cinema expense rose by 21% or ₱120 million due to the operation of new cinemas in new malls.

Hotel expenses rose by 10% to ₱1.29 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened and re-opened Go Hotels branches.

General and administrative expenses went up by 19% to ₱3.05 billion due to higher commission expense, salaries, advertising and promotions and rent expense, among others.

Total assets of the Company stood at ₱99.07 billion, a growth of 16% from ₱85.37 billion in 2014. Receivables (current and noncurrent net) increased by 15% or ₱1.03 billion to ₱7.73 billion due substantially to higher level of installment contracts receivables.

Investment Properties and Property and Equipment both increased by 17% to ₱64.02 billion and 12% to ₱3.51 billion, respectively, due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Las Pinas, Robinsons Novaliches expansion and Robinsons Antique during the fiscal year and ongoing mall constructions at Robinsons Maxilom, Robinsons Tagum, Robinsons General Trias and Robinsons Jaro Iloilo contributed to the increase. Other current and noncurrent assets increased by 25% to ₱3.95 billion and 145% to ₱3.2 billion, respectively, due to increase in advances to suppliers and contractors for mall and office buildings constructions and utility deposits.

Loans Payable (current and noncurrent) increased by 38% to ₱24.88 billion due to issuance of ₱12 billion fixed rate bonds in 2015. Deposits (current and noncurrent) and Other liabilities went up by 22% to ₱8.45 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2015 stood at ₱56.66 billion, up by 8% from ₱52.44 billion last year due to the earnings during the year of ₱5.70 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2015	2014
Gross revenues	₱19.71 billion	₱17.05 billion
EBIT	7.54 billion	6.24 billion
EBITDA	10.69 billion	8.97 billion
Net income	5.70 billion	4.73 billion
Earnings per share	1.39	1.16
Net book value per share	13.84	12.81
Current ratio	1.98:1	1.41:1
Debt-to-equity ratio	0.44:1	0.34:1
Interest coverage ratio	7.91:1	6.96:1
Asset to equity ratio	1.74:1	1.62:1
Operating margin ratio	0.38:1	0.37:1

Capital additions for the fiscal year ended September 30, 2015 amounted to ₱16.8 billion. Funding for the capital additions was sourced from proceeds of short-term and long-term loans and internally generated funds.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

a.) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material effect on revenues or income from continuing operations.

The Company currently derives substantially all of its revenues and income from its property investment and development businesses in the Philippines. Their performance and profitability are anchored on the strength of the Philippine economy that is largely driven by private consumption, remittances from OFWs, growth of the IT-BPM sector, flourishing tourism industry, and a low interest rate environment.

b.) Any events that will trigger direct or contingent financial obligation

that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 78) are filed as part of this Form 17-A (pages 86 to 167).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by Sycip, Gorres Velayo & Co. :

Name	2017	2016
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱4,106,781**	**₱3,908,261**
All Other Fees..	**227,845**	**770,000**
TOTAL	**₱4,334,626**	**₱4,678,261**

No other service was provided by external auditors to the Company for the calendar year 2017 and fiscal year 2016.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 13. Security Ownership of Certain Record and Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2017, the Corporation knows no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	2,496,114,787	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,069,563,519	26.13%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	494,203,490	12.07%

Notes:

1 The Chairman and the President of JG Summit Holdings Inc. (JGSHI) are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President and Chief Operating Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

2 PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

Out of the PCD Nominee Corporation accounts, "Deutsche Bank Manila-Clients", "The HongKong and Shanghai Banking Corp. Ltd.- Clients Account" and "Citibank N.A." hold for various trust accounts the following shares of the Corporation as of December 31, 2017:

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	534,272,166	13.14%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	394,582,102	9.71%
Citibank N.A.	235,252,373	5.75%

Voting instructions may be provided by the beneficial owners of the shares.

b) Security Ownership Of Management as of December 31, 2017

Title of Class	Name of beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. John L. Gokongwei, Jr.	Director, Chairman Emeritus	14,119,081 (see note 2)	Filipino	0.35%
Common	2. James L. Go	Director, Chairman	1,685,994	Filipino	0.04%
Common	3. Lance Y. Gokongwei	Director, Vice Chairman and Chief Executive Officer	804,001	Filipino	0.02%
Common	4. Frederick D. Go	Director, President	700,001	Filipino	0.02%
Common	5. Arlene G. Magtibay	General Manager	0		*
	Sub-Total		17,309,077		0.43%
B. Other Directors, Executive Officers and Nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	540,000	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	25,001	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Subtotal		575,905		0.01%
C. All directors and executive officers as a group unnamed			17,884,982		0.44%

Notes:

1 As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2017.

2 Sum of shares in the name of "John Gokongwei, Jr." for 8,124,721, "John L. Gokongwei, Jr." for 300,000 and "Elizabeth Y. Gokongwei and/or John Gokongwei" for 988,000 and shares equivalent to 4,706,360 which were subscribed and paid for under the rights offering of the Corporation and are currently lodged under PDTC.

* less than 0.01%

c) Voting Trust Holder of 5% or more - as of December 31, 2017

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

d) Changes in Control

There has been no change in control of the Company since December 31, 2017.

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company's executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of ten members, of which three are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of December 31, 2017:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.	91	Director, Chairman Emeritus	Filipino
James L. Go............................	78	Director, Chairman	Filipino
Lance Y. Gokongwei................	51	Director, Vice Chairman & Chief Executive Officer	Filipino
Frederick D. Go.......................	48	Director, President & Chief Operating Officer	Filipino
Patrick Henry C. Go	47	Director	Filipino
Johnson Robert G. Go, Jr.	52	Director	Filipino
Robina Y. Gokongwei-Pe..........	56	Director	Filipino
Artemio V. Panganiban............	81	Director (Independent)	Filipino
Roberto F. de Ocampo.	71	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr............	82	Director (Independent)	Filipino
Omar Byron T. Mier……………	72	Director (Independent)	Filipino
Kerwin Max S. Tan	48	Chief Financial Officer	Filipino
Faraday D. Go………………….	42	Business Unit General Manager	Filipino
Arlene G. Magtibay..................	55	Business Unit General Manager	Filipino

Name	Age	Position	Citizenship
Corazon L. Ang Ley……………	50	Business Unit General Manager	Filipino
Elizabeth Kristine D. Gregorio..	45	Business Unit General Manager	Filipino
Henry L. Yap…………………..	54	Business Unit General Manager	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	44	Business Unit General Manager	Filipino
Bach Johann M. Sebastian……	56	Senior Vice President and Chief Strategist	Filipino
Cecilia M. Pascual ……….…....	59	Vice President - Group Controller	Filipino
Emmanuel G. Arce……………..	59	Vice President	Filipino
Constantino C. Felipe…………	55	Vice President	Filipino
Catalina M. Sanchez…………..	39	Vice President	Filipino
Sylvia B. Hernandez…………..	54	Vice President - Treasurer	Filipino
Rosalinda F. Rivera	47	Corporate Secretary	Filipino
Arlene S. Denzon	50	Compliance Officer	Filipino

The above directors and officers have served their respective offices since June 28, 2017. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 91, founded RLC in 1980 and has been the Chairman Emeritus of RLC effective January 1, 2002. He continues to be a member of RLC's Board and is the Chairman Emeritus of JG Summit Holdings, Inc. and certain of its subsidiaries. He also continues to be a member of the Executive Committee of JG Summit Holdings, Inc. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., Deputy Chairman and Director of United Industrial Corporation Limited and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Master's degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 78, is the Chairman of RLC. He is the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He is the Chairman of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Cebu Air, Inc., Marina

Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei, 51, is the Vice-Chairman and Chief Executive Officer of RLC. He is the President and Chief Operating Officer of JG Summit Holdings, Inc., He is the Chairman and Chief Executive Officer of Robinsons Retail Holdings, Inc. He is the President and Chief Executive Officer of Universal Robina Corporation, Cebu Air, Inc. He is the Chief Executive Officer of JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Chairman of Robinsons Bank Corporation, and a director of Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is a director and Vice Chairman of Manila Electric Company. He is a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Frederick D. Go, 48, is the President of RLC since 2006. He is also the President of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank Corporation, JG Summit Petrochemical Corporation, and Cebu Light Industrial Park. He is also the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 47, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC and is the Senior Managing Director of the URC Packaging (BOPP) Division and Flexible Packaging Division. He is also the President and Chief Operating Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 52, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies

(Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 56, was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., Robinsons Bank Corporation. She is currently the President and Chief Operating Officer of Robinsons Retail Holdings, Inc. consisting of Robinsons Supermarket, Robinsons Department Store, Handyman, True Value, Robinsons Builders, Robinsons Specialty Stores, Robinsons Appliances, Toys R Us, Daiso Japan, Ministop, South Star Drug and The Generics Pharmacy. She is a Trustee of the Gokongwei Brothers Foundation Inc. and Immaculate Conception Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 81, was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He was formerly the Chief Justice of the Philippines and concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored over ten (10) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 71, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 82, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, CFC Corporation, and JG Summit Petrochemical Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. prior to joining the Group in 1962.

Omar Byron T. Mier, 72, was appointed as an Independent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. He is also a director of Paymaya since 2016 and Chairman of the Board Audit Committee. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Guest Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Kerwin Max S. Tan, 48, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President - Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Faraday D. Go, 42, was appointed as Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective 01 February 2014. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 55, is the Business Unit General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 27 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Masters in Business Management, with distinction, from the Asian Institute of Management.

Corazon L. Ang Ley, 50, is the Business Unit General Manager for Robinsons Homes concurrent to her role as Property Acquisition Head for RLC. She's held various positions and functions within RLC during her 25 years of service including her 3 year stint in China. She graduated from the University of the Philippines - Asian Institute of Tourism in 1987.

Elizabeth Kristine D. Gregorio, 45, was appointed as Business Unit General Manager of Robinsons Hotels and Resorts on January 1, 2014. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Henry L. Yap*,* 54, is the Business Unit General Manager of Robinsons Luxuria, Residences and Communities of RLC's Residential Division. Prior to assuming this post, he served the group/company as the Country Business Unit General Manager of Ding Feng Real Estate Companies (China), Business Unit General Manager of the Office Buildings Division, Vice President of RLC's Property Planning and Design Department and member of the Investors Relations Team. Before joining RLC, he headed the Property Planning and Design Group of Fort Bonifacio Development Corporation and sat on the Boards of seven subsidiaries, affiliates and foundation of FBDC. He worked as Manager for Metro Manila Camps of the Bases Conversion and Development Authority where he was involved in the planning, design, privatization and implementation of the Bonifacio Global City, among others. He also lent his expertise to Government by serving as the head of the National Committee on Architecture and the Allied Arts and member of the Sub-Commission on the Arts of the National Commission for Culture and the Art. He also taught at the University of the Philippines where he was Senior Lecturer at the School of Urban and Regional Planning and at the College of Architecture. He holds a Master's of Science in Urban Planning in Developing Countries from the University of Wales College of Cardiff (UK), Bachelor of Science in Architecture, cum laude, and earned units for his Ph.D. in Urban and Regional Planning, both from UP. Henry Yap is Philippine-licensed Architect and Environmental Planner.”

Ma. Soccorro Isabelle V. Aragon-Gobio, 44, was appointed as Business Unit General Manager of the Infrastructure and Integrated Developments Division effective October 1, 2016. She has been with RLC for 24 years and is concurrently director of Manhattan Building Management Corporation, Manchego Food Corporation, and various condominium corporations of the Company’s projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University and is a PRC licensed Real Estate Broker.

Bach Johann M. Sebastian, 56, is Senior Vice President and Chief Strategist of RLC. He is also the Senior Vice President and Chief Strategist of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business Administration degree from the Asian Institute of Management in 1986.

Cecilia M. Pascual*,* 59, is the Vice President - Group Controller of RLC. Concurrently, she handles Altus San Nicolas Corp., Altus Angeles, Inc., and Manhattan Building Management Corp. Prior to joining RLC, she held head positions in audit and finance in Robinsons Retail Group, CFC-Keebler, Inc. and Wenphil Corp. among others. A Certified Public Accountant, Ms. Pascual practiced public accounting with SGV & Co.

Emmanuel G. Arce, 59, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 55, is the Vice President for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Catalina Mallari-Sanchez, 39, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She has over 18 years of experience in the real estate industry particularly in the residential and office segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Sylvia B. Hernandez, 54, was appointed as Vice President - Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc, Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Rob. Equitable Tower Condo Corp., Rob. Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP - Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in Accountancy. She is a Certified Public Accountant."

Rosalinda F. Rivera, 47, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

Arlene S. Denzon, 50, is the Compliance Officer of RLC and Vice President of the Corporate Governance and Management Systems (CGMS) of JGSHI. She is also the Compliance Officer of JG Summit Holdings, Inc. and Universal Robina Corporation. Prior to rejoining the RLC in February 2013, she was the Senior Vice President in charge of the Enterprise-wide Risk Management Group of Digitel Mobile Philippines, Inc. (DMPI, more popularly known as Sun Cellular) until December, 2012. Ms Denzon started her career in the Gokongwei Group in 1991 and performed various roles including Accounting Manager of JGSHI until 1997, Assistant Vice President-Special Assistant to the Chairman until 2001, Vice President-Treasurer and Acting Chief Financial Officer of URC International until 2003 before she was seconded to DMPI in 2004. Prior to RLC, Ms. Denzon had three years working experience as external auditor in Sycip, Gorres, Velayo & Co. She was a Certified Public Accountant Board topnotcher and obtained her Bachelor of Accountancy degree, Magna Cum Laude, from Polytechnic University of the Philippines.

b) Involvement In Certain Legal Proceedings of Directors and Executive Officers

None of the members of RLC's Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years.

c) Family Relationships

James L. Go is the brother of John Gokongwei, Jr.
Lance Y. Gokongwei is the son of John Gokongwei, Jr.
Frederick D. Go is the nephew of John Gokongwei, Jr.
Patrick Henry C. Go is the nephew of John Gokongwei, Jr.
Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.
Faraday D. Go, Jr. is the nephew of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

The following table identify RLC's Chief Executive Officer and the four most highly compensated executive officers and summarizes their aggregate compensation for the two most recent calendar years.

		Calendar Year 2017			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 38,008,402	P 2,000,000	P 307,500	P 40,315,902
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 76,743,217	P 3,500,000	P 405,000	P 80,648,217

		Calendar Year 2016			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 35,918,547	P 1,700,000	P 424,500	P 38,043,047
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 74,063,464	P 2,975,000	P 648,000	P 77,686,464

** Per diem*

The following table lists the name of the Company's Chief Executive Officer and the four most highly compensated executive officers and summarized their aggregate compensation for the ensuing year:

		Calendar Year 2018			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 40,196,973	P 2,000,000	P 307,500	P 42,504,473
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 80,076,703	P 3,500,000	P 405,000	P 83,981,703

** Per diem*
*** Estimated*

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed calendar year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed calendar year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

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

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of December 31, 2017, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

RLC and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the JG Summit Group and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in RLC's shopping malls as well as substantial intercompany loans. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱2.337 billion and ₱0.61 billion for the year ended December 31, 2017 and for three months ended December 31, 2016, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank (formerly Robinsons Savings Bank), an affiliated local commercial bank. These balances amounted to ₱1.01 billion and ₱492 million as of December 31, 2017 and 2016, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 20 to the Company's financial statements as of and for the calendar year ended December 31, 2017 and for the three months ended December 31, 2016.

PART IV. CORPORATE GOVERNANCE

Adherence to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, has been reinforced by continuous improvement by the Company in order to implement good governance and management practices.

The Board of Directors has approved its Corporate Governance Compliance Evaluation System in late 2003 in order to monitor and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and actions to be taken. One of the System's output is the Annual Corporate Governance Compliance Evaluation Form submitted to the SEC and PSE on or before January 30 of every year. RLC began making such submission of the Annual Corporate Governance Compliance Evaluation Form covering the previous calendar year to the SEC and PSE in 2004.

Likewise, RLC has consistently striven to raise its level of reporting to adopt and implement prescribed International Accounting Standards (IAS).

PART V - EXHIBITS AND SCHEDULES

Item 17. Exhibits And Reports On SEC Form 17-C

(A) Exhibits-See Accompanying Index To Exhibits (Page 183)

The following exhibit is filed as a separate section of this report:

(Exhibit 18) Subsidiaries Of The Registrant (page 184)

The other exhibits, as indicated in the Index to exhibits are either not applicable to the Company or does not require an answer.

(B) Reports on SEC Form 17-C (Current Report)

Following is a list of corporate disclosures of RLC filed under SEC Form 17-C for the period from July 1, 2017 to December 31, 2017:

Date of Disclosure	Subject Matter
July 7, 2017	Amended PSE Disclosure Form 4-25 – Results of the Organizational Meeting
August 25, 2017	Press Release “Robinsons Land’s P12 Billion Bonds Keep Highest Rating”
November 27, 2017	PSE Disclosure Form 4-14 – Stock Rights Offering
December 8, 2017	Change in Directors and/or Officers

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on April 6, 2018.

By:

Lance Y. Gokongwei 4/6/18
Vice Chairman & Chief Executive Officer
(Acts as Principal Financial Officer)

Frederick D. Go 4/6/18
President & Chief Operating Officer

Kerwin Max S. Tan 4/6/2018
Chief Financial Officer

Cecilia M. Pascual 4/6/2018
VP - Group Controller/
Principal Accounting Officer

Rosalinda F. Rivera 4/6/18
Corporate Secretary

APR 06 2018

SUBSCRIBED AND SWORN to before me this ________ day of __________ 15, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Lance Y. Gokongwei	07809720	Jan. 16, 2018	Pasig City
Frederick D. Go	22198960	Jan. 30, 2018	Quezon City
Kerwin Max S. Tan	P0352145A	Sept. 23, 2016 - Sept. 22, 2021	Manila
Cecilia M. Pascual	EC2296901	Oct. 3, 2014 - Oct. 2, 2019	Manila
Rosalinda F. Rivera	SSS No. 33-2484959-1		

Doc No. 172;
Page No. 136;
Book No. 69;
Series of 2018

ATTY. JOSHUA D. LAPUZ
Notary Public for Makati City
Appointment No. M-82 until 12/31/2019
PTR No. 6[illegible], Jan. [illegible], 2018, Makati
Roll No. 45790, IBP Lifetime Roll No. 04897
MCLE No. V-0012692 4-15-2016
G/F Fedman Suites, 199 Salcedo Street
Legaspi Village, Makati City

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152.FAX

April 6, 2018

Securities and Exchange Commission
Ground Flr - North Wing, PICC Secretarial Building,
Philippine International Convention Center (PICC) Complex,
Roxas Boulevard, Pasay City.

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended as at December 31, 2017 and December 31, 2016 and for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, including the additional components attached herein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders or members.

Sycip, Gorres, Velayo and Co. (SGV), the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

James L. Go
Chairman

Lance Y. Gokongwei
Vice Chairman and Chief Executive Officer

SUBSCRIBED AND SWORN to before me on this APR 06 2018
__ day of ___, 20__, at Makati City, Philippines.
Affiant exhibiting his/her ID No. __ valid until ___

Frederick D. Go
President and Chief Operating Officer

Kerwin Max S. Tan
Chief Financial Officer

APR 06 2018

Signed this _ day of ______.

Doc. No. 174
Page No. 36
Book No. 49
Series of 2018

ATTY. JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-02 until 12/31/2019
PTR No. 6607876, Jan. 5, 2018, Makati
Roll No. 45790, IBP Lifetime Roll No. 04897
MCLE No. V-0019692/ 4-15-2016
G/F Fedman Suites, 199 Salcedo Street
Legaspi Village, Makati City

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152.FAX

CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

I hereby certify that I am the Certified Public Accountant (CPA) who performed the compilation services related to the preparation and presentation of financial information of an entity in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities and reports as required by accounting and auditing standards for **Robinsons Land Corporation and Subsidiaries** for the year ended December 31, 2017.

In discharging this responsibility, I hereby declare that I am the VP – Group Controller of **Robinsons Land Corporation.**

Furthermore, in my compilation services for the preparation of the financial statements and notes to the financial statements, I was not assisted by or did not avail the services of **Mr. Michael C. Sabado** which is the external auditor who rendered the audit opinion for the said financial statements and notes to the financial statements.

I hereby declare, under penalties of perjury and violation of Republic Act No. 9298, that my statements are true and correct.

CMPascual

CECILIA M. PASCUAL

CPA Certificate No. **0049148**
Valid Until **October 9, 2019**

Accreditation No. **0355**
Valid Until **October 9, 2019**

SUBSCRIBED AND SWORN to before me
this day 13 APR 2018

Doc. No. 312
Page No. 63
Book No. 46A
Series of 2018

ATTY. BENJAMIN F. ALFONSO
NOTARY PUBLIC
UNTIL December 31, 2018
PTR NO. 5520234, January 3, 2018, QUEZON CITY
IBP NO. 019073 12-20-2017 - QUEZON CITY
ROLL NO. 13296
ADM. MATTER NO. NP-046-(2017-2018)
TIN NO. 177-957-619-000
MCLE III-0024526 - December 12, 2017
34 Ascot's St. GSIS Village
Project 8 Quezon City

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year ended December 31, 2017, three months ended December 31, 2016 and year ended September 30, 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016 and September 30, 2016, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2017, three months ended December 31, 2016 and year ended September 30, 2016 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Recognition of real estate revenue and costs

The Group applies the percentage of completion (POC) method in determining real estate revenue and costs. The POC is based on the proportion of cost incurred to date over total estimated cost of the real estate project. The cost of sales is determined on the basis of the total estimated costs applied with the POC of the project. The Group's real estate revenue and costs accounts for 19% of total consolidated revenue and 30% of the total consolidated cost of sales, respectively. The estimation of the total cost of the real estate project requires technical inputs by management's specialists (project development engineers). In addition, the Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. It is the reaching of this level of collection that management has assessed that it is probable that economic benefits will flow to the Group because of the buyers' continuing commitment with the sales agreement. The assessment of the stage of completion and level of buyer's equity involves significant management judgment as disclosed in Notes 4 and 5 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence and objectivity of the project development engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced costs accumulated to the supporting documents such as purchase order, billings and invoices of contractors. We visited selected project sites and made relevant inquiries with project engineers. We performed test computation of the percentage of completion calculation of management. For selected projects, we obtained the approved total estimated costs and any revisions thereto and the supporting details such as capital fulfillment plan, capital expenditure requests and related executive committee approvals. We likewise performed inquiries with the project development engineers for the revisions. We evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales collections from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as official receipts and buyer's ledger.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2017, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2017 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-3 (Group A),
March 16, 2017, valid until March 15, 2020
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-73-2018,
February 26, 2018, valid until February 25, 2021
PTR No. 6621321, January 9, 2018, Makati City

April 6, 2018

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20, 31 and 32)	**₱2,075,454,523**	₱1,436,210,577
Receivables (Notes 8, 20, 31 and 32)	**5,565,058,271**	7,166,097,227
Subdivision land, condominium and residential units for sale (Notes 5 and 9)	**26,632,634,568**	25,983,487,629
Other current assets (Note 10)	**6,609,712,081**	6,075,315,674
Total Current Assets	**40,882,859,443**	40,661,111,107
Noncurrent Assets		
Noncurrent receivables (Notes 8, 20, 31 and 32)	**3,775,948,572**	2,392,386,437
Land held for future development (Note 11)	**24,906,878,858**	17,730,922,918
Investment properties (Note 11)	**69,468,304,004**	56,081,968,929
Property and equipment (Note 12)	**6,692,358,405**	5,345,968,790
Other noncurrent assets (Notes 13, 30, 31 and 32)	**2,400,198,520**	2,219,800,218
Total Noncurrent Assets	**107,243,688,359**	83,771,047,292
	₱148,126,547,802	₱124,432,158,399
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 16, 31 and 32)	**₱15,693,400,000**	₱16,010,000,000
Accounts payable and accrued expenses (Notes 14, 31 and 32)	**13,883,446,747**	9,345,778,207
Income tax payable	**539,028,037**	841,657,479
Deposits and other current liabilities (Notes 15, 20, 31 and 32)	**3,783,534,816**	4,126,768,201
Total Current Liabilities	**33,899,409,600**	30,324,203,887
Noncurrent Liabilities		
Loans payable (Notes 16, 31 and 32)	**35,661,162,154**	23,361,477,678
Deferred tax liabilities - net (Note 27)	**2,865,190,187**	2,693,450,046
Deposits and other noncurrent liabilities (Notes 17, 29, 31 and 32)	**8,328,168,101**	5,197,721,257
Total Noncurrent Liabilities	**46,854,520,442**	31,252,648,981
Total Liabilities	**80,753,930,042**	61,576,852,868
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 19)	**4,111,528,685**	4,111,528,685
Additional paid-in capital	**20,392,532,781**	20,392,532,781
Treasury stock (Notes 18 and 19)	**(221,834,657)**	(221,834,657)
Other equity reserve (Note 19)	**(87,597,873)**	(87,597,873)
Other comprehensive income:		
Remeasurements of net defined benefit liability - net of tax (Note 29)	**(63,719,597)**	(131,292,935)
Cumulative translation adjustment	**75,409,464**	36,329,484
Retained earnings (Note 18)		
Unappropriated	**18,385,021,808**	22,477,650,126
Appropriated	**24,500,000,000**	16,000,000,000
	67,091,340,611	62,577,315,611
Non-controlling interest	**281,277,149**	277,989,920
	67,372,617,760	62,855,305,531
	₱148,126,547,802	₱124,432,158,399

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017, FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 AND FOR THE YEAR ENDED SEPTEMBER 30, 2016

	December 31,		
	2017 (One year)	2016 (Three months, see Note 2)	September 30, 2016 (One year)
REVENUE (Note 6 and 21)			
Real Estate Operations			
Rental income (Notes 11 and 20)	**₱11,581,560,401**	₱2,718,339,596	₱10,556,125,587
Real estate sales (Notes 5 and 24)	**5,973,248,023**	1,472,300,349	7,193,970,995
Amusement income	**1,802,643,181**	431,783,166	1,694,021,661
Others	**1,266,492,267**	575,454,463	1,259,845,366
	20,623,943,872	5,197,877,574	20,703,963,609
Hotel Operations (Note 21)	**1,892,873,758**	496,892,214	1,807,598,592
	22,516,817,630	5,694,769,788	22,511,562,201
COSTS (Note 6 and 22)			
Real Estate Operations			
Cost of rental services	**4,499,595,017**	1,168,382,997	3,973,070,846
Cost of real estate sales (Notes 5 and 9)	**3,143,037,387**	1,072,837,533	3,982,243,972
Cost of amusement services	**820,824,802**	195,593,971	764,711,495
Others	**812,417,065**	111,686,938	619,951,194
	9,275,874,271	2,548,501,439	9,339,977,507
Hotel Operations (Note 22)	**1,350,512,369**	333,323,139	1,316,869,629
	10,626,386,640	2,881,824,578	10,656,847,136
	11,890,430,990	2,812,945,210	11,854,715,065
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6 and 23)	**3,328,016,547**	794,064,752	3,402,719,589
OPERATING INCOME	**8,562,414,443**	2,018,880,458	8,451,995,476
OTHER INCOME (LOSSES)			
Interest income (Note 7 and 26)	**36,809,915**	7,286,604	18,075,015
Gain from insurance claims (Note 26)	**28,397,634**	130,020	208,583,885
Gain (loss) on foreign exchange	**(14,019,285)**	(1,404,592)	69,815,448
Interest expense and finance charges (Notes 16 and 26)	**(778,194,869)**	(384,139,651)	(571,626,129)
Gain on sale of investment property	**–**	–	7,281,855
	(727,006,605)	(378,127,619)	(267,869,926)
INCOME BEFORE INCOME TAX	**7,835,407,838**	1,640,752,839	8,184,125,550
PROVISION FOR INCOME TAX (Note 27)	**1,950,969,881**	385,752,870	2,033,647,029
NET INCOME	**5,884,437,957**	1,254,999,969	6,150,478,521
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Cumulative translation adjustment	**39,079,980**	(5,750,284)	42,079,768
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability (Note 29)	**96,533,340**	(20,806,359)	(57,610,174)
Income tax effect (Note 27)	**(28,960,002)**	6,241,908	17,283,052
	67,573,338	(14,564,451)	(40,327,122)
Total Other Comprehensive Income (Loss)	**106,653,318**	(20,314,735)	1,752,646
TOTAL COMPREHENSIVE INCOME	**₱5,991,091,275**	₱1,234,685,234	₱6,152,231,167

(Forward)

	December 31, 2017 (One year)	December 31, 2016 (Three months, see Note 2)	September 30, 2016 (One year)
Net Income Attributable to:			
Equity holders of Parent Company	**₱5,881,150,728**	₱1,254,917,783	₱6,154,532,055
Non-controlling interest in consolidated subsidiaries	**3,287,229**	82,186	(4,053,534)
	₱5,884,437,957	₱1,254,999,969	₱6,150,478,521
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱5,987,804,046**	₱1,234,603,048	₱6,156,284,701
Non-controlling interest in consolidated subsidiaries	**3,287,229**	82,186	(4,053,534)
	₱5,991,091,275	₱1,234,685,234	₱6,152,231,167
Basic/Diluted Earnings Per Share (Note 28)	**₱1.44**	₱0.31	₱1.50

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017, FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 AND FOR THE YEAR ENDED SEPTEMBER 30, 2016

	For the Year Ended December 31, 2017									
	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 19)	**Additional Paid-in Capital**	**Treasury Stock** (Note 19)	**Other Equity Reserve** (Note 19)	**Remeasurements of Net Defined Benefit Liability** (Note 29)	**Cumulative Translation Adjustment**	**Unappropriated Retained Earnings** (Note 18)	**Appropriated Retained Earnings** (Note 18)	**Non-controlling Interest**	**Total Equity**
Balances at January 1, 2017	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱131,292,935)**	**₱36,329,484**	**₱22,477,650,126**	**₱16,000,000,000**	**₱277,989,920**	**₱62,855,305,531**
Comprehensive income										
Net income	–	–	–	–	–	–	**5,881,150,728**	–	**3,287,229**	**5,884,437,957**
Other comprehensive income	–	–	–	–	**67,573,338**	**39,079,980**	–	–	–	**106,653,318**
Total comprehensive income	–	–	–	–	**67,573,338**	**39,079,980**	**5,881,150,728**	–	**3,287,229**	**5,991,091,275**
Reversal of appropriation (Note 18)	–	–	–	–	–	–	**16,000,000,000**	**(16,000,000,000)**	–	–
Appropriation (Note 18)	–	–	–	–	–	–	**(24,500,000,000)**	**24,500,000,000**	–	–
Cash dividends (Note 18)	–	–	–	–	–	–	**(1,473,779,046)**	–	–	**(1,473,779,046)**
Balances at December 31, 2017	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱63,719,597)**	**₱75,409,464**	**₱18,385,021,808**	**₱24,500,000,000**	**₱281,277,149**	**₱67,372,617,760**

	For the Three Months Ended December 31, 2016									
	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 19)	Additional Paid-in Capital	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurements of Net Defined Benefit Liability (Note 29)	Cumulative Translation Adjustment	Unappropriated Retained Earnings (Note 18)	Appropriated Retained Earnings (Note 18)	Non-controlling Interest	Total Equity
Balances at October 1, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱116,728,484)	₱42,079,768	₱21,222,732,343	₱16,000,000,000	₱130,319,734	₱61,473,032,297
Comprehensive income										
Net income	–	–	–	–	–	–	1,254,917,783	–	82,186	1,254,999,969
Other comprehensive loss	–	–	–	–	(14,564,451)	(5,750,284)	–	–	–	(20,314,735)
Total comprehensive income	–	–	–	–	(14,564,451)	(5,750,284)	1,254,917,783	–	82,186	1,234,685,234
Issuance of capital stock	–	–	–	–	–	–	–	–	147,588,000	147,588,000
Balances at December 31, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱131,292,935)	₱36,329,484	₱22,477,650,126	₱16,000,000,000	₱277,989,920	₱62,855,305,531

For the Year Ended September 30, 2016

	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 19)	Additional Paid-in Capital	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurements of Net Defined Benefit Liability (Note 29)	Cumulative Translation Adjustment	Unappropriated Retained Earnings (Notes 18)	Appropriated Retained Earnings (Note 18)	Non-controlling Interest	Total Equity
Balances at October 1, 2015	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱76,401,362)	₱–	₱15,541,979,334	₱17,000,000,000	₱134,373,268	₱56,794,580,176
Comprehensive income										
Net income	–	–	–	–	–	–	6,154,532,055	–	(4,053,534)	6,150,478,521
Other comprehensive income	–	–	–	–	(40,327,122)	42,079,768	–	–	–	1,752,646
Total comprehensive income	–	–	–	–	(40,327,122)	42,079,768	6,154,532,055	–	(4,053,534)	6,152,231,167
Reversal of appropriation (Note 18)	–	–	–	–	–	–	17,000,000,000	(17,000,000,000)	–	–
Appropriation (Note 18)	–	–	–	–	–	–	(16,000,000,000)	16,000,000,000	–	–
Cash dividends (Note 18)	–	–	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at September 30, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱116,728,484)	₱42,079,768	₱21,222,732,343	₱16,000,000,000	₱130,319,734	₱61,473,032,297

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017, FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 AND FOR THE YEAR ENDED SEPTEMBER 30, 2016

	December 31,		
	2017 (One year)	2016 (Three months, see Note 2)	September 30, 2016 (One year)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱7,835,407,838**	₱1,640,752,839	₱8,184,125,550
Adjustments for:			
Depreciation (Notes 11, 12, 22 and 24)	**3,914,114,101**	1,010,020,925	3,571,271,998
Interest expense and finance charges (Note 26)	**778,194,869**	384,139,651	571,626,129
Accretion expense on security deposits (Notes 15 and 22)	**56,147,861**	21,327,753	66,820,441
Net movement in pension liabilities	**38,986,245**	10,962,639	34,516,561
Interest income (Notes 7, 21 and 26)	**(1,751,369,198)**	(175,623,025)	(326,362,956)
Provision for impairment losses (Note 8)	**–**	–	1,634,384
Gain on sale of investment property (Note 11)	**–**	–	(7,281,855)
Operating income before working capital changes	**10,871,481,716**	2,891,580,782	12,096,350,252
Decrease (increase) in:			
Receivables – trade	**222,753,309**	464,207,718	(2,298,872,947)
Subdivision land, condominium and residential units for sale (inclusive of capitalized borrowing cost)	**(1,703,718,678)**	(139,739,329)	(10,269,088,882)
Other current assets	**(986,266,081)**	(128,405,195)	(58,738,669)
Increase (decrease) in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**6,611,699,733**	1,108,405,097	1,442,405,192
Customers' deposits	**634,837,173**	(291,349,521)	1,244,567,497
Cash generated from operations	**15,650,787,172**	3,904,699,552	2,156,622,443
Interest received from installment contract receivables (Note 21)	**1,714,559,283**	168,336,421	308,287,941
Income tax paid	**(2,081,859,182)**	(304,148,434)	(1,611,811,533)
Net cash flows provided by operating activities	**15,283,487,273**	3,768,887,539	853,098,851
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from cash and short-term investments	**36,810,038**	7,254,230	18,221,298
Decrease (increase) in:			
Receivables from affiliated companies (Notes 8 and 20)	**(5,276,611)**	(581,814)	4,916,656
Advances to suppliers and contractors (Notes 10 and 13)	**522,468,189**	(188,256,343)	(881,320,355)
Other noncurrent assets	**(301,116,636)**	(10,095,285)	1,298,516,855
Advances to lot owners (Notes 10 and 13)	**(681,303,655)**	(1,310,732,053)	51,490,204
Additions to:			
Investment properties and land held for future development (inclusive of capitalized borrowing cost) (Note 11)	**(22,111,858,644)**	(2,694,665,019)	(10,408,209,367)
Property and equipment (Note 12)	**(1,898,020,108)**	(524,097,050)	(1,452,986,001)
Proceeds from sale of investment property	**–**	–	33,610,500
Cash received from non-controlling interest for increase in capital stock	**–**	147,588,000	–
Net cash flows used in investing activities	**(24,438,297,427)**	(4,573,585,334)	(11,335,760,210)

(Forward)

	December 31, 2017 (One year)	December 31, 2016 (Three months, see Note 2)	September 30, 2016 (One year)
CASH FLOWS FROM FINANCING ACTIVITIES (Note 35)			
Proceeds from availment of:			
Short-term loans (Note 16)	**₱15,693,400,000**	₱16,010,000,000	₱4,039,100,000
Loans payable (Note 16)	**12,340,263,710**	–	11,500,000,000
Payments of:			
Short-term loans (Note 16)	**(16,010,000,000)**	(4,039,100,000)	(3,048,897,460)
Loans payable (Note 16)	**(10,000,000)**	(10,000,000,000)	–
Debt issue cost (Note 16)	**(57,500,000)**	–	(57,500,000)
Cash dividends (Notes 14 and 18)	**(1,448,810,138)**	–	(1,472,627,310)
Interest and finance charges	**(764,240,887)**	(206,797,257)	(517,222,768)
Increase (decrease) in payable to affiliated companies and other noncurrent liabilities (Note 15)	**50,941,415**	(672,359,319)	(3,980,173)
Net cash flows provided by financing activities	**9,794,054,100**	1,091,743,424	10,438,872,289
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**639,243,946**	287,045,629	(43,789,070)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,436,210,577**	1,149,164,948	1,192,954,018
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱2,075,454,523**	₱1,436,210,577	₱1,149,164,948

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Robinsons Land Corporation (the Parent Company) is a stock corporation organized and incorporated on June 4, 1980 with a corporate life of 50 years under the laws of the Philippines. The Parent Company and its subsidiaries are collectively referred herein as "the Group".

The Group is engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, shopping malls, commercial centers and housing projects, hotels and other variants and mixed-used property projects. The Group is 60.97% owned by JG Summit Holdings, Inc. (JGSHI or the Ultimate Parent Company). JGSHI is one of the country's largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation and financial services.

The Parent Company's shares of stock are listed and currently traded at the Philippine Stock Exchange (PSE).

The Parent Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

On May 10, 2016, the Board of Directors approved the change of Parent Company's reporting period from fiscal year ending September 30 to calendar year ending December 31.

On July 18, 2016, the Parent Company filed its Amended By-Laws with SEC, amending the Parent Company's year end from fiscal year ending September 30 to calendar year ending December 31 and the said amendments were approved by the SEC on the same day.

On August 1, 2016, the BIR issued a certificate granting the Parent Company the change in accounting period.

The consolidated financial statements as of December 31, 2017 and 2016, and for the year ended December 31, 2017, for the three months ended December 31, 2016, and for the year ended September 30, 2016 were authorized for issue by the Parent Company's Board of Directors (BOD) on April 6, 2018.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis and are presented in Philippine Peso (₱), the Parent Company's functional currency. All amounts are rounded to the nearest Peso unless otherwise indicated.

The Group's short period financial statements as of and for the three months ended December 31, 2016 were prepared pursuant to the Parent Company's change in accounting period from fiscal year ended September 30 to calendar year ended December 31 (see Note 1).

The amounts presented in the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows and related notes to consolidated financial statements are for three months and accordingly, are not comparable to the consolidated financial statements as of and for the years ended December 31, 2017 and September 30, 2016.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2017 and 2016, and for the year ended December 31, 2017, for the three months ended December 31, 2016, and for the year ended September 30, 2016.

The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

An investee is included in the consolidation at the point when controls is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not owned by the Group and are presented separately in consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests, including preferred shares and options under share-based transactions, if any.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as of December 31, 2017 and 2016:

	Country of Incorporation	Effective Percentage of Ownership
Robinson's Inn Inc.	Philippines	**100%**
Robinsons Realty and Management Corp.	Philippines	**100%**
Robinsons Properties Marketing and Management Corp.	Philippines	**100%**
Manhattan Buildings and Management Corp.	Philippines	**100%**
Robinson's Land (Cayman), Ltd.	Cayman Islands	**100%**
Altus San Nicolas Corporation (ASNC)	Philippines	**100%**
Altus Angeles, Inc. (AAI)	Philippines	**51%**
GoHotels Davao, Inc. (GDI)	Philippines	**51%**
Lingkod Pinoy Bus Liner, Inc. (LPBLI)	Philippines	**80%**
RLC Resources Ltd.	British Virgin Island	**100%**
Land Century Holdings Ltd.	Hong Kong	**100%**
World Century Enterprise Ltd.	Hong Kong	**100%**
First Capital Development Ltd. (First Capital)	Hong Kong	**100%**
Chengdu Xin Yao Real Estate Development, Co. Ltd. (Chengdu Xin Yao)	China	**100%**

The voting rights held by the Parent Company in the above subsidiaries is equivalent to its ownership interest.

On October 19, 2015, Chengdu Xin Yao, subsidiary of First Capital, was incorporated to engage in the business of real estate development of Wuhou District of Chengdu Province in China (see Note 9).

On April 7, 2016, Lingkod Pinoy Bus Liner, Inc. was incorporated to engage in land transportation for transportation of carriage of passengers, goods, and merchandise within any place in the Philippines.

Voting rights held by non-controlling interest on AAI, GDI and LPBLI is equivalent to 49%, 49% and 20%, respectively. As of December 31, 2017 and 2016, the Group does not consider these subsidiaries as having material non-controlling interest that would require additional disclosures.

3. **Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2017. Adoption of these pronouncements did not have any significant impact on the consolidated financial position or performance unless otherwise indicated.

- Amendments to PFRS 12, *Disclosure of Interests in Other Entities*, *Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

  The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

- Amendments to PAS 7, *Statement of Cash Flows*, *Disclosure Initiative*

  The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

  The Group has provided the required information in Note 35 to the consolidated financial statements. As allowed under the transition provisions of the standard, the Group did not present comparative information for the three months ended December 31, 2016 and year ended September 30, 2016.

- Amendments to PAS 12, *Income Taxes*, *Recognition of Deferred Tax Assets for Unrealized Losses*

  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions upon the reversal of the deductible temporary difference related to unrealized losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

  The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Standards Issued But Not Yet Effective
The Group has not applied the following PFRS, Philippine Accounting Standards (PAS) and Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2018

- Amendments to PFRS 2, *Share-based Payment*, *Classification and Measurement of Share-based Payment Transactions*

  The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

  On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

- PFRS 9, *Financial Instruments*

  PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

  The Group plans to adopt the new standard on the mandatory effective date and will not restate comparative information.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption is expected to impact the assessment of the credit losses amount. The Group is currently assessing the impact of adopting this standard.

- Amendments to PFRS 4, *Insurance Contracts*, *Applying PFRS 9, Financial Instruments, with PFRS 4*

  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

  The amendments are not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

- PFRS 15, *Revenue from Contracts with Customers*

  PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the modified retrospective method.

The Parent Company is still assessing the impact of adopting PFRS 15 in 2018.

In addition, as the presentation and disclosure requirements in PFRS 15 are more detailed than under current PFRSs, the Group is currently assessing what necessary changes it needs to make on its current systems, internal controls, policies and procedures to enable the Group to collect and disclose the required information.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

  The amendments should be applied retrospectively, with earlier application permitted.

- Amendments to PAS 40, *Investment Property*, *Transfers of Investment Property*

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

  The Group's current practice is in line with the clarifications issued.

- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

  The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Since the Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements upon adoption of this interpretation.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

  The amendments to PFRS 9 allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

  The Group will apply this amendment if there are transactions of this nature in the future. None of its current transactions will fall under this feature.

- PFRS 16, *Leases*

  PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

  Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

  PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

  Early application is permitted, but not before an entity applies PFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

  The Group is currently assessing the impact of adopting PFRS 16. The Group expects the standard to impact its operating lease arrangements for land which will require recognition of right of use asset and its related lease liability in the books. The Group does not expect significant impact of the standard to its arrangement as a lessor.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

  The amendments to PAS 28 clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

- Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:
  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. **Summary of Significant Accounting Policies**

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

Rental income

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

Real estate sales

Revenue from sales of real estate and cost from completed projects is accounted for using the percentage of completion (POC). In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1, the POC is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to buyer and the costs incurred or to be incurred can be measured reliably. Under the POC method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of project.

Revenue recognition commences when the construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the required buyer's equity is met. Buyer's equity represents the percentage of collection over the total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group.

If any of the criteria under the percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits from real estate buyers" account which is shown as part of the "Deposits and other current liabilities" and "Deposits and other noncurrent liabilities" account in the liabilities section of the consolidated statement of financial position.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

Amusement income

Revenue is recognized upon rendering of services.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when the events take place. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Other income
Other income is recognized when earned.

Costs Recognition
Cost of Real Estate Sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision lots and housing units and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Costs and General and Administrative Expense
Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:
- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Commission Expense
The Group recognizes commission expense when services are rendered by the broker and agent. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

<u>Current and Noncurrent Classification</u>
The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Financial Instruments - Initial Recognition and Subsequent Recognition
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability.
In cases where variables used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Assets
Initial recognition and measurement
Financial assets are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investment, available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge as appropriate. All financial instruments are recognized initially at fair value plus, in the case of financial instruments not recorded at FVPL, transaction costs that are directly attributable to the acquisition of financial assets.

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

The Group's financial assets are of the nature of loans and receivables as of December 31, 2017 and 2016.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

The Group's loans and receivables include cash and cash equivalents, receivables and refundable utility deposits included under "Other current assets" and "Other noncurrent assets".

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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

<u>Impairment of Financial Assets</u>
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or (loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include other financial liabilities as of December 31, 2017 and 2016.

Other Financial Liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

The Group's other financial liabilities consists of accounts payable and accrued expenses, short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under "Deposit and other current liabilities" and "Deposit and other noncurrent liabilities".

Derecognition

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

Debt Issue Costs

Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Customers' Deposits

Deposits from lessees

Deposits from lessees are measured initially at fair value. After initial recognition, customers' deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the "Deposits and other liabilities" in the consolidated statement of financial position) and amortized using EIR amortization process.

Deposits from real estate buyers
Deposits from real estate buyers represent mainly reservation fees and advance payments. These deposits will be recognized as revenues in the profit or loss as the related obligations are fulfilled to the real estate buyers. The deposits are recorded as "Deposits from real estate buyers" and reported under the "Deposits and other liabilities" account in the consolidated statement of financial position.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Subdivision Land, Condominium and Residential Units for Sale
Subdivision land, condominium and residential units for sale in the ordinary course of business are carried at the lower of cost and net realizable value (NRV). Cost includes land costs, costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, contractor's fees and other professional fees, property transfer taxes, construction overheads and other related costs) and borrowing costs on loans directly attributable to the projects which were capitalized during construction.

NRV is the estimated selling price in the ordinary course of business less cost of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Prepaid expenses
Prepaid expenses pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

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

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statements of financial position.

Investment Properties and Land Held for Future Development
Investment properties
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the companies consolidated into the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Investment properties

are depreciated and amortized using the straight-line method over their estimated useful lives (EUL) as follows:

	Years
Buildings	20-30
Building improvements	10
Land improvements	10

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the profit and loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

Land held for future development
Land held for future development consist of raw land held by the Group which will be developed in the future. Land held for future development is carried at cost less any impairment in value. Transfers are made to investment properties when there is commencement of construction of commercial centers or office building on the land property. Transfers are made from land held for future development to either property and equipment or subdivision land, condominium and residential units for sale when, and only when, there is change in use, as evidenced by owner occupation or upon commencement of real estate development with a view to sell.

Land held for future development are derecognized when either they have been disposed of or when the land is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of land held for future development is recognized in the profit and loss in the period of retirement or disposal.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition. Cost also includes interest and other charges on borrowed funds used to finance the construction of property and equipment to the extent incurred during the period of construction and installation.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation commences once the assets are available for use and is calculated on a straight-line basis over the estimated useful life of over the EUL as follow:

	Years
Buildings	20
Building improvements	10
Land improvements	5
Theater furniture and equipment	5
Other equipment	2.5

Assets under construction are transferred to a specific category of property and equipment when the construction and other related activities necessary to prepare the property and equipment for their intended use are completed and the property and equipment are available for service.

Other equipment includes china, glassware, silver and linen on stock used in hotel operations.

The useful life and depreciation method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that the Group’s land held for future development, investment properties and property and equipment may be impaired. If any such indication exists, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is calculated as the higher of an asset’s or cash-generating unit’s fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

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

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the consolidated statement of comprehensive income.

Borrowing costs

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

Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs (included in “Subdivision land, condominium and residential units for sale”, “Property and equipment” and “Investment properties” accounts in the Group’s consolidated statement of financial position). Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings.

All other borrowing costs are expensed in the period they occur and is recorded under “Interest expense.”

Equity

Capital stock is measured at par value for all shares issued. When the Group issues more than one capital stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to “Additional paid-in capital” account. Direct costs incurred related to equity issuance are chargeable to “Additional paid-in capital” account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend distribution when they are declared by the subsidiaries as approved by their respective BOD.

Treasury Stock

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

Other equity reserve

Other equity reserve pertains to the difference between the consideration paid and the carrying value of the non-controlling interest acquired.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered. The Group does not recognize deferred income tax assets that will reverse during the income tax holiday (ITH).

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

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension Expense

The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related liabilities). If the fair value of the plan assets is higher than the present value of the defined benefit liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

<u>Leases</u>

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for any of the scenarios above, and at the date of renewal or extension period for the second scenario.

Group as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss on a straight-line basis over the lease term. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based on the terms of the leased contract.

Group as a lessor

Leases where the Group retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. Indirect costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as the lease income.

Leases where the Group transfers substantially all the risk and benefits of ownership of the assets are classified as finance leases. The Group recognizes assets held under a finance lease in its consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. The lease payments received from the lessee are treated as repayments of principal and finance income. Initial direct costs may include commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging the lease. They are included in the measurement of the net investment in the lease at inception and reflected in the calculation of the implicit interest rate. The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Foreign currencies

The Group’s consolidated financial statements are presented in Philippine Peso, which is also the Parent Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation for consolidation

On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in the cumulative translation adjustment (CTA) in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss when the standard permits.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares.

Operating Segment

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change.

The effects of any change in judgments and estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

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

Judgments

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

Revenue and cost recognition on real estate sales
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgment based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group.

Operating leases commitments - Group as lessee
The Group has entered into lease contracts to develop commercial or office properties on the leased land premises. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased land are not transferred to the Group. In determining significant risks and benefits of ownership, the Group considered, among others, that there is no transfer of ownership of the asset to the lessee by the end of the lease term.

In addition, majority of the lease contract have lease term ranging from one year to three years which is considered insignificant relative to the life of the asset (see Note 34).

Operating lease commitments - Group as lessor
The Group has entered into commercial and office property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases. In determining significant risks and benefits of ownership, the Group considered, among others, the significance of the lease term as compared with the EUL of the related asset.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee (see Note 34).

Distinction among real estate inventories, land held for future development and investment properties
The Group determines whether a property will be classified as Real estate inventories, Land held for future development and investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (Real estate inventories), whether it will be retained as part of the Group's strategic landbanking activities for development or sale in the medium or long-term (Land held for future development) or whether it will be held to earn rentals or for capital appreciation (Investment properties).

Finance lease commitments - Group as lessor
The Group has entered into property leases on some of its real estate condominium unit property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the bargain purchase option and minimum lease payments, that the Group has transferred all the significant risks and rewards of ownership of these properties to the lessee and accounts for them as finance leases (see Note 34).

Recognition of deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning. Deferred tax assets recognized as of December 31, 2017 and 2016 amounted to ₱818 million and ₱808 million, respectively (see Note 27).

The Group has deductible temporary difference that is available for offset against taxable income or tax payable which deferred tax asset has not been recognized. This pertains to NOLCO of subsidiaries amounting to ₱3 million as of December 31, 2017 and 2016. The related deferred tax assets amounted to ₱1 million as of December 31, 2017 and 2016 (see Note 27).

Contingencies
The Group is currently involved in various legal proceedings and tax assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the internal and external counsel handling the defense on these matters and is based upon an analysis and judgment of potential results by the management. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, that future results of operations could be materially affected by changes in the judgement or in the effectiveness of the strategies relating to these proceedings (see Note 34).

Estimates
The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue and cost recognition
The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue and cost from real estate is recognized based on the percentage of completion measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of the project. For the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, the real estate sales amounted to ₱5,973 million, ₱1,472 million and ₱7,194 million, respectively, while cost of real estate sales amounted to ₱3,143 million, ₱1,073 million and ₱3,982 million, respectively.

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of December 31, 2017 and 2016, the Group's subdivision land, condominium and residential units for sale amounted to ₱26,633 million and ₱25,983 million, respectively (see Note 9).

Estimation of useful lives of property and equipment and investment properties
The Group estimates the useful lives of its depreciable property and equipment and investment properties based on the period over which the assets are expected to be available for use. The EUL of the said depreciable assets are reviewed at least annually and are updated, if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the EUL of the depreciable property and equipment and investment properties would increase depreciation expense and decrease noncurrent assets.

The carrying balances of the Group's depreciable assets are disclosed in Notes 11 and 12 to the consolidated financial statements.

Impairment of nonfinancial assets
The Group assesses impairment on its nonfinancial assets (i.e., land held for future development, investment properties and property and equipment) and considers the following important indicators:
- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results; and,
- Significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect the carrying amount of the assets.

The carrying values of the Group's land held for future development, investment properties and property and equipment as of December 31, 2017 and 2016 are disclosed in Notes 11 and 12. No impairment was recognized for the Group's nonfinancial assets.

Pension cost
The determination of the obligation and cost of pension benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates (see Note 29).

The cost of defined benefit pension plan and the present value of the pension liabilities are determined using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

As of December 31, 2017 and 2016, the Group's present value of defined benefit obligations is shown in Note 29.

6. Operating Segments

Business Segments

The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest, income tax, depreciation and other income (losses) (EBITDA). The Group does not report its results based on geographical segments because the Group currently only has revenue generating activities in the Philippines as the real estate development in China is still in development stage.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS except for EBITDA.

Cost and expenses exclude interest, taxes and depreciation.

The Group derives its revenue from the following reportable units:

Commercial Center Division - develops, leases and manages shopping malls/commercial centers all over the Philippines.

Residential Division - develops and sells residential condominium spaces, as well as high-end horizontal residential projects.

Office Buildings Division - develops and leases out office spaces.

Hotel Division - owns and operates a chain of hotels in various locations in the Philippines.

The financial information about the operations of these business segments is summarized as follows:

	December 31, 2017 (One Year)					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱10,789,330,038	₱6,567,158,902	₱3,267,454,932	₱1,892,873,758	₱–	₱22,516,817,630
Intersegment revenue	52,219,142	–	–	1,875,627	(54,094,769)	–
Total Revenue	10,841,549,180	6,567,158,902	3,267,454,932	1,894,749,385	(54,094,769)	22,516,817,630
Costs and expenses						
Segment costs and expenses	3,751,872,140	4,781,531,704	337,498,332	1,169,386,910	–	10,040,289,086
Intersegment costs and expenses	–	52,219,142	(5,924,414)	7,800,041	(54,094,769)	–
Total Costs and expenses	3,751,872,140	4,833,750,846	331,573,918	1,177,186,951	(54,094,769)	10,040,289,086
Earnings before interest, taxes and depreciation	7,089,677,040	1,733,408,056	2,935,881,014	717,562,434	–	12,476,528,544
Depreciation (Notes 22 and 24)	3,040,446,157	63,270,808	629,271,677	181,125,459	–	3,914,114,101
Operating income	₱4,049,230,883	₱1,670,137,248	₱2,306,609,337	₱536,436,975	₱–	₱8,562,414,443
Assets and Liabilities						
Segment assets	₱80,743,669,926	₱43,519,547,103	₱17,909,268,241	₱5,954,062,532	₱–	₱148,126,547,802
Investment in subsidiaries - at cost	11,486,332,946	–	–	25,500,000	(11,511,832,946)	–
Total segment assets	₱92,230,002,872	₱43,519,547,103	₱17,909,268,241	₱5,979,562,532	(₱11,511,832,946)	₱148,126,547,802
Total segment liabilities	₱67,627,687,724	₱9,113,640,640	₱3,002,130,903	₱1,010,470,775	₱–	₱80,753,930,042
Other segment information:						
Capital additions (Notes 11 and 12)						₱24,009,878,752
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱4,846,756,065
Cash flows from:						
Operating activities	₱10,696,014,175	₱668,104,328	₱3,013,552,393	₱905,816,377	₱–	₱15,283,487,273
Investing activities	(19,651,620,845)	168,895,108	(3,208,653,145)	(1,746,918,545)	–	(24,438,297,427)
Financing activities	9,314,400,960	(624,221,033)	195,865,811	908,008,362	–	9,794,054,100

	December 31, 2016 (Three Months)					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱2,657,464,580	₱1,794,394,007	₱746,018,987	₱496,892,214	₱–	₱5,694,769,788
Intersegment revenue	9,611,510	–	2,340,322	–	(11,951,832)	–
Total Revenue	2,667,076,090	1,794,394,007	748,359,309	496,892,214	(11,951,832)	5,694,769,788
Costs and expenses						
Segment costs and expenses	832,165,422	1,517,643,403	29,785,555	286,274,025	–	2,665,868,405
Intersegment costs and expenses	1,455,389	11,205,906	(2,471,010)	1,761,547	(11,951,832)	–
Total Costs and expenses	833,620,811	1,528,849,309	27,314,545	288,035,572	(11,951,832)	2,665,868,405
Earnings before interest, taxes and depreciation	1,833,455,279	265,544,698	721,044,764	208,856,642	–	3,028,901,383
Depreciation (Notes 22 and 24)	800,087,879	10,389,344	152,494,588	47,049,114	–	1,010,020,925
Operating income	₱1,033,367,400	₱255,155,354	₱568,550,176	₱161,807,528	₱–	₱2,018,880,458
Assets and Liabilities						
Segment assets	₱62,041,193,665	₱44,396,733,768	₱13,689,850,239	₱4,304,380,727	₱–	₱124,432,158,399
Investment in subsidiaries - at cost	11,009,215,946	–	–	25,500,000	(11,034,715,946)	–
Total segment assets	₱73,050,409,611	₱44,396,733,768	₱13,689,850,239	₱4,329,880,727	(₱11,034,715,946)	₱124,432,158,399
Total segment liabilities	₱50,795,652,791	₱7,837,493,381	₱2,173,027,970	₱770,678,726	₱–	₱61,576,852,868
Other segment information:						
Capital additions (Notes 11 and 12)						₱3,218,762,069
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱1,206,826,578
Cash flows from:						
Operating activities	₱1,113,402,908	₱969,715,502	₱1,138,646,423	₱547,122,706	₱–	₱3,768,887,539
Investing activities	(2,603,403,555)	(416,591,890)	(1,148,027,626)	(405,562,263)	–	(4,573,585,334)
Financing activities	1,661,922,878	(437,392,038)	–	(132,787,416)	–	1,091,743,424

	September 30, 2016 (One Year)					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱9,961,880,934	₱7,829,061,783	₱2,913,020,892	₱1,807,598,592	₱–	₱22,511,562,201
Intersegment revenue	55,590,754	–	11,198,391	–	(66,789,145)	–
Total Revenue	10,017,471,688	7,829,061,783	2,924,219,283	1,807,598,592	(66,789,145)	22,511,562,201
Costs and expenses						
Segment costs and expenses	3,309,888,773	5,749,694,729	281,199,640	1,147,511,585	–	10,488,294,727
Intersegment costs and expenses	6,825,206	63,035,571	(11,680,557)	8,608,925	(66,789,145)	–
Total Costs and expenses	3,316,713,979	5,812,730,300	269,519,083	1,156,120,510	(66,789,145)	10,488,294,727
(Forward)						
Earnings before interest, taxes and depreciation	₱6,700,757,709	₱2,016,331,483	₱2,654,700,200	₱651,478,082	₱–	₱12,023,267,474
Depreciation (Notes 22 and 24)	2,746,396,661	34,309,947	621,207,346	169,358,044	–	3,571,271,998
Operating income	₱3,954,361,048	₱1,982,021,536	₱2,033,492,854	₱482,120,038	₱–	₱8,451,995,476
Assets and Liabilities						
Segment assets	₱60,030,652,818	₱43,469,784,109	₱12,666,803,823	₱3,872,951,799	₱–	₱120,040,192,549
Investment in subsidiaries - at cost	11,009,215,946	–	–	25,500,000	(11,034,715,946)	–
Total segment assets	₱71,039,868,764	₱43,469,784,109	₱12,666,803,823	₱3,898,451,799	(₱11,034,715,946)	₱120,040,192,549
Total segment liabilities	₱48,378,933,760	₱6,963,124,434	₱2,273,902,977	₱951,199,081	₱–	₱58,567,160,252
Other segment information:						
Capital additions (Notes 11 and 12)						₱12,390,195,956
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱14,293,412,622
Cash flows from:						
Operating activities	(₱1,841,614,430)	₱215,869,745	₱1,784,291,784	₱694,551,752	₱–	₱853,098,851
Investing activities	(8,557,665,607)	(3,506,959)	(1,788,278,963)	(986,308,681)	–	(11,335,760,210)
Financing activities	10,267,456,029	148,752,504	–	22,663,756	–	10,438,872,289

The revenue of the Group consists of sales to domestic customers. Inter-segment revenue accounted for under PFRS arising from lease arrangements amounting ₱54 million, ₱12 million and ₱67 million for the year ended December 31, 2017, for the three months ended December 31, 2016, and for the year ended September 30, 2016, respectively, are eliminated in consolidation.

The carrying amount of assets located outside the Philippines amounted to ₱12,414 million and ₱10,564 million as of December 31, 2017 and 2016, respectively.

No operating segments have been aggregated to form the above reportable segments. Capital additions consists of additions to property and equipment, land held for future development and investment properties.

Significant customers in lease arrangements under commercial center division include the affiliated entities (see Note 20). Rental income arising from the lease of commercial properties to affiliated companies which are not part of the Group and therefore not eliminated amounted to ₱2,337 million, ₱609 million and ₱2,181 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	December 31, 2017 (One year)	December 31, 2016 (Three months)	September 30, 2016 (One year)
EBITDA	**₱12,476,528,544**	₱3,028,901,383	₱12,023,267,474
Depreciation (Notes 22 and 24)	**(3,914,114,101)**	(1,010,020,925)	(3,571,271,998)
Other income (losses)	**(727,006,605)**	(378,127,619)	(267,869,926)
Income before income tax	**₱7,835,407,838**	₱1,640,752,839	₱8,184,125,550

7. Cash and Cash Equivalents

	2017	2016
Cash on hand and in banks	**₱1,379,275,821**	₱982,439,669
Short-term investments	**696,178,702**	453,770,908
	₱2,075,454,523	₱1,436,210,577

Cash in banks earns annual interest at the prevailing bank deposit rates. Short-term investments are invested for varying periods of up to three months and earn interest at the prevailing short-term investment rates ranging from 1.3% to 3.0%, 0.3% to 1.2% and 0.7% to 1.4% for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

Interest earned from cash in banks and short-term investments for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016 amounted to ₱37 million, ₱7 million and ₱18 million, respectively (see Note 26).

8. Receivables

	2017	2016
Trade		
Installment contract receivables	**₱7,272,408,707**	₱7,845,804,227
Rental receivables (Note 20)	**793,963,283**	544,958,664
Accrued rent receivables	**886,325,031**	695,135,421
Hotel operations	**185,203,621**	214,128,930
	9,137,900,642	9,300,027,242
Affiliated companies (Note 20)	**23,419,773**	18,143,162
Others	**227,363,029**	287,989,861
	9,388,683,444	9,606,160,265
Less allowance for impairment losses	**47,676,601**	47,676,601
	9,341,006,843	9,558,483,664
Less noncurrent portion	**3,775,948,572**	2,392,386,437
	₱5,565,058,271	₱7,166,097,227

The installment contract receivables aggregating to ₱7,272 million and ₱7,846 million as of December 31, 2017 and 2016, respectively, are collectible in monthly installments over a period of one (1) to ten (10) years. The noncurrent portion of installment contract receivables amounted to ₱3,068 million and ₱1,809 million as of December 31, 2017 and 2016, respectively. The title of the real estate property, which is the subject of the installment contract receivable due beyond 12 months, passes to the buyer once the receivable is fully paid.

Rental receivables from affiliated companies included under "Rental receivables" amounted to about ₱114 million and ₱121 million as of December 31, 2017 and 2016, respectively (see Note 20).

Accrued rent receivables represent the portion of the lease as a consequence of recognizing income on a straight-line basis. As of December 31, 2017 and 2016, the noncurrent portion of accrued rent receivable amounted to ₱708 million and ₱583 million, respectively.

Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage and transportation services. These are normally collectible within thirty (30) to ninety (90) days.

Other receivables consist primarily of insurance claims, receivables from officers and employees, and advances to brokers. The receivables from officers and employees are advances related to conduct of business activities subject to liquidation and for personal loans which are collected through salary deduction.

Allowance for impairment losses on trade receivables follows:

	Individual Assessment		**Collective Assessment**	
	Rental Receivable	**Hotels Operations**	**Installment Contract Receivables**	**Total**
Balances at December 31, 2017 and 2016	**₱13,905,027**	**₱14,771,574**	**₱19,000,000**	**₱47,676,601**

Aging Analysis

The aging analysis of the Group's receivables follows:

	December 31, 2017						
		Neither	**Past Due But Not Impaired**				**Past**
	Total	**Past Due nor Impaired**	**Less than 30 days**	**30 to 60 days**	**61 to 90 days**	**Over 90 days**	**Due and Impaired**
Trade receivables							
Installment contract receivables	**₱7,272,408,707**	**₱6,855,942,934**	**₱93,685,610**	**₱76,414,224**	**₱51,280,219**	**₱176,085,720**	**₱19,000,000**
Rental receivables	**793,963,283**	**197,449,461**	**118,969,392**	**32,200,417**	**33,809,261**	**397,629,725**	**13,905,027**
Accrued rent receivables	**886,325,031**	**886,325,031**	–	–	–	–	–
Hotel operations	**185,203,621**	**75,600,122**	**29,206,995**	**13,020,649**	**7,151,953**	**45,452,328**	**14,771,574**
Affiliated companies (Note 20)	**23,419,773**	**23,419,773**	–	–	–	–	–
Others	**227,363,029**	**227,363,029**	–	–	–	–	–
	₱9,388,683,444	**₱8,266,100,350**	**₱241,861,997**	**₱121,635,290**	**₱92,241,433**	**₱619,167,773**	**₱47,676,601**

	December 31, 2016						
		Neither	Past Due But Not Impaired				Past
	Total	Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Due and Impaired
Trade receivables							
Installment contract receivables	₱7,845,804,227	₱5,546,424,970	₱848,393,544	₱566,559,224	₱250,926,651	₱614,499,838	₱19,000,000
Rental receivables	544,958,664	163,210,174	22,273,371	45,355,695	30,827,052	269,387,345	13,905,027
Accrued rent receivables	695,135,421	695,135,421	–	–	–	–	–
Hotel operations	214,128,930	37,018,334	27,198,335	16,696,485	15,763,622	102,680,580	14,771,574
Affiliated companies (Note 20)	18,143,162	18,143,162	–	–	–	–	–
Others	287,989,861	287,989,861	–	–	–	–	–
	₱9,606,160,265	₱6,747,921,922	₱897,865,250	₱628,611,404	₱297,517,325	₱986,567,763	₱47,676,601

9. **Subdivision Land, Condominium and Residential Units for Sale**

	2017	2016
Land and condominium units	**₱12,891,326,496**	₱13,861,990,601
Land use right and development cost	**11,710,995,852**	10,216,189,751
Residential units and subdivision land	**2,030,312,220**	1,905,307,277
	₱26,632,634,568	₱25,983,487,629

The subdivision land, condominium and residential units for sale are carried at cost.

A summary of the movement in inventory is set out below:

	2017	2016
Beginning balance	**₱25,983,487,629**	₱25,849,498,584
Construction and development costs incurred	**4,846,756,065**	1,206,826,578
Transfers to investment properties and property and equipment (Notes 11 and 12)	**(1,054,571,739)**	–
Cost of real estate sales (Note 22)	**(3,143,037,387)**	(1,072,837,533)
	₱26,632,634,568	₱25,983,487,629

Borrowing cost capitalized amounted to ₱490 million, ₱98 million and ₱376 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016 is 4.02%, 3.87% and 4.45%, respectively. These amounts were included in the construction and development costs incurred (see Note 16).

The amount of subdivision land, condominium and residential units for sale recognized as cost of real estate sales in the consolidated statements of comprehensive income amounted to ₱3,143 million, ₱1,073 million and ₱3,982 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 22).

On October 20, 2015, the Chinese government awarded the Contract for Assignment of the Rights to the Use of State-Owned Land to the Group. In May 2016, the Masterplan had been completed and was submitted for approval to the Chinese government in the same month. The Chinese government approved the Masterplan in the first quarter of 2017, and the project will take around five (5) years to be completed.

Under the Contract, the Group is entitled to transfer, lease, mortgage all or part of the state-owned construction land use right to a third party. Upon receipt of the Certificate of State-owned Land Use Right Assignment, the land title will be subdivided into Individual Property Titles which will be issued to unit owners one year after completion of the development and turn-over of the units to the buyers. When all or part of the state-owned construction land use right is transferred, through sale of commercial units and high-rise condominium units to buyers, the rights and obligations specified in the Contract and in the land registration documents shall be transferred accordingly to the buyer. The use term will be the remaining years as of the date of transfer based on the original use term specified in the Contract.

When the use term under the Contract expires (residential: 70 years and commercial: 40 years) and the land user continues using the assigned land under the Contract, an application for renewal shall be submitted to the Chinese government not less than one (1) year prior to the expiration of the use term.

The land use right amounting to ₱11,710 million and ₱10,216 million as at December 31, 2017 and 2016, respectively, is pledged as security to the Renminbi (RMB)60 million (₱458 million) loan from Agricultural Bank of China (Note 16). Other than this, there are no subdivision land, condominium and residential units for sale that are pledged as security to liabilities as of December 31, 2017 and 2016.

10. **Other Current Assets**

	2017	2016
Input VAT - net	**₱2,338,956,212**	₱1,413,406,494
Advances to suppliers and contractors	**2,051,548,008**	2,493,347,106
Advances to lot owners (Note 30)	**1,884,161,701**	1,862,104,463
Prepaid expenses	**212,715,201**	164,710,648
Supplies	**64,628,699**	66,374,903
Utility deposits (Notes 31 and 32)	**9,989,072**	8,401,429
Restricted cash - escrow	**4,257,265**	58,631,881
Others	**43,455,923**	8,338,750
	₱6,609,712,081	₱6,075,315,674

Input VAT - net of output VAT can be applied against future output VAT.

Advances to suppliers and contractors consist of advance payment which will be applied against the final billing and are expected to occur within the year.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Prepaid expenses consist mainly of prepayments for taxes and insurance.

Supplies consist mainly of office and maintenance materials.

Utility deposits consist primarily of bid bonds and meter deposits.

Restricted cash - escrow pertains to cash placed in escrow funds earmarked for the acquisition of parcels of land, pursuant to the memorandum of agreement (MOA) with various sellers. Said amount shall be released to the sellers upon fulfillment of certain conditions set forth in MOA.

Others consist primarily of creditable withholding taxes and refundable deposit made by the Group.

11. Investment Properties and Land Held for Future Development

A summary of movement in investment properties is set out below:

	December 31, 2017 (One Year)				
	Land	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost					
Balances at January 1, 2017	**₱10,847,928,424**	**₱232,690,307**	**₱65,445,762,502**	**₱4,717,861,720**	**₱81,244,242,953**
Additions	**–**	**11,805,487**	**1,367,205,964**	**11,276,771,771**	**12,655,783,222**
Reclassification and transfers - net (Notes 9, 10 and 12)	**2,866,735,683**	**–**	**8,099,379,211**	**(6,983,272,089)**	**3,982,842,805**
Balances at December 31, 2017	**13,714,664,107**	**244,495,794**	**74,912,347,677**	**9,011,361,402**	**97,882,868,980**
Accumulated Depreciation					
Balances at January 1, 2017	**–**	**115,195,251**	**25,047,078,773**	**–**	**25,162,274,024**
Depreciation (Notes 22 and 24)	**–**	**18,499,378**	**3,233,791,574**	**–**	**3,252,290,952**
Balances at December 31, 2017	**–**	**133,694,629**	**28,280,870,347**	**–**	**28,414,564,976**
Net Book Value	**₱13,714,664,107**	**₱110,801,165**	**₱46,631,477,330**	**₱9,011,361,402**	**₱69,468,304,004**

	December 31, 2016 (Three Months)				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at October 1, 2016	₱10,347,362,644	₱230,016,623	₱64,140,346,774	₱3,609,106,816	₱78,326,832,857
Additions	–	2,673,684	831,995,383	1,527,225,929	2,361,894,996
Reclassification and transfers - net (Notes 9, 10 and 12)	500,565,780	–	473,420,345	(418,471,025)	555,515,100
Balances at December 31, 2016	10,847,928,424	232,690,307	65,445,762,502	4,717,861,720	81,244,242,953
Accumulated Depreciation					
Balances at October 1, 2016	–	110,571,784	24,212,770,893	–	24,323,342,677
Depreciation (Notes 22 and 24)	–	4,623,467	834,307,880	–	838,931,347
Balances at December 31, 2016	–	115,195,251	25,047,078,773	–	25,162,274,024
Net Book Value	₱10,847,928,424	₱117,495,056	₱40,398,683,729	₱4,717,861,720	₱56,081,968,929

Investment properties consisted mainly of shopping malls/commercial centers and office buildings that are held to earn rentals. Land held for future development pertains to land held for capital appreciation and landbanking activities for development.

The construction in progress reclassified during the year ended December 31, 2017 and for the three months ended December 31, 2016 amounted to ₱6,414 million and ₱418 million, respectively. This year's reclassification represents commercial malls in Iligan, Naga and North Tacloban and office building in Taguig. These have been completed during the year ended December 31, 2017 and transferred to the corresponding assets accounts such as buildings and buildings improvements and land improvements. The remaining construction in progress represents projects in Iloilo, Laguna, Tuguegarao, Ormoc and Quezon City which are all commercial malls and office buildings.

For the year ended December 31, 2017 and for the three months ended December 31, 2016, the Group reclassified subdivision land, condominium and residential units for sale to investment properties amounting to ₱1,017 million and nil, respectively (see Note 9).

For the year ended December 31, 2017, the Group transferred ₱758 million worth of other current assets to investment properties.

Depreciation expense charged to operations amounted to ₱3,252 million, ₱839 million and ₱2,982 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Notes 22 and 24).

Borrowing costs capitalized amounted to ₱472 million, ₱34 million and ₱447 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively. These amounts were included in the consolidated statements of cash flows under additions to investment properties. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016 is 4.02%, 3.87% and 4.45%, respectively.

The fair value of investment properties which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

The fair value as of December 31, 2017 and 2016 amounting to ₱199,351 million and ₱177,481 million, respectively, which are based on independent third party appraisal reports, dated December 31, 2017 and September 30, 2013, respectively, which were updated by management as of December 31, 2017 and 2016.

The fair value of the investment properties was arrived at using the Income Approach as of December 31, 2017 and 2016, and September 30, 2016. The income approach is based on the premise that the value of a property is directly related to the income it generates. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject property.

The fair value of the investment properties disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy.

Description of valuation techniques used and key inputs to valuation on malls and office buildings included under investment properties as of December 31, 2017 and 2016 follows:

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)
Malls	DCF method	discount rate	10%
		capitalization rate	8.0%-9.0%
		growth rate	0.0%-17.0%
		occupancy rate	72.0%-100.0%

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)
Office buildings	DCF method	discount rate	10.0%
		capitalization rate	7.5%
		growth rate	4.0%-10%
		occupancy rate	35.0%-100.0%

The discounted cash flows, or DCF, valuation uses a fundamental approach in valuing the future economic benefits of a projected income stream.

The valuation process significantly consists of the following steps:

- Estimation of the revenues generated;
- Estimation of the costs and expenses related to the operations of the development;
- Estimation of an appropriate discount rate and other significant assumptions; and
- Discounting process using an appropriate discount rate to arrive at an indicative market value

Rental income derived from investment properties amounted to ₱11,582 million, ₱2,718 million and ₱10,556 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 21).

Property operations and maintenance costs arising from investment properties amounted to ₱710 million, ₱184 million and ₱504 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 22).

There are no investment properties as of December 31, 2017 and 2016 that are pledged as security to liabilities.
A summary of the movement in land held for future development is set out below:

	2017	2016
Beginning balance	**₱17,730,922,918**	₱17,898,718,675
Acquisitions	**9,456,075,422**	332,770,023
Transfers to investment properties (Note 12)	**(2,280,119,482)**	(500,565,780)
Ending balance	**₱24,906,878,858**	₱17,730,922,918

12. **Property and Equipment**

	December 31, 2017 (One Year)				
	Land Improvements	**Buildings and Improvements**	**Theater Furniture and Equipment**	**Other Equipment**	**Total**
Cost					
Balances at January 1, 2017	**₱8,420,371**	**₱5,919,585,396**	**₱890,473,932**	**₱3,850,923,849**	**₱10,669,403,548**
Additions	**554,762**	**1,500,133,951**	**122,513,533**	**274,817,862**	**1,898,020,108**
Write-off	**–**	**–**	**–**	**(1,286)**	**(1,286)**
Reclassifications and transfers (Note 11)	**–**	**111,700,960**	**–**	**(1,508,304)**	**110,192,656**
Balances at December 31, 2017	**8,975,133**	**7,531,420,307**	**1,012,987,465**	**4,124,232,121**	**12,677,615,026**
Accumulated Depreciation					
Balances at January 1, 2017	**4,754,878**	**2,112,090,225**	**635,563,407**	**2,571,026,248**	**5,323,434,758**
Depreciation (Notes 22 and 24)	**674,529**	**186,970,164**	**109,766,408**	**364,412,048**	**661,823,149**
Write-off	**–**	**–**	**–**	**(1,286)**	**(1,286)**
Balances at December 31, 2017	**5,429,407**	**2,299,060,389**	**745,329,815**	**2,935,437,010**	**5,985,256,621**
Net Book Value	**₱3,545,726**	**₱5,232,359,918**	**₱267,657,650**	**₱1,188,795,111**	**₱6,692,358,405**

	December 31, 2016 (Three Months)				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at October 1, 2016	₱8,420,371	₱4,972,032,357	₱868,459,248	₱3,763,049,156	₱9,611,961,132
Additions	–	415,330,427	22,014,684	86,751,939	524,097,050
Reclassifications and transfers (Note 11)	–	532,222,612	–	1,122,754	533,345,366
Balances at December 31, 2016	8,420,371	5,919,585,396	890,473,932	3,850,923,849	10,669,403,548
Accumulated Depreciation					
Balances at October 1, 2016	4,589,197	2,076,812,951	609,333,708	2,461,609,324	5,152,345,180
Depreciation (Notes 22 and 24)	165,681	35,277,274	26,229,699	109,416,924	171,089,578
Balances at December 31, 2016	4,754,878	2,112,090,225	635,563,407	2,571,026,248	5,323,434,758
Net Book Value	₱3,665,493	₱3,807,495,171	₱254,910,525	₱1,279,897,601	₱5,345,968,790

For the year ended December 31, 2017, the Group transferred subdivision land, condominium and residential units for sale to property and equipment amounting ₱38 million (see Note 9).

Depreciation expense charged to operations amounted to ₱662 million, ₱171 million and ₱590 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Notes 22 and 24).

Borrowing cost capitalized amounted to ₱72 million, ₱4 million and ₱24 million for the year ended December 31, 2017, the three months ended December 31, 2016 and year ended September 30, 2016, respectively.

The following are the costs of property and equipment that are fully depreciated as of December 31, 2017 and 2016 but still used in operations:

	2017	2016
Building and improvements	**₱780,821,421**	₱637,223,766
Other equipment	**346,790,615**	234,718,094
Land improvements	**698,241**	698,241
	₱1,128,310,277	₱872,640,101

There are no property and equipment items as of December 31, 2017 and 2016 that are pledged as security to liabilities.

13. Other Noncurrent Assets

	2017	2016
Utility deposits (Notes 31 and 32)	**₱874,345,792**	₱615,808,254
Advances to suppliers and contractors	**819,615,054**	900,284,145
Prepaid rent	**382,799,970**	422,849,213
Advances to lot owners (Note 30)	**190,078,577**	190,078,577
Others (Note 30)	**133,359,127**	90,780,029
	₱2,400,198,520	₱2,219,800,218

Utility deposits consist primarily of bid bonds and meter deposits. These are deposits to utility companies in order to continue the availment of their services.

Advances to suppliers and contractors represent advance payment to suppliers or contractors which will be applied against the final billing.

Prepaid rent pertains to advance rentals of the 25-year operating lease agreement between Bases Conversion and Development Authority (BCDA) and ASNC (a wholly-owned subsidiary). The contract is for the long-term and development of approximately 5,000 sqm Lawton Corporate Center along Lawton Avenue, Bonifacio South, Taguig City. Subsequently, the said contract was assigned to the Parent Company through a Deed of Assignment wherein ASNC assigns all its rights, interests, and obligations on the contract of lease with approval of BCDA as provided for under the contract.

Upon the expiration of the initial lease period, the Parent Company has the option to purchase the property or to renew its lease term. Should the Parent Company exercise its option to purchase the property, the purchase price shall be based on the fair market value including the permanent improvements. Otherwise, the ownership of all buildings and permanent improvements constructed by the Parent Company on the property shall automatically be transferred to BCDA.

Therefore, should the Parent Company opt to renew its lease over the property, the new lease rate for the 25-year extension period shall cover the land as well as the buildings and permanent improvements transferred to BCDA. The fixed lease for the initial year of the lease extension period shall be 5% of the average fair market value of the property on the 25th year of the lease including the permanent improvements constructed therein.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Others include deposit to various joint venture partners representing share in an ongoing real estate development which will be liquidated at the end of joint venture agreement. This deposit will be realized through the Group's share in the completed units or share in the sales proceeds of the units, depending on the agreement with the other party.

14. Accounts Payable and Accrued Expenses

	2017	2016
Accounts payable (Note 20)	**₱9,685,757,998**	₱6,538,846,206
Taxes and licenses payable	**2,110,601,784**	1,085,744,274
Accrued rent expense	**806,830,746**	596,495,913
Accrued salaries and wages	**160,574,858**	445,635,017
Accrued interest payable	**370,835,301**	356,881,319
Accrued contracted services	**364,666,444**	230,786,415
Dividends payable	**40,990,210**	16,021,302
Other accrued payable	**343,189,406**	75,367,761
	₱13,883,446,747	₱9,345,778,207

Accounts payable mainly includes unpaid billings from suppliers and contractors related to construction activities. This also includes the payable to JGSHI for the purchase of land in December 2017 (see Note 20).

Taxes and licenses payable, accrued salaries and wages, accrued interest payable and accrued contracted services are normally settled within one (1) year.

Accrued rent expense represents accrual for film rentals.

Other accrued payable includes insurance payable and accrued utilities.

15. Deposits and Other Current Liabilities

	2017	2016
Deposits from real estate buyers	**₱1,204,355,371**	₱2,117,210,266
Deposits from lessees (Notes 17, 31 and 32)	**2,356,241,519**	1,840,490,741
Payables to affiliated companies (Notes 20, 31 and 32)	**185,692,813**	129,212,285
Others	**37,245,113**	39,854,909
	₱3,783,534,816	₱4,126,768,201

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. Deposits from real estate buyers also include cash collections in excess of the installment contract receivables recognized under the percentage-of-completion method.

Deposits from lessees (including noncurrent portion shown in Note 17) represent cash received in advance equivalent to three (3) to six (6) month rent which shall be refunded to lessees at the end of lease term. These are initially recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of instruments. The accretion expense on these deposits, recognized in "accretion of security deposit" under cost of rental services, amounted to ₱56 million, ₱21 million and ₱67 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 22).

Included in the "Deposit from lessees" are unearned rental income amounting to ₱373 million and ₱282 million as of December 31, 2017 and 2016, respectively. Amortization of unearned rental income included in "Rental income" amounted to ₱64 million, ₱16 million and ₱67 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

Others pertain to amount payable to the Parent Company's co-stockholders in its subsidiaries.

16. Loans Payable

Short-term loans

	2017	2016
Short-term loan obtained from local banks that will mature in January 2018. Interest rate is at 2.80% per annum.	**₱14,454,500,000**	₱–
Short-term loan obtained from a local bank that will mature in February 2018. Interest rate is at 2.60% per annum.	**1,238,900,000**	–
Short-term loan obtained from a local bank that matured in January 2017. Interest rate is at 2.50% per annum.	–	11,229,500,000
Short-term loan obtained from a local bank that matured in March 2017. Interest rate is at 2.45% per annum.	–	3,910,000,000
Short-term loan obtained from a local bank that matured in February 2017. Interest rate is at 2.50% per annum.	–	870,500,000
	₱15,693,400,000	₱16,010,000,000

Long-term loans

Details of the principal amount of the long-term loans follow:

	2017	2016
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	**₱10,635,500,000**	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears	**7,000,000,000**	–
Five-year term bonds from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	**6,500,000,000**	6,500,000,000
Seven-year term bonds from BPI maturing on August 10, 2023. Principal payable upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	**4,990,000,000**	5,000,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	**4,500,000,000**	–
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000

(Forward)

	2017	2016
Five-year loan maturing in August 2022. Principal of RMB60 million payable upon maturity, with fixed rate at 4.7500%.	**₱458,325,660**	₱–
Three-year loan maturing in December 2019. Principal of RMB50 million payable upon maturity, with fixed rate at 4.7500%.	**381,938,050**	–
	35,830,263,710	23,500,000,000
Less debt issue costs	**169,101,556**	138,522,322
Long-term loans net of debt issue costs	**₱35,661,162,154**	₱23,361,477,678

The Group's loans payable are all unsecured, except for the five-year loan from Agricultural Bank of China amounting to ₱458 million which the Group has guaranteed with its land use rights in China under Chengdu Xin Yao (see Note 9).

The credit facility is fully drawn as of December 31, 2017 and 2016.

Debt issue costs are deferred and amortized using effective interest method over the term of the related loans.

Total interest cost expensed out from short-term and long-term loans amounted to ₱778 million, ₱384 million and ₱572 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 26).

Capitalized borrowing cost amounted to ₱1,034 million, ₱132 million and ₱823 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Notes 9, 11 and 12).

Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022

On February 23, 2015, the Group issued ₱10,636 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants

The Group is required to maintain a debt-to-equity ratio not exceeding 2:1 as referenced from its consolidated financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2017 and 2016.

Seven-year term loan from Metropolitan Bank and Trust Company maturing on March 15, 2024

On March 15, 2017, the Group borrowed ₱7,000 million under Term Loan Facility Agreements with Metropolitan Bank and Trust Company.

The loan amounting to ₱7,000 million was released on March 15, 2017 which bears interest rate at 4.7500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a ratio of consolidated total borrowings to consolidated shareholders' equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its calendar year end December 31 and the consolidated interim financial statements as of March 31, June 30, and September 30. The Group has complied with the debt covenant as of December 31, 2017.

Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021
On July 8, 2016, the Group borrowed ₱6,500 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The loan was released on July 8, 2016 amounting to ₱3,000 million and on September 27, 2016 amounting to ₱3,500 million with interest rate at 3.8327% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2017 and 2016.

Seven-year term loan from Bank of the Philippine Islands maturing on August 10, 2023
On August 10, 2016, the Group borrowed ₱5,000 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The ₱5,000 million loan was released on August 10, 2016 with interest rate at 3.8900% per annum and shall be payable quarterly, computed on the basis of a 360-day year and on the actual number of days elapsed. Partial payment was made during the year amounting to ₱10 million.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2017 and 2016.

Ten-year term loan from BPI maturing on February 13, 2027
On February 10, 2017, the Group borrowed ₱4,500 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The loan was released on February 10, 2017 amounting to ₱4,500 million with interest rate at 4.9500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a ratio of net debt-to-equity not exceeding 2:1 as measured at each fiscal year-end date based on the audited consolidated financial statements. The Group has complied with the debt covenant as of December 31, 2017.

Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025
On February 23, 2015, the Group issued ₱1,365 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants
The Group is required to maintain a debt-to-equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2017 and 2016.

<u>Five-year loan from Agricultural Bank of China (ABC) maturing in August 2022</u>
In 2017, Chengdu Xin Yao entered into a facility loan agreement with ABC amounting to RMB500 million. On August 22, 2017, the Group made a drawdown which amounting to RMB60 million (₱458 million) which is payable after a period of 5 years. Interest on the loan shall be based on the rates released by the People's Bank of China which is 4.75% per annum as of loan agreement date.

Debt Covenants
Chengdu Xin Yao is required to maintain the following financial indicators: (a) actual revenue in its operating period which should not be lower than 20%; (b) debt-asset ratio should not equal or exceed 70%; (c) the borrower should not have a bad credit; and (d) borrower contingent liability ratio should not exceed 4%. Chengdu Xin Yao has complied with the debt covenant as of December 31, 2017.

<u>Three-year entrusted loan from Chengdu Ding Feng Real Estate Development Co. Ltd. Maturing in December 2019</u>
In 2017, Chengdu Xin Yao entered into a loan agreement with Chengdu Ding Feng Real Estate Development Co. Ltd. amounting to RMB50 million (₱382 million). Interest on the loan is 4.75%.

<u>Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019</u>
On July 8, 2014, the Group borrowed ₱9,000 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The ₱9,000 million loan was released in two tranches amounting to ₱5,000 million and ₱4,000 million on July 14, 2014 and August 27, 2014, respectively. The interest rate is at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. On October 17, 2016, the Group preterminated the ₱9,000 million loan.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

<u>Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019</u>
On July 8, 2014, the Group borrowed ₱1,000 million under Term Loan Facility Agreements with BDO Leasing and Finance, Inc.

The ₱1,000 million loan was released on July 14, 2014 with interest rate at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. On October 17, 2016, the Group preterminated the ₱1,000 million loan.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

Pre-termination of term loans from BDO Unibank, Inc. and BDO Leasing & Finance, Inc.
On October 17, 2016, the Group pre-terminated the outstanding balance of the ₱9,000 million five-year term loan from BDO Unibank, Inc. and ₱1,000 million five-year term loan from BDO Leasing and Finance, Inc. Pursuant to the Term Loan Facility Agreement between the Group, BDO Unibank, Inc. and BDO Leasing and Finance, Inc. dated July 8, 2014, the Group may prepay the loan in part or full together with accrued interest thereof to prepayment date subject to the penalty of one percent (1%). The Group paid a prepayment charge amounting to ₱100 million which is included in finance charges under "Other income (losses)" (see Note 26).

Details of the Group's loans payable by maturity follow:

Long-term loans

	Within 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
December 31, 2017	**₱–**	**₱381,938,050**	**₱–**	**₱6,500,000,000**	**₱28,948,325,660**	**₱35,830,263,710**
December 31, 2016	₱–	₱–	₱–	₱–	₱23,500,000,000	₱23,500,000,000

17. Deposits and Other Noncurrent Liabilities

	2017	2016
Accounts payable (Note 20)	**₱2,536,748,920**	₱343,997,836
Deposits from lessees (Notes 15, 31 and 32)	**2,341,568,583**	2,192,967,225
Accrued rent expense	**1,458,843,803**	1,577,720,784
Deposits from real estate buyers	**1,220,643,793**	281,156,000
Pension liabilities (Note 29)	**324,547,653**	353,134,746
Advances for marketing and promotional fund	**199,189,605**	175,670,795
Others	**246,625,744**	273,073,871
	₱8,328,168,101	₱5,197,721,257

Accounts payable consists of the balance due to JGSHI for the purchase of investment properties and retentions payable which represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

Accrued rent expense represents the portion of the lease as a consequence of recognizing expense on a straight-line basis. These pertain to various lease of land entered by the Group where the malls are located.

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. The deposits from real estate buyers which are expected to be applied to the contract price within one year are classified as current.

Others include payable to the non-controlling interests of the Parent Company's subsidiaries.

18. **Retained Earnings**

The declarable dividend of Parent Company amounted to ₱18,491 million and ₱23,002 million as of December 31, 2017 and 2016, respectively.

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱1,793 million and ₱1,275 million as of December 31, 2017 and 2016, are not available for dividend declaration by the Parent Company until received in the form of dividends.

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

Dividends declared
The BOD declared cash dividends in favor of all its stockholders for the years ended December 31, 2017 and September 30, 2016 as follows:

	December 31, 2017	September 30, 2016
Date of declaration	**March 3, 2017**	March 9, 2016
Date of payment	**May 2, 2017**	April 22, 2016
Ex-dividend rate	**April 3, 2017**	March 29, 2016
Dividend per share	**₱0.36**	₱0.36
Total dividends	**₱1,473,779,046**	₱1,473,779,046

Appropriation
On December 12, 2017, the BOD approved the reversal of the retained earnings it appropriated in 2016 amounting to ₱16,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱24,500 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2018 up to 2022.

On September 27, 2016, the BOD approved the reversal of the retained earnings it appropriated in 2015 amounting to ₱17,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱16,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2017 to 2021.

19. **Capital Stock and Other Equity Reserve**

The details of the number of common shares as of December 31, 2017 and 2016 follow:

	Shares	Amount
Authorized - at ₱1 par value	8,200,000,000	₱8,200,000,000
Issued and outstanding		
Common shares	4,111,528,685	₱4,111,528,685
Treasury shares	(17,698,000)	(221,834,657)
	4,093,830,685	₱3,889,694,028

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2017:

	Number of shares registered	Issue/ offer price	Date of SEC approval	Number of holders of securities as of year end
Balance before Initial public offering	300,000,000			
Initial public offering	200,000,000	₱1.00/share	February 10, 1989	
Increase in offer price		₱5.81/share	June 3, 1989	
Add:				
1:1 stock rights offering	500,000,000	₱2.50/share	March 15, 1991	
20% stock dividend	200,000,000	₱1.00/share	June 16, 1993	
1:2 stock rights offering	600,000,000	₱2.50/share	March 21, 1995	
Exchange for shares of JGSHI in MMHLC and in RII	496,918,457		April 3, 1997	
1:2 New share offering	450,000,000	₱12.00/share	September 25, 2006	
1:2 stock rights offering	1,364,610,228	₱10.00/share	May 17, 2011	
October 1, 2016	4,111,528,685			1,086
Add (deduct) movement	–			(7)
December 31, 2016	4,111,528,685			1,079
Add (deduct) movement	–			(13)
December 31, 2017	4,111,528,685			1,066

JGSHI - JG Summit Holdings, Inc.
MMHLC - Manila Midtown Hotels and Land Corporation
RII - Robinson's Inn Inc.
Note: Inclusive of 17,698,000 treasury shares

Treasury Shares

On October 22, 2009, the Parent Company's BOD approved the creation and implementation of a share buy-back program allotting up to ₱1,000 million to reacquire a portion of the Parent Company's issued and outstanding common shares, representing approximately 3.1% of current market capitalization.

As of December 31, 2017 and 2016, the Parent Company has a total of 17,698,000 treasury shares with a total purchase price of ₱222 million at an average price of ₱12.53 per share.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity attributable to the equity holders of the Parent Company. Following is a computation of the Group's debt-to-capital ratio as of December 31, 2017 and 2016.

	2017	2016
(a) Loans payable (Note 16)	**₱51,523,663,710**	₱39,510,000,000
(b) Capital	**₱67,091,340,611**	₱62,577,315,611
(c) Debt-to-capital ratio (a/b)	**0.77:1**	0.63:1

The Group's policy is to limit the debt-to-capital ratio at the 1.5:1 level. This policy is consistent with the requirements under the Group's debt covenants with lenders.

Other Equity Reserve
On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in Altus San Nicolas Corp. (ASNC), increasing its ownership interest from 80% to 100%. Cash consideration of ₱198 million was paid to the non-controlling shareholders. The total carrying value of the net assets of ASNC at the date of acquisition was ₱578 million, and the 20% equivalent of the carrying value of the remaining non-controlling interest acquired was ₱111 million. The difference of ₱88 million between the consideration and the carrying value of the interest acquired was booked in "Other equity reserve" account within equity.

20. Related Party Transactions

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities. Transactions are generally settled in cash, unless otherwise stated.

The amounts and balances arising from significant related party transactions are as follows:

	December 31, 2017 (One Year)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
a) Rental income/receivable	**₱51,766,433**	**₱3,189,986**	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances from	**51,979,442**	**(155,504,725)**	Non-interest bearing; due and demandable	Unsecured
e) Accounts payable	**6,544,360,000**	**(4,842,826,400)**	Non-interest bearing; payable within three years	Unsecured
Under common control				

(Forward)

	December 31, 2017 (One Year)			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
c) Cash and cash equivalents				
• Cash in banks	**₱182,113,340**	**₱484,782,763**	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	**528,119,065**	**528,119,065**	Interest bearing at prevailing market rate; at 1.25% to 3.00% per annum due and demandable	Unsecured; no impairment
• Interest income	**2,730,662**	**10,546**		
a) Rental income/receivable	**2,284,829,922**	**110,555,182**	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**5,276,611**	**23,419,773**	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	**4,501,086**	**(30,188,088)**	Non-interest bearing; due and demandable	Unsecured
d) Sale of lease receivables	**891,045,585**	**–**	Non-interest bearing; payable in installments	Unsecured; no impairment
		(₱3,878,441,898)		

	December 31, 2016 (Three Months)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
a) Rental income/receivable	₱12,091,279	₱3,956,252	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances from	(108,677)	(103,525,283)	Non-interest bearing; due and demandable	Unsecured
Under common control				
c) Cash and cash equivalents				
• Cash in banks	288,051,913	302,669,423	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	189,523,963	189,523,963	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Interest income	1,393,421	14,478		
c) Rental income/receivable	596,634,859	116,717,670	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	581,814	18,143,162	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	(1,585,291)	(25,687,002)	Non-interest bearing; due and demandable	Unsecured
		₱501,812,663		

Outstanding balances consist of the following:

	December 31	
	2017	2016
Cash and cash equivalents (Note 7)	**₱1,012,901,828**	₱492,193,386
Rental receivables (Note 8)	**113,755,714**	120,688,400
Receivable from affiliated companies (Note 8)	**23,419,773**	18,143,162
Payable to affiliated companies (Note 15)	**(185,692,813)**	(129,212,285)
Accounts payable and accrued expenses (Note 14)	**(2,600,000,000)**	–
Deposits and other noncurrent liabilities (Note 17)	**(2,242,826,400)**	–
	(₱3,878,441,898)	₱501,812,663

Significant transactions with related parties are as follows:

a) *Rental income*
The Group leases commercial properties to affiliated companies with a lease term of three to five years based on prevailing market lease rates.

b) *Advances to (from) affiliated companies*
The Group, in the normal course of business, has transactions with its major stockholders, Ultimate Parent Company and its affiliated companies consisting principally of lease arrangements and advances principally for working capital requirement, financing for real estate development, and purchase of investment properties.

c) *Cash and cash equivalents*
The Group maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

There are no other arrangements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled to under the Group's pension plan.

d) *Sale of lease receivables*
On May 26, 2017, the Parent Company entered into a master agreement with an affiliate bank to sell the former's installment contracts receivable on a without recourse basis through various tranches. For the year ended December 31, 2017, the Parent Company sold its lease receivables with a carrying value of ₱891 million to the affiliate bank which resulted to a gain amounting to ₱18 million.

e) *Accounts payable to Ultimate Parent*
In December 2017, the Parent Company entered into a Deed of Absolute Sale with JGSHI, wherein JGSHI sold to the Parent Company its 130,965 square-meter parcels of land for a total selling price of ₱6,544 million plus 12% VAT on an installment basis for three years.

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables. The Group has not recognized any impairment losses on amounts receivables from related parties for the year ended December 31, 2017, three months ended December 31, 2016 and for the year ended September 30, 2016. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel by benefit type follows:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Short-term employee benefits	**₱863,112,728**	₱258,657,149	₱893,618,174
Post-employment benefits	**55,303,477**	10,962,639	43,859,770
	₱918,416,205	₱269,619,788	₱937,477,944

21. **Revenue**

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Real Estate Operations			
Rental income (Notes 11, 20 and 34)	**₱11,581,560,401**	₱2,718,339,596	₱10,556,125,587
Real estate sale	**5,973,248,023**	1,472,300,349	7,193,970,995
Amusement income	**1,802,643,181**	431,783,166	1,694,021,661
Others	**1,266,492,267**	575,454,463	1,259,845,366
	20,623,943,872	5,197,877,574	20,703,963,609
Hotel Operations			
Rooms	**1,210,221,728**	303,155,640	1,155,513,678
Food and beverage	**621,883,904**	181,681,478	605,142,982
Others	**60,768,126**	12,055,096	46,941,932
	1,892,873,758	496,892,214	1,807,598,592
	₱22,516,817,630	₱5,694,769,788	₱22,511,562,201

Real estate sales include interest income from installment contract receivable amounting to ₱1,715 million, ₱168 million and ₱308 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

Other revenue under real estate operations are receipts of penalties from real estate buyers and tenants, forfeitures of payments from sales cancellations and reservations and receipts of association dues.

Other revenue under hotel operations includes transport, laundry, valet and other services.

22. **Costs**

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
Real Estate Operations			
Cost of Rental Services			
Depreciation (Note 24)	**₱3,732,988,642**	₱962,971,811	₱3,401,913,954
Property operations and maintenance costs (Note 11)	**710,458,514**	184,083,433	504,336,451
Accretion of security deposit (Note 15)	**56,147,861**	21,327,753	66,820,441
	4,499,595,017	1,168,382,997	3,973,070,846
Cost of Real Estate Sales (Note 9)	**3,143,037,387**	1,072,837,533	3,982,243,972
Cost of Amusement Services			
Film rentals expense	**820,824,802**	195,593,971	764,711,495
Others			
Contracted services	**162,374,681**	32,508,845	177,015,756
Others	**650,042,384**	79,178,093	442,935,438
	812,417,065	111,686,938	619,951,194
	9,275,874,271	2,548,501,439	9,339,977,507
Hotel Operations			
Cost of Room Services			
Property operations and maintenance costs	**386,759,727**	48,267,241	195,381,543
Depreciation (Note 24)	**181,125,459**	47,049,114	169,358,044
	567,885,186	95,316,355	364,739,587
Cost of Food and Beverage	**353,667,814**	99,516,430	348,427,973
Others			
Salaries and wages (Note 25)	**60,005,353**	48,551,120	186,966,096
Contracted services	**69,033,445**	31,856,217	141,404,383
Management fee	**64,430,314**	18,583,900	64,807,264
Supplies	**21,336,897**	14,480,280	53,473,803
Commission	**8,709,538**	9,428,004	37,475,779
Others	**205,443,822**	15,590,833	119,574,744
	428,959,369	138,490,354	603,702,069
	1,350,512,369	333,323,139	1,316,869,629
	₱10,626,386,640	₱2,881,824,578	₱10,656,847,136

Others under costs of real estate operations and hotel operations include expenses for utilities, and other overhead expenses.

23. **General and Administrative Expenses**

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
Salaries and wages (Notes 20, 25 and 29)	**₱858,410,852**	₱221,068,668	₱750,511,848
Taxes and licenses	**688,653,834**	72,327,507	633,092,857
Commission	**588,617,839**	132,465,128	612,492,978
Advertising and promotions	**520,144,547**	169,868,301	657,442,372
Insurance	**140,294,103**	9,852,203	129,602,624
Supplies	**133,003,519**	30,349,451	131,166,417
Association dues	**105,739,200**	29,696,574	68,893,800
Light, water and communication	**105,103,790**	21,619,899	110,359,156
Travel and transportation	**69,776,197**	12,630,360	61,654,134
Rent (Note 34)	**52,014,409**	43,593,841	179,966,892
Entertainment, amusement and recreation	**21,153,204**	13,504,404	14,173,544
Others	**45,105,053**	37,088,416	53,362,967
	₱3,328,016,547	₱794,064,752	₱3,402,719,589

24. **Depreciation**

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
Real estate (Notes 11, 12 and 22)	**₱3,732,988,642**	₱962,971,811	₱3,401,913,954
Hotel operations (Notes 11, 12 and 22)	**181,125,459**	47,049,114	169,358,044
	₱3,914,114,101	₱1,010,020,925	₱3,571,271,998

25. **Personnel Expenses**

Personnel expenses consist of (see Notes 22 and 23):

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
Salaries, wages and other staff costs	**₱811,588,387**	₱243,588,858	₱849,535,817
Pension expense (Note 29)	**55,303,477**	10,962,639	43,859,770
SSS contributions, PAG-IBIG contributions, premiums and others	**51,524,341**	15,068,291	44,082,357
	₱918,416,205	₱269,619,788	₱937,477,944

The above amounts are distributed as follows:

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
General and administrative (Note 23)	**₱858,410,852**	₱221,068,668	₱750,511,848
Hotel operations (Note 22)	**60,005,353**	48,551,120	186,966,096
	₱918,416,205	₱269,619,788	₱937,477,944

26. **Other Income (Losses)**

Interest expense consists of (see Notes 15 and 16):

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
Loans payable (Notes 15 and 16)	**₱778,194,869**	₱237,171,367	₱571,626,129
Finance charges (Note 16)	**–**	146,968,284	–
	₱778,194,869	₱384,139,651	₱571,626,129

Capitalized borrowing costs for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016 are discussed in Notes 9 and 11.

Interest income pertains to the Group's interest received from cash and cash equivalents.

For the year ended September 30, 2016, the Group recorded ₱209 million gain from insurance claim due to receipt of final insurance settlement for the typhoon Yolanda and other minor insurance claims.

27. **Income Tax**

The Group's provision for income tax includes the regular corporate income tax (RCIT), minimum corporate income tax (MCIT) and final tax paid at the rate of 20% for peso deposits and 7.50% for foreign currency deposits which are final withholding tax on gross interest income. Details follow:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Current			
RCIT	**₱1,771,169,116**	₱444,558,754	₱1,597,959,378
Final tax	**6,460,001**	365,067	2,132,358
MCIT	**315,448**	251,922	179,419
	1,777,944,565	445,175,743	1,600,271,155
Deferred	**173,025,316**	(59,422,873)	433,375,874
	₱1,950,969,881	₱385,752,870	₱2,033,647,029

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.01)**	(0.01)	(0.01)
Tax exempt real estate sales	**(0.11)**	(0.16)	(0.13)
Income subjected to BOI, PEZA and lower tax	**(4.98)**	(6.32)	(5.02)
Effective income tax rate	**24.90%**	23.51%	24.84%

Deferred taxes as of December 31, 2017 and 2016 relate to the tax effects of the following:

	2017	2016
Deferred tax assets:		
Accrued rent expense	**₱474,822,924**	₱486,334,093
Accrued interest expense	**220,795,887**	203,951,528
Pension liabilities	**106,170,155**	101,613,296
Allowance for impairment loss	**14,302,980**	14,302,980
MCIT	**2,168,956**	2,168,956
	818,260,902	808,370,853
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(1,878,456,323)**	(1,691,225,615)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(1,277,103,559)**	(1,354,844,498)
Accrued rent income	**(330,627,337)**	(263,859,374)
Unamortized debt issuance cost	**(53,556,058)**	(44,322,288)
Prepaid rent (Note 13)	**(143,707,812)**	(147,569,124)
	(3,683,451,089)	(3,501,820,899)
Net deferred tax liabilities	**(₱2,865,190,187)**	(₱2,693,450,046)

Provision for deferred tax relating to remeasurements of defined benefit liability recognized directly in equity amounted to (₱29) million, ₱6 million and ₱17 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

The Group has deductible temporary difference that is available for offset against taxable income or tax payable for which deferred tax asset has not been recognized. This deductible temporary difference with no deferred tax assets recognized in the consolidated financial statements pertains to NOLCO of subsidiaries amounting to ₱3 million as of December 31, 2017 and 2016, respectively. The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱1 million as of December 31, 2017 and 2016 and September 30, 2016.

The carryforward benefits of NOLCO, which can be claimed as a deduction by the Group against future taxable income for the next three (3) years from the year of incurrence, are as follows:

Period of recognition	Amount	Period of expiration
NOLCO		
December 31, 2017	₱517,845	December 31, 2020
December 31, 2016	540,064	December 31, 2019
September 30, 2016	1,796,845	September 30, 2019
	₱2,854,754	

Period of recognition	Amount	Period of expiration
MCIT		
December 31, 2017	₱315,448	December 31, 2020
December 31, 2016	63,272	December 31, 2019
September 30, 2016	227,828	September 30, 2019
	₱606,548	

28. Basic/Diluted Earnings Per Share

Earnings per share amounts were computed as follows:

	December 31,		September 30,
	2017 (One year)	2016 (Three months)	2016 (One year)
a. Net income attributable to equity holders of Parent Company	**₱5,881,150,728**	₱1,254,917,783	₱6,154,532,055
b. Weighted average number of common shares outstanding adjusted (Note 19)	**4,093,830,685**	4,093,830,685	4,093,830,685
c. Earnings per share (a/b)	**₱1.44**	₱0.31	₱1.50

There were no potential dilutive shares for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016.

29. Employee Benefits

Pension Plans

The Group has funded, noncontributory, defined benefit pension plans covering all of its regular employees.

It provides benefits based on a number of month's salary for every year of service. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with Robinsons Bank Corporation (RBC) as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Group, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions.

The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. RBC manages the plan assets based on the mandate as defined in the trust agreement.

The components of pension expense (included in "Personnel expenses" under "Costs and General and administrative expenses" in the consolidated statements of comprehensive income) follow:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Service cost	**₱42,269,949**	₱8,074,069	₱32,296,274
Net interest cost	**13,033,528**	2,888,570	11,563,496
Pension expense	**₱55,303,477**	₱10,962,639	₱43,859,770

There are no plan amendments, curtailments or settlements for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016.

The amounts recognized as pension liabilities included under "Deposit and other noncurrent liabilities" in the consolidated statements of financial position follow:

	2017	2016
Present value of defined benefit obligation	**₱470,681,322**	₱510,599,931
Fair value of plan assets	**(146,133,669)**	(157,465,185)
Pension liabilities	**₱324,547,653**	₱353,134,746

Changes in net defined benefit liability of funded funds follow:

	December 31, 2017 (One Year)		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Balance at January 1, 2017	**₱510,599,931**	**₱157,465,185**	**₱353,134,746**
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	**42,269,949**	**–**	**42,269,949**
Net interest cost	**19,296,205**	**6,262,677**	**13,033,528**
Subtotal	**61,566,154**	**6,262,677**	**55,303,477**
Benefits paid	**(6,537,538)**	**(4,285,569)**	**(2,251,969)**

(Forward)

	December 31, 2017 (One Year)		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	**(₱3,493,005)**	**₱–**	**(₱3,493,005)**
Actuarial changes arising from changes in financial/demographic assumptions	**(91,454,220)**	**–**	**(91,454,220)**
Return on plan assets	**–**	**1,586,115**	**(1,586,115)**
Subtotal	**(94,947,225)**	**1,586,115**	**(96,533,340)**
Others	**–**	**(14,894,739)**	**14,894,739**
Balance at December 31, 2017	**₱470,681,322**	**₱146,133,669**	**₱324,547,653**

	December 31, 2016 (Three Months)		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at October 1, 2016	₱479,132,556	₱151,524,900	₱327,607,656
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	8,074,069	–	8,074,069
Net interest cost	4,033,638	1,145,068	2,888,570
Subtotal	12,107,707	1,145,068	10,962,639
Contributions	–	6,241,908	(6,241,908)
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience adjustments	16,299,125	–	16,299,125
Actuarial changes arising from changes in financial/demographic assumptions	3,060,543	–	3,060,543
Return on plan assets	–	(1,446,691)	1,446,691
Subtotal	19,359,668	(1,446,691)	20,806,359
Balance at December 31, 2016	₱510,599,931	₱157,465,185	₱353,134,746

The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

	2017	2016
Cash and cash equivalents		
Special deposit account	**₱–**	₱82,798,266
Savings deposit account	**38,313,660**	26,628,261
Other securities	**22,606,464**	1,669,001
	60,920,124	111,095,528
Investment in debt instruments		
Fixed rate bonds	**72,214,780**	20,670,200
Other debt instruments	**140,807**	8,062,357
	72,355,587	28,732,557
Accrued interest receivable	**595,215**	274,773
Other assets	**12,274,270**	17,371,783
Accrued trust and management fee payable	**(11,527)**	(9,456)
	₱146,133,669	₱157,465,185

The composition of the fair value of the Fund includes:

- *Cash and cash equivalents* - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas.

- *Investment in debt instruments* - include investment in long-term debt notes and retail bonds issued by locally listed entities.

- *Accrued interest receivable and other receivable* - include interest earned from investments and receivable from affiliated companies.

- *Accrued trust and management fee payable* - pertains mainly to charges of trust or in the management of the plan.

The fund has no investment in the Parent Company as of December 31, 2017 and 2016.

The plan assets have diverse investments and do not have any concentration risk.

The management performs an asset-liability matching strategy annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The overall expected rates of return on assets are based on the market expectations prevailing as at the reporting date, applicable to the period over which the obligation is settled.

The Group expects to contribute ₱59 million to the defined benefit pension plans in 2018.

The average duration of the defined benefit obligation of the Group as of December 31, 2017 and 2016 is 15 years.

The principal assumptions used to determine the pension benefits of the Group follow:

	December 31, 2017 (One Year)	December 31, 2016 (Three months)
Discount rate	**5.71% to 4.35%**	3.93% to 4.85%
Rate of salary increase	**5.50%**	5.00%

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of December 31, 2017 and 2016, assuming if all other assumptions were held constant.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The balances below show the addition/reduction in pension obligation assuming assumptions are changed:

		Increase (decrease) on pension liabilities	
		December 31, 2017	December 31, 2016
Discount rates	+1.00%	**(₱435,084,092)**	(₱41,523,152)
	-1.00%	**511,246,772**	48,094,773
Salary increase rates	+1.00%	**₱514,060,694**	₱44,969,563
	-1.00%	**(431,994,139)**	(39,848,946)

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

	December 31, 2017	December 31, 2016
Less than 1 year	**₱33,835,830**	₱19,106,049
More than 1 years to 5 years	**166,775,205**	105,208,719
More than 5 years to 10 years	**335,554,425**	276,911,978
More than 10 years to 15 years	**423,658,912**	409,155,857
More than 15 years to 20 years	**311,502,005**	308,379,053
More than 20 years	**600,038,794**	379,998,070

30. Interest in Joint Venture and Joint Operations

The Group has entered into joint venture agreements with various landowners and other companies with various percentage interests in these joint operations depending on the value of the land or investment against the estimated development costs. These joint venture agreements entered into by the Group relate to the development and sale of subdivision land, condominium and residential units, with certain level of allocation of condominium unites/lots to be sold to buyers with provisions for sharing in the cash collection on the sale of allocated developed unites.

The Group's joint venture agreements typically require the joint venture partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all the cost related to the land development and the construction of subdivision land, condominium and residential units, including the facilities.

Sales and marketing costs are allocated to both the Group and the joint operations partner.
The projects covering the joint venture agreement are expected to be completed within two to three years. Each joint operations party has committed to contribute capital based on the terms of the joint venture agreement.

Interest in joint projects with Horizon Land Property & Development Corporation, formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (Jointly Controlled Operations)

On February 7, 2011, the Parent Company entered into a joint venture agreement with Horizon Land Property & Development Corporation (HLPDC), formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (FLI) to develop Axis Residences (the Project) located along Pioneer Street in Mandaluyong City. The construction of the planned 2-phase residential condominium has commenced in March 2012. One tower of first phase was completed on September 2015.

The agreed contributions of the parties follow:
a. The Parent Company: Road lot valued at ₱89 million and development costs amounting ₱1,390 million
b. FLI: Development costs amounting ₱739 million
c. HLPDC, an affiliate of FLI: Four (4) adjoining parcels of land valued at ₱739 million located along Pioneer St., Mandaluyong City, 21,109 sqm

Further, the sharing of saleable units (inventories) of real estate revenue, cost of real estate sales and any common expenses incurred, are as follows: the Parent Company-50% and FLI-50%. Based on the foregoing, the Parent Company accounted for the joint arrangement as a jointly controlled operations and accordingly, recognized its share in the assets, revenue and expenses of the joint operations.

On December 6, 2017, the Parent Company executed an addendum agreement with HLPDC and FLI to discontinue the development of Phase II.

The following were the agreements included in the addendum:
a. The development of the Project shall be limited to Phase 1;
b. The discontinuance shall be without fault on either of the Parties. Accordingly, HLPDC and FLI shall reimburse RLC the amount of ₱193 million representing the non-development of four (4) towers of Phase II;
c. Ownership and right of possession of the parcels of land corresponding to Phase II shall remain to be with HLPDC and shall be excluded from the provisions of the JVA.
d. The perpetual right to use RLC's land contribution is limited to Phase I and to the adjacent properties owned by HLPDC, FLI or its affiliates.

Joint Venture with Shang Properties, Inc.
On November 13, 2017, the Parent Company's BOD approved the agreement with Shang Properties, Inc. (SPI) to form a joint venture corporation (JVC). Both RLC and SPI shall each own 50% of the outstanding shares in the JVC to be formed.

RLC and SPI, through the JVC, shall build and develop a property situated at McKinley Parkway corner 5th Avenue and 21st Drive at Bonifacio Global City, Taguig, Metro Manila. The project is intended to be a mixed-use development and may include residential condominium units, serviced apartments and commercial retail outlets. The JVC also plans to pursue other development projects. The joint venture agreement between RLC and SPI is subject to approval by the Philippine Competition Commission ("PCC"). RLC received official notice of such approval by the PCC on March 22, 2018.

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, comprise of loans payable, deposit from lessees, receivables from affiliated companies, payables to affiliated companies, utilities deposits, receivables and cash and cash equivalents. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks currently arising from the Group's financial instruments are foreign currency market risk, liquidity risk, interest rate risk and credit risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below, together with the related risk management structure.

Risk Management Structure
The Group's risk management structure is closely aligned with that of the Parent Company. The BOD of the Parent Company and the respective BODs of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks.

The risk management framework encompasses environmental scanning, the identification and assessment of business risks, development of risk management strategies, design and implementation of risk management capabilities and appropriate responses, monitoring risks and risk management performance, and identification of areas and opportunities for improvement in the risk management process.

Each BOD has created the board-level Audit Committee (AC) to spearhead the managing and monitoring of risks.

Audit Committee
The AC shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.

The AC also aims to ensure that:
a. financial reports comply with established internal policies and procedures, pertinent accounting and audit standards and other regulatory requirements;
b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management;
c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and
d. the Group's BOD is properly assisted in the development of policies that would enhance the risk management and control systems.

Enterprise Risk Management Group (ERMG)
To systematize the risk management within the Group, the ERMG was created to be primarily responsible for the execution of the enterprise risk management framework. The ERMG's main concerns include:

a. recommending risk policies, strategies, principles, framework and limits;
b. managing fundamental risk issues and monitoring of relevant risk decisions;
c. providing support to management in implementing the risk policies and strategies; and
d. developing a risk awareness program.

Support groups have likewise been created to explicitly manage on a day-to-day basis specific types of risks like trade receivables, supplier management, etc.

Compliance with the principles of good corporate governance is also one of the objectives of the BOD. To assist the BOD in achieving this purpose, the BOD has designated a Compliance Officer who shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

Risk Management Policies
The main risks arising from the use of financial instruments are foreign currency risk, liquidity risk, interest rate risk and credit risk. The Group's policies for managing the aforementioned risks are summarized below.

Market risk
Foreign Currency Risk
Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from financial instruments that are denominated in United States Dollar (USD) which result primarily from movement of the Philippine Peso (PHP) against the USD.

The Group does not have any foreign currency hedging arrangements.

The table below summarizes the Group's exposure to foreign currency risk:

	December 31, 2017		December 31, 2016	
Assets				
Cash and cash equivalents	**$1,204,233**	**₱60,115,324**	$9,636,066	₱479,105,183
Liabilities				
Accounts payable and accrued expenses	**442,277**	**22,078,499**	359,358	17,867,294
Net foreign currency-denominated assets	**$761,956**	**₱38,036,825**	$9,276,708	₱461,237,889

	December 31, 2017		December 31, 2016	
Assets				
Cash and cash equivalents	**RMB88,379,546**	**₱675,219,731**	RMB48,014,509	₱343,783,884
Liabilities				
Accounts payable and accrued expenses	**33,926,080**	**259,195,249**	568,069	4,067,374
Loans payable	**110,000,000**	**840,263,710**	–	–
Net foreign currency-denominated assets	**(RMB55,546,534)**	**(₱424,239,228)**	RMB47,446,440	₱339,716,510

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of December 31, 2017 and 2016 follow:

	December 31, 2017	December 31, 2016
US Dollar - Philippine Peso exchange rate	**₱49.92 to US$1.00**	₱49.72 to US$1.00

	December 31, 2017	December 31, 2016
Chinese Yuan - Philippine Peso exchange rate	**₱7.64 to RMB1.00**	₱7.15 to RMB1.00

The following table sets forth the impact of the range of reasonably possible changes in the USD-PHP exchange rate on the Group's income before income tax for the year ended December 31, 2017 and for the three months ended December 31, 2016.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2017 (One year)	
2.0% PHP appreciation	**(₱760,737)**
2.0% PHP depreciation	**760,737**
December 31, 2016 (Three months)	
2.0% PHP appreciation	(₱9,224,758)
2.0% PHP depreciation	9,224,758

Reasonably Possible Changes in RMB-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2017 (One year)	
2.0% PHP appreciation	**(₱8,487,510)**
2.0% PHP depreciation	**8,487,510**
December 31, 2016 (Three months)	
2.0% PHP appreciation	(₱6,772,268)
2.0% PHP depreciation	6,772,268

Sensitivity to foreign exchange rates is calculated on the Group's foreign currency denominated assets and liabilities, assuming a more likely scenario of foreign exchange rate of USD-PHP that can happen within 12 months after reporting date using the same balances of financial assets and liabilities as of reporting date.

The Group does not expect the impact of the volatility on other currencies to be material.

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2017 and 2016, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant.

	December 31, 2017					
	On Demand	**1 to 3 months**	**4 to 12 months**	**More than 1 year but less than 5 years**	**5 years or more**	**Total**
Loans and receivables						
Cash and cash equivalents	**₱1,379,275,821**	**₱696,178,702**	**₱–**	**₱–**	**₱–**	**₱2,075,454,523**
Receivables						
Trade	**1,074,906,493**	**2,579,540,392**	**1,659,828,584**	**2,577,739,263**	**1,198,209,309**	**9,090,224,041**
Affiliated companies	**23,419,773**	**–**	**–**	**–**	**–**	**23,419,773**
Others	**24,330,885**	**140,654,800**	**62,377,344**	**–**	**–**	**227,363,029**
Other assets						
Utility deposits	**9,989,072**	**–**	**–**	**635,179,895**	**239,165,897**	**884,334,864**
Total financial assets	**₱2,511,922,044**	**₱3,416,373,894**	**₱1,722,205,928**	**₱3,212,919,158**	**₱1,437,375,206**	**₱12,300,796,230**
Accounts payable and accrued expenses	**₱2,359,183,403**	**₱4,629,264,792**	**₱4,784,396,768**	**₱2,814,683,963**	**₱1,505,456,413**	**₱16,092,985,339**
Payables to affiliated companies and others (included under Deposits and other current liabilities)	**222,937,926**	**–**	**–**	**–**	**–**	**222,937,926**
Deposits from lessees	**892,315,691**	**208,108,544**	**1,255,817,284**	**1,454,412,903**	**887,155,680**	**4,697,810,102**
Loans payable and future interest payment	**–**	**16,237,677,001**	**1,030,191,134**	**11,229,814,365**	**13,479,678,832**	**41,977,361,332**
Other financial liabilities	**₱3,474,437,020**	**₱21,075,050,337**	**₱7,070,405,186**	**₱15,498,911,231**	**₱15,872,290,925**	**₱62,991,094,699**

	December 31, 2016					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Loans and receivables						
Cash and cash equivalents	₱982,439,669	₱453,770,908	₱–	₱–	₱–	₱1,436,210,577
Receivables						
Trade	2,763,718,680	2,806,819,601	1,289,425,923	2,048,122,496	344,263,941	9,252,350,641
Affiliated companies	18,143,162	–	–	–	–	18,143,162
Others	148,109,835	84,334,816	55,545,210	–	–	287,989,861
Other assets						
Utility deposits	8,379,918	–	21,511	237,528,358	378,279,896	624,209,683
Total financial assets	₱3,920,791,264	₱3,344,925,325	₱1,344,992,644	₱2,285,650,854	₱722,543,837	₱11,618,903,924
Accounts payable and accrued expenses	₱4,996,738,689	₱1,230,134,186	₱2,033,161,058	₱363,206,540	₱1,911,646,826	₱10,534,887,299
Payables to affiliated companies and others (included under Deposits and other current liabilities)	169,067,194	–	–	–	–	169,067,194
Deposits from lessees	525,132,237	248,624,698	1,066,733,806	1,476,918,169	716,049,056	4,033,457,966
Loans payable and future interest payment	–	1,018,927,843	1,887,748,048	16,932,854,290	16,926,883,572	36,766,413,753
Other financial liabilities	₱5,690,938,120	₱2,497,686,727	₱4,987,642,912	₱18,772,978,999	₱19,554,579,454	₱51,503,826,212

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both onshore and offshore.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligation with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts, whenever it's advantageous to the Group. As of December 31, 2016 and September 30, 2016, 100% of the Group's loans payable are at a fixed rate of interest.

The Group has no financial instruments with variable interest rates exposed to interest rate risk as of December 31, 2017 and 2016.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.
In addition, receivable balances are monitored on an ongoing basis. These measures result in the Group's exposure to impairment loss as not significant.

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2017 and 2016 without considering the effects of collaterals and other credit risk mitigation techniques:

	2017	2016
Cash and cash equivalents (net of cash on hand)	**₱2,049,551,271**	₱1,409,762,215
Receivables - net		
Trade receivables		
Installment contract receivable	**7,253,408,707**	7,826,804,227
Rental receivables	**780,058,256**	531,053,637
Accrued rent receivable	**886,325,031**	695,135,421
Hotel operations	**170,432,047**	199,357,356
Affiliated companies	**23,419,773**	18,143,162
Other receivables	**227,363,029**	287,989,861
Other assets		
Utility deposits	**884,334,864**	624,209,683
	₱12,274,892,978	₱11,592,455,562

The credit risk on installment contracts receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risks.

c. Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as of December 31, 2017 and 2016, gross of allowance for credit and impairment losses:

	December 31, 2017				
	Neither Past Due Nor Impaired			**Past Due or**	
	High Grade	**Standard Grade**	**Substandard Grade**	**Individually Impaired**	**Total**
Loans and receivables					
Cash and cash equivalents	**₱2,049,551,271**	**₱–**	**₱–**	**₱–**	**₱2,049,551,271**
Receivables:					
Trade receivables					
Installment contract receivables	**6,855,942,934**	–	–	**416,465,773**	**7,272,408,707**
Rental receivables	**197,449,461**	–	–	**596,513,822**	**793,963,283**
Accrued rent receivables	**886,325,031**	–	–	–	**886,325,031**
Hotel operations	**75,600,122**	–	–	**109,603,499**	**185,203,621**
Affiliated companies	**23,419,773**	–	–	–	**23,419,773**
Other receivables	**227,363,029**	–	–	–	**227,363,029**
Other assets					
Utility deposits	**884,334,864**	–	–	–	**884,334,864**
	₱11,199,986,485	**₱–**	**₱–**	**₱1,122,583,094**	**₱12,322,569,579**

	December 31, 2016				
	Neither Past Due Nor Impaired			Past Due or	
	High Grade	Standard Grade	Substandard Grade	Individually Impaired	Total
Loans and receivables					
Cash and cash equivalents	₱1,409,762,215	₱–	₱–	₱–	₱1,409,762,215
Receivables:					
Trade receivables					
Installment contract receivables	5,546,424,970	–	–	2,299,379,257	7,845,804,227
Rental receivables	163,210,174	–	–	381,748,490	544,958,664
Accrued rent receivables	695,135,421	–	–	–	695,135,421
Hotel operations	37,018,334	–	–	177,110,596	214,128,930
Affiliated companies	18,143,162	–	–	–	18,143,162
Other receivables	287,989,861	–	–	–	287,989,861
Other assets					
Utility deposits	624,209,683	–	–	–	624,209,683
	₱8,781,893,820	₱–	₱–	₱2,858,238,343	₱11,640,132,163

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in foreign and local banks belonging to the top ten (10) banks, including an affiliate bank, in the Philippines in terms of resources, profitability and credit standing.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Receivable from installment contract receivables are considered high grade as title of the real estate property of the subject receivable passes to the buyer once fully paid. Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up actions and extended payment terms.

d. Impairment assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors, either singly or in tandem with other factors, constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The two methodologies applied by the Group in assessing and measuring impairment include: (1) specific/individual assessment and (2) collective assessment.

Under specific/individual assessment, the Group assesses each individually significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Group when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and (f) the existing realizable value of collateral. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent evidence or not yet objective of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment.

32. Financial Instruments

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, utility deposits, receivable and payable to affiliated companies and accounts payable and accrued expenses are approximately equal to their fair value due to the short-term nature of the transaction.

Set out below is a comparison of carrying amounts and fair values of installment contracts receivables, deposits from lessees and loans payable that are carried in the consolidated financial statements.

	December 31, 2017		December 31, 2016	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable	**₱7,253,408,707**	**₱6,693,558,292**	₱7,826,804,227	₱7,503,592,251
Deposits from lessees	**4,697,810,102**	**4,272,486,127**	4,033,457,966	3,695,852,197
Loans payable	**51,354,562,154**	**41,977,361,332**	39,371,477,678	52,776,413,753

The fair values of installment contract receivables, customers' deposits and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date. The discount rates used range from 3.0% to 4.7% as of December 31, 2017 and 2.5% to 4.7% as of December 31, 2016.

Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of installment contracts receivables, deposits from lessees and loans payable disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy. There has been no reclassification from Level 1 to Level 2 or 3 category.

33. Registration with the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA)

Certain operations of the Group are registered with the BOI and PEZA as preferred pioneer and non-pioneer activities. As registered enterprises, these consolidated subsidiaries are subject to some requirements and are entitled to certain tax and non-tax incentives which are considered in the computation of the provision for income tax.

Go Hotel, Dumaguete

The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Dumaguete)” on a Non-Pioneer status at a capacity of one hundred two (102) rooms, under Certificate of Registration No. 2012-020 dated February 1, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Bacolod

The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Bacolod)” on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-039 dated March 13, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to July 2016.

Go Hotel, Palawan

The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Palawan)” on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-017 dated January 25, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Tacloban

The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel- Go Hotel, Tacloban)” on a Non-Pioneer status at a capacity of ninety eight (98) rooms, under Certificate of Registration No. 2011-250 dated November 23, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2012 to April 2016.

Go Hotel, Iloilo
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iloilo)" on a Non-Pioneer status at a capacity of one hundred sixty seven (167) rooms, under Certificate of Registration No. 2014-016 dated January 29, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from January 2014 to December 2017.

Go Hotel, Butuan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Butuan)" on a Non-Pioneer status at a capacity of one hundred four (104) rooms, under Certificate of Registration No. 2014-214 dated December 5, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2015 to December 2019.

Azalea Place, Gorordo Avenue,Cebu City
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of three hundred eight (308) units, under Certificate of Registration No. 2011-203 dated September 15, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to June 2016.

The Pearl Place - Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of six hundred twenty five (625) units, under Certificate of Registration No. 2012-008 dated January 11, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2013 to September 2016.

Escalades East Tower
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of two hundred twenty six (226) units, under Certificate of Registration No. 2014-197 dated November 6, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 6, 2014 to November 5, 2017.

Axis Residences (Phase 1)-Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of four hundred fifty six (456) units, under Certificate of Registration No. 2015-048 dated February 26, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from February 27, 2015 to February 26, 2018.

The Pearl Place - Tower B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of four hundred forty six (446) units, under Certificate of Registration No. 2016-159 dated August 3, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2016 to October 2019.

<u>Go Hotels Davao, Inc.</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Go Hotels Lanang - Davao City)" on a Non-Pioneer status at a capacity of one hundred eighty three (183) rooms, under Certificate of Registration No. 2015-266 dated December 3, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2016 to December 2019.

<u>Summit Hotel Tacloban</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Summit Hotel Tacloban)" on a Non-Pioneer status at a capacity of one hundred thirty eight (138) rooms, under Certificate of Registration No. 2017-236 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

<u>Go Hotel, Iligan</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iligan)" on a Non-Pioneer status at a capacity of one hundred (100) rooms, under Certificate of Registration No. 2017-235 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

<u>Robinsons Cyberpark</u>
The Group is also registered with PEZA (beginning October 1, 2004) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 68,596 square meters of land located at EDSA corner Pioneer Street, Mandaluyong City as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

<u>Robinsons Cybergate Center</u>
The Group is also registered with PEZA (beginning February 8, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 11,125 square meters of land located at Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental as an IT Park to be known as The Robinsons Cybergate Center. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

<u>Robinsons Place Lipa</u>
The Group is also registered with PEZA (beginning November 3, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 65,399 square meters of land located at JP Laurel Highway, Mataas na Lupa, Lipa City, Batangas as an IT Park to be known as The Robinsons Place Lipa. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Big Supercenter Cainta Junction
The Group is also registered with PEZA (beginning October 28, 2005) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 19,522 square meters of land located at Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Luisita
The Group is also registered with PEZA (beginning January 5, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 16-694 dated December 9, 2016, for the construction of an additional floor area of 6,306 square meters, more or less, for annexation to the existing Robinsons Luisita IT Center located along McArthur Highway, San Miguel, Tarlac City. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Naga
The Group is also registered with PEZA (beginning May 12, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 15-715 dated December 17, 2015, for creating and designating a building, which stands on a 24,807-square meter, more or less, lot located at Naga Diversion Road corner Almeda Highway, Brangay Triangulo, Naga City as an IT Center, to be known as Robinsons Cybergate Naga. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cyberpark Davao
The Group is also registered with PEZA (beginning October 3, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 16-377 dated June 28, 2016, for creating and designating 12,022 square meters, more or less, of land located along J.P. Laurel Avenue, Davao City as an IT Park, to be known as Robinsons Cyberpark Davao. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

34. **Commitments and Contingencies**

Operating Lease Commitments - Group as Lessee

The Group entered into long-term operating leases of land with lease terms ranging from 25 to 50 years. Total rent expense amounted to ₱52 million, ₱44 million and ₱180 million for the year ended December 31, 2017, three months ended December 31, 2016 and for the year ended September 30, 2016, respectively. There is no contingent rent. Future minimum rentals payable under noncancellable operating leases are as follows:

	December 31	
	2017	2016
Within one (1) year	**₱92,616,575**	₱90,562,798
After one (1) year but not more than five (5) years	**414,556,934**	409,341,139
After more than five (5) years	**5,823,064,725**	6,361,372,798
	₱6,330,238,234	₱6,861,276,735

Operating Lease Commitments - Group as Lessor

The Group has entered into commercial property leases on its investment property portfolio. These noncancellable leases have remaining noncancellable lease terms of between 1 and 10 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent, which is a certain percentage of actual monthly sales or minimum monthly gross sales, whichever is higher. Total rent income amounted to ₱11,582 million, ₱2,718 million and ₱10,556 million for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively. Total percentage rent recognized as income for the year ended December 31, 2017, three months ended December 31, 2016 and for the year ended September 30, 2016 amounted to ₱3,067 million, ₱751 million and ₱2,786 million, respectively.

Future minimum rentals receivable under noncancellable operating leases follows:

	December 31	
	2017	2016
Within one (1) year	**₱6,263,952,404**	₱4,891,806,395
After one (1) year but not more than five (5) years	**8,250,489,462**	8,787,588,215
After more than five (5) years	**923,369,939**	972,507,337
	₱15,437,811,805	₱14,651,901,947

Finance Lease Commitments - Group as Lessor

The Group has significantly entered into residential property leases on its residential condominium unit’s portfolio. These leases have lease period of 5 to 10 years and the lessee is given the right to purchase the property anytime within the lease period provided that the lessee any arrears in rental payment, condominium dues and other charges.

Future minimum lease payments under finance lease with the present value of future minimum lease payment as of December 31, 2017 and 2016 follow:

	December 31, 2017	
	Minimum Lease Payments	**Present Value of Minimum Lease Payments**
Within one (1) year	**₱311,429,745**	**₱302,265,068**
After one (1) year but not more than five (5) years	**270,312,270**	**238,254,749**
After more than five (5) years	**72,498,624**	**57,502,961**
Total minimum lease payments	**₱654,240,639**	**₱598,022,778**

	December 31, 2016	
	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one (1) year	₱1,760,245,659	₱1,718,117,420
After one (1) year but not more than five (5) years	536,379,175	483,544,977
After more than five (5) years	6,878,911	5,456,359
Total minimum lease payments	₱2,303,503,745	₱2,207,118,756

Capital Commitments
The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱15,742 million and ₱12,706 million as of December 31, 2017 and 2016, respectively. Moreover, the Group has contractual obligations amounting to ₱1,411 million and ₱979 million as of December 31, 2017 and 2016, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies
The Group has various collection cases or claims against or from its customers and certain tax assessments, arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The Group does not believe that such assessments will have a material effect on its operating results and financial condition. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments.

35. Notes to the Consolidated Statements of Cash Flows

Noncash investing activities pertain to the following:

- Transfers from subdivision land, condominium and residential units for sale to investment properties amounting to ₱1,017 million for the year ended December 31, 2017;
- Transfers from other current assets to investment properties amounting to ₱758 million and ₱110 million or the year ended December 31, 2017 and 2016, respectively;
- Transfers from other current assets to property and equipment amounting to ₱532 million for the three months ended December 31, 2016;
- Transfers from subdivision land, condominium and residential units for sale to property and equipment amounting to ₱38 million ₱50 million for the years ended December 31, 2017 and 2016, respectively.
- Transfers from investment properties to property and equipment amounting to ₱43 million for the year ended December 31, 2016;

- Transfers from investment properties to subdivision land, condominium and residential units for sale amounting to ₱113 million for the year ended December 31, 2016.

Details of the movement in cash flows from financing activities follow:

	January 1, 2017	Cash flows	Non-cash Changes: Foreign exchange movement	Non-cash Changes: Changes on fair values	Non-cash Changes: Other	December 31, 2017
Loans payable	₱23,361,477,678	₱12,272,763,710	₱–	₱–	₱26,920,766	₱35,661,162,154
Short term loans	16,010,000,000	(316,600,000)	–	–	–	15,693,400,000
Advances for marketing and promotional fund and others	448,744,666	(2,929,317)	–	–	–	445,815,349
Accrued interest payable	356,881,319	(764,240,887)	–	–	778,194,869	370,835,301
Payables to affiliated companies and others	169,067,194	53,870,732	–	–	–	222,937,926
Dividends payable	16,021,302	(1,448,810,138)	–	–	1,473,779,046	40,990,210
Total liabilities from financing activities	₱40,362,192,159	₱9,794,054,100	₱–	₱–	₱2,278,894,681	₱52,435,140,940

Other includes amortization of debt issue cost, declaration of dividends and accrual of interest expense on loans.

36. Events After the Reporting Period

Approval of cash dividends
The Board of Directors (BOD) of the Company approved on April 6, 2018 the declaration of a cash dividend in the amount of Thirty Six Centavos (P0.36) per share from the unrestricted earnings of the Company as of December 31, 2017, to all stockholders of record as of April 26, 2018 and payable on May 23, 2018.

Subsequent payment of accounts payable to JGSHI
In March 2018, in accordance with the terms of payment per Amendments to Section 3 of the Deed of Absolute Sale between JG Summit Holdings, Inc. and RLC, RLC made a payment to JGSHI amounting to ₱2.6 billion for the land purchased from JGSHI.

Stock rights offering
On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the Offer to finance the acquisition of land located in various parts of the country for all its business segments.

The Company has obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the offer was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date – January 24, 2018
- Ex-date – January 26, 2018
- Record date – January 31, 2018
- Offer period – February 2 to 8, 2018
- Listing date – February 15, 2018

The Company has successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

SGV
Building a better working world

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BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at December 31, 2017 and 2016 and for the year ended December 31, 2017, three months ended December 31, 2016 and year ended September 30, 2016 and have issued our report thereon dated April 6, 2018. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-3 (Group A),
March 16, 2017, valid until March 15, 2020
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-73-2018,
February 26, 2018, valid until February 25, 2021
PTR No. 6621321, January 9, 2018, Makati City

April 6, 2018

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

DECEMBER 31, 2017

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

The Group does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as of December 31, 2017.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

The Group does not have Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties) above ₱100,000 as of December 31, 2017.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2017:

	Volume of Transactions		Receivable	Terms
Robinsons Properties Marketing and Management Corporation (RPMMC)	Share in expenses	₱130,056,004	₱213,111,879	Non-interest bearing and to be settled within one year
Altus Angeles, Inc. (AAI)	Advances	(7,521)	55,583,238	Non-interest bearing and to be settled within one year
Altus San Nicolas Corp (ASNC)	Share in expenses	12,788,039	23,790,258	Non-interest bearing and to be settled within one year
	Purchase of investment property	855,097,668	309,890,410	Non-interest bearing and to be settled within one year
Lingkod Pinoy Bus Liner, Inc. (LPBL)	Share in expenses	(2,912,762)	49,727,238	Non-interest bearing and to be settled within one year
GoHotels Davao, Inc. (GHDI)	Share in expenses	(10,114,317)	467,859	Non-interest bearing and to be settled within one year
Robinsons Realty and Management Corporation (RRMC)	Share in Expenses	17,089	606,182	Non-interest bearing and to be settled within one year
RLC Resources Limited (RLCRL)	Advances	–	1,126,732	Non-interest bearing and to be settled within one year
		₱984,924,200	₱654,303,796	

	Balance at beginning of period	Additions	Collections	Balance at end of period
RPMMC	₱83,055,875	₱130,056,004	₱–	₱213,111,879
AAI	55,590,759	–	(7,521)	55,583,238
ASNC	353,227,212	–	(19,546,544)	333,680,668
LPBL	52,640,000	–	(2,912,762)	49,727,238
GHDI	10,582,176	–	(10,114,317)	467,859
RRMC	589,093	17,089	–	606,182
RLCRL	1,126,732	–	–	1,126,732
	₱556,811,847	₱130,073,093	(₱32,581,144)	₱654,303,796

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses, marketing fees and advances for cost of equipment. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

Related Party Transactions

Due from related parties

Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of December 31, 2017:

	Relationship	Nature	Balance at end of period
Robinsons Recreation Corporation	Under common control	B	₱11,334,271
Universal Robina Corporation	Under common control	A	2,608,075
JG Summit Capital Markets Corporation	Under common control	A	1,520,227
Robinsons Savings Bank	Under common control	A	4,523,038
Express Holdings, Inc.	Under common control	A	973,513
Oriental Petroleum & Mining Corp.	Under common control	A	754,095
Robinsons Pharmacies, Inc.	Under common control	A	586,618
Others	Under common control	A, B	1,119,936
			₱23,419,773

Other receivables from affiliates account consist primarily of receivables from Robinsons Handyman, Inc., Cebu Pacific and other affiliates.

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements.

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2017.

Schedule D. Intangible Assets

The Group does not have intangible assets as of December 31, 2017.

Schedule E. Long-term debt

Below is the schedule of long-term debt of the Group as of December 31, 2017:

	Amount	Current	Noncurrent
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	₱10,635,500,000	₱–	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears.	7,000,000,000	–	7,000,000,000
Five-year term bonds from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	6,500,000,000	–	6,500,000,000
Seven-year term bonds from BPI maturing on August 10, 2023. Principal payable upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	4,990,000,000	–	4,990,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears.	4,500,000,000	–	4,500,000,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	1,364,500,000	–	1,364,500,000
Five-year loan maturing in August 2022. Principal of RMB60 million payable upon maturity, with fixed rate at 4.7500%.	458,325,660	–	458,325,660
Three-year loan maturing in December 2019. Principal of RMB50 million payable upon maturity, with fixed rate at 4.7500%.	381,938,050	–	381,938,050
	₱35,830,263,710	₱–	₱35,830,263,710

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)

Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of December 31, 2017:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Westpoint Industrial Mills	Under common control	A	₱22,753,985	₱22,753,985
JG Summit Holdings, Inc.	Parent	A, C	103,525,283	4,998,331,125
Others	Under common control	A, B	2,933,017	7,434,103
			₱129,212,285	₱5,028,519,213

Others consist primarily of payables to Robinsons, Inc. and Robinsons Appliances.

Due to JG Summit Holdings, Inc. mainly due to the advances made during the period for purchase of investment properties.

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.

(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements

(c) Management and marketing fee

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2017.

Schedule G. Guarantees of Securities of Other Issuers

The Group does not have guarantees of securities of other issuers as of December 31, 2017.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption*	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	8,200,000,000	4,093,830,685	–	2,496,114,787	17,884,982	1,579,830,916

**Note: Exclusive of 17,698,000 treasury shares*

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

RECONCILIATION OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2017

Unappropriated Retained Earnings, beginning		**₱21,495,099,516**
Adjustments:		
Other unrealized expense as a result of transactions accounted for under PFRS:		
	Straight line adjustment for rental expense (PAS 17)	1,577,720,784
	Discounting effect on installment contract receivable (PAS 39)	618,910,869
	Straight line adjustment rental income (PAS 17)	(692,363,819)
	Discounting effect on security deposits (PAS 39)	2,688,235
Unappropriated Retained Earnings as adjusted, beginning		23,002,055,585
Net income actually earned/realized during the year		
Net income during the year closed to Retained Earnings		5,443,306,988
Less:	Non-actual/unrealized income, net of tax	
	Equity in net income of associate/joint venture	
	Unrealized foreign exchange gain - net	
	Unrealized actuarial gain	
	Fair value adjustment (M2M gains)	
	Fair value adjustment of Investment Property resulting to gain	
	Adjustment due to deviation from PFRS/GAAP - gain	
	Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	
	Straight line adjustment for rental expense (PAS 17)	(38,370,562)
	Discounting effect on installment contract receivable (PAS 39)	252,157,429
	Straight line adjustment rental income (PAS 17)	(190,891,173)
	Discounting effect on security deposits (PAS 39)	(3,457,571)
Add:	Non-actual losses	
	Movements in deferred tax assets	
	Depreciation on revaluation increment (after tax)	
	Adjustment due to deviation from PFRS/GAAP - loss	
	Loss on fair value adjustment of investment property (after tax)	
		5,462,745,111
Less:	Cash dividend declaration during the year	(1,473,779,046)
	Reversal of appropriation	16,000,000,000
	Additional appropriation during the year	(24,500,000,000)
Total Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2017		**₱18,491,021,650**

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS DECEMBER 31, 2017

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional schedule requirements for large entities showing a list of all effective standards and interpretations under Philippine Financial Reporting Standards (PFRS).

Below is the list of all effective PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of December 31, 2017:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of December 31, 2017**		**Adopted**	**Not Adopted**	**Not Applicable**
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics				
PFRSs Practice Statement Management Commentary				
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			
	Amendments to PFRS 1: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			
	Amendments to PFRS 1: Government Loans			
	Amendments to PFRS 1:Borrowing Cost			
	Amendments to PFRS 1:Meaning of "Effective PFRS"			
PFRS 2	Share-based Payment			
	Amendments to PFRS 2: Vesting Conditions and Cancellations			
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			
	Definition of Vesting Condition			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PFRS 3	Business Combinations			
	Accounting for Contingent Consideration in a Business Combination			
	Scope Exceptions for Joint Arrangements			
PFRS 4	Insurance Contracts			
	Amendments to PFRS 4: Financial Guarantee Contracts			
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			
	Changes in Methods of Disposal			
PFRS 6	Exploration for and Evaluation of Mineral Resources			
PFRS 7	Financial Instruments: Disclosures			
	Servicing Contracts			
	Amendments to PFRS 7: Reclassification of Financial Assets			
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments			
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			
	Amendments to PFRS 7: Hedge Accounting (2013 version)			
PFRS 8	Operating Segments			
	Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			
PFRS 9	Financial Instruments			
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures			
	Financial Instruments: Classification and Measurement (2010 version)			
	Amendments to PFRS 9: Hedge Accounting (2013 version)			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PFRS 10	Consolidated Financial Statements			
	Amendments to PFRS 10: Investment Entities			
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			
PFRS 11	Joint Arrangements			
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			
PFRS 12	Disclosure of Interests in Other Entities			
	Amendments to PFRS 12: Investment Entities			
PFRS 13	Fair Value Measurement			
	Amendments to PFRS 13:Short Term Receivable and Payable			
	Portfolio Exception			
PFRS 14	Regulatory Deferral Accounts			
PFRS 16	Leases			
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements			
	Amendment to PAS 1: Capital Disclosures			
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income			
	Amendments to PAS 1:Clarification of the Requirements for Comparative Information			
	Amendments to PAS 1: Presentation of financial statements - disclosure initiative			
PAS 2	Inventories			
PAS 7	Statement of Cash Flows			
	Amendments to PAS 7: Disclosure Initiative			
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors			
PAS 10	Events after the Reporting Date			
PAS 11	Construction Contracts			
PAS 12	Income Taxes			
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			
	Amendment to PAS 12 - Recognition of Deferred Tax			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
	Assets for Unrealized Losses			
PAS 16	Property, Plant and Equipment			
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization			
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization			
	Amendments to PAS 16: Bearer Plants			
PAS 17	Leases			
PAS 18	Revenue			
PAS 19	Employee Benefits			
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			
	Regional Market Issue Regarding Discount Rate			
	Amendments to PAS 19:Defined Benefit Plan: Employee Contributions			
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			
PAS 21	The Effects of Changes in Foreign Exchange Rates			
	Amendment: Net Investment in a Foreign Operation			
PAS 23 (Revised)	Borrowing Costs			
PAS 24	Related Party Disclosures - Key Management Personnel			
	Related Party Disclosures - Key Management Personnel (Amended)			
PAS 26	Accounting and Reporting by Retirement Benefit Plans			
PAS 27	Separate Financial Statements			
	Amendments to PAS 27: Equity Method in Separate Financial Statements			
	Amendments to PAS 27: Investment Entities			
	Amendments to PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			
	Amendments to PAS 27: Equity Method in Separate Financial Statements			
PAS 28	Investments in Associates and Joint Ventures			
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			
	Amendments to PAS 28: Investment Entities			
PAS 29	Financial Reporting in Hyperinflationary Economies			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Disclosure and Presentation			
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			
	Amendment to PAS 32: Classification of Rights Issues			
	Amendment to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			
PAS 33	Earnings per Share			
PAS 34	Interim Financial Reporting			
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities			
	Disclosure of Information 'Elsewhere in the Interim Financial Report'			
PAS 36	Impairment of Assets			
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets			
PAS 37	Provisions, Contingent Liabilities and Contingent Assets			
PAS 38	Intangible Assets			
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization			
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			
PAS 39	Financial Instruments: Recognition and Measurement			
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			
	Amendments to PAS 39: The Fair Value Option			
	Amendments to PAS 39: Financial Guarantee Contracts			
	Amendments to PAS 39: Reclassification of Financial Assets			
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition			
	Amendments to PAS 39: Embedded Derivatives			
	Amendment to PAS 39: Eligible Hedged Items			
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PAS 40	Investment Property			
	Amendments to PAS 40: Clarification on Ancillary Services			
PAS 41	Agriculture			
	Amendments to PAS 41: Bearer Plants			
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*			
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			·
IFRIC 8	*Scope of PFRS 2*			·
IFRIC 9	Reassessment of Embedded Derivatives			·
	Amendments to Philippine Interpretation IFRIC 9: Embedded Derivatives			·
IFRIC 10	*Interim Financial Reporting and Impairment*			·
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			·
IFRIC 12	Service Concession Arrangements			·
IFRIC 13	Customer Loyalty Programmes			·
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			
	Amendments to Philippine Interpretations IFRIC 14, Prepayments of a Minimum Funding Requirement			
IFRIC 15	Agreements for the Construction of Real Estate			
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			
IFRIC 17	Distributions of Non-cash Assets to Owners			
IFRIC 18	Transfers of Assets from Customers			
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			
IFRIC 21	Levies			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
SIC-10	Government Assistance - No Specific Relation to Operating Activities			
SIC-12	Consolidation - Special Purpose Entities			
	Amendment to SIC - 12: Scope of SIC 12			
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			
SIC-15	Operating Leases - Incentives			
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			
SIC-29	Service Concession Arrangements: Disclosures.			
SIC-31	Revenue - Barter Transactions Involving Advertising Services			
SIC-32	Intangible Assets - Web Site Costs			

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers* (effective January 1, 2018)

Standards tagged as "Not Applicable" have been adopted by the Group but have no significant covered transactions for the year ended December 31, 2017.

Standards tagged as "Not adopted" are standards issued but not yet effective as of December 31, 2017. The Group will adopt the Standards and Interpretations when these become effective.

Financial Soundness Indicator

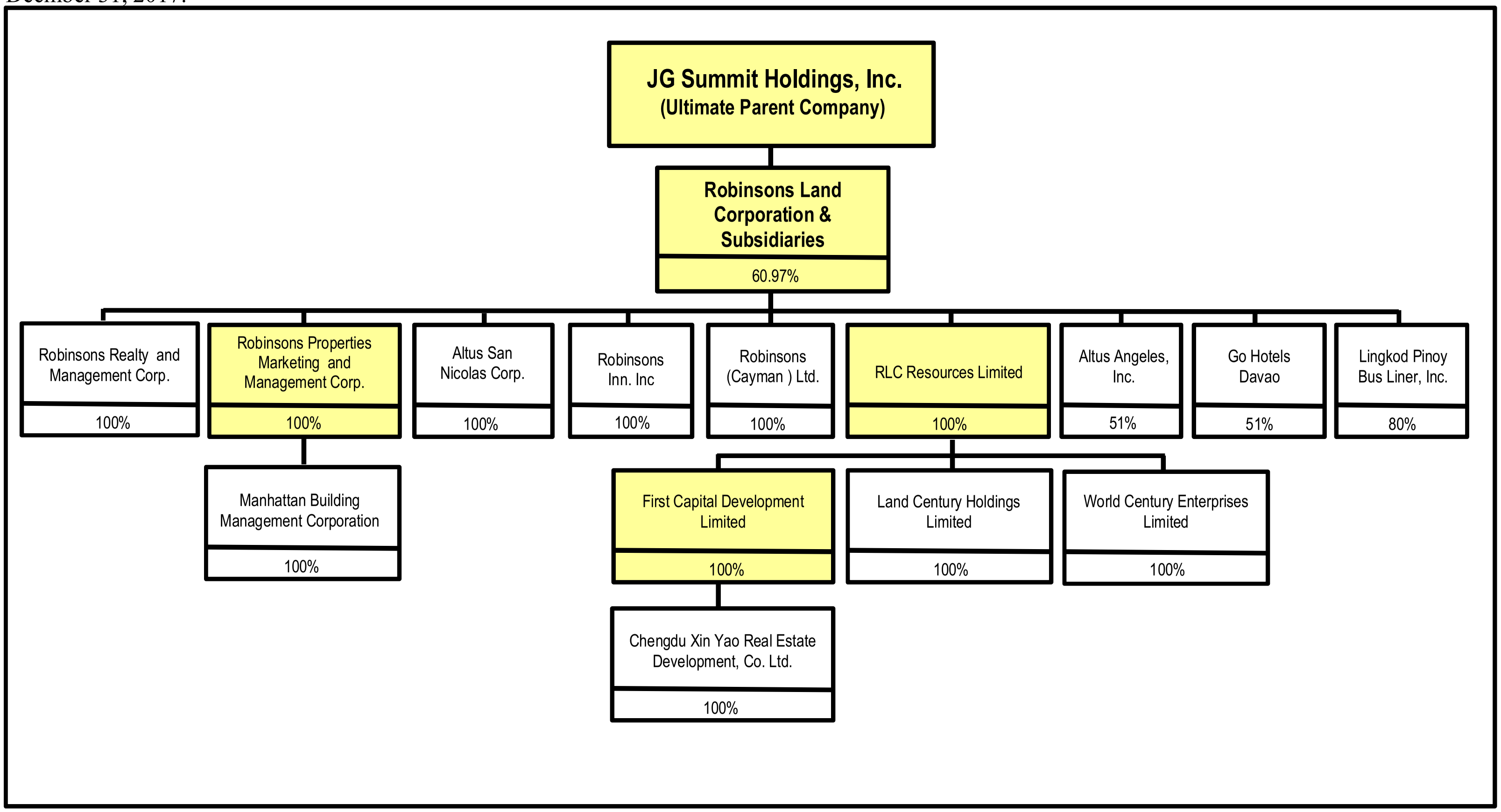
Below are the financial ratios that are relevant to the Group for the year ended December 31, 2017 and 2016:

Financial ratios		2017	2016
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	16.39	15.29
Current ratio	Total Current Assets / Total Current Liabilities	1.21	1.34
Debt to equity ratio	Total Loans Payable / Total Equity attributable to equity holders of the Parent Company	0.77	0.63
Asset to equity ratio	Total Assets / Total Equity	2.20	1.98

Financial ratios		2017 (One Year)	December 31, 2016 (Three Months)	September 30, 2016 (One Year)
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	1.44	0.31	1.50
Interest coverage ratio	EBIT / Interest expense	4.72	5.41	6.06
Operating margin ratio	Operating income (EBIT) / Revenue	0.38	0.35	0.38

Map of the Relationships of the Company within the Group

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of Decmber 31, 2017:



INDEX TO EXHIBITS

Form 17-A

* These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has nine subsidiaries as of December 31, 2017:

		% OWNERSHIP		COUNTRY OF
SUBSIDIARY	**BUSINESS**	**DIRECT**	**EFFECTIVE**	**INC. OR RESIDENCE**
Robinson's Inn, Inc. [1]	Apartelle Operation	100	-	Philippines
Robinsons Realty and Management Corporation	Property development	100	-	Philippines
Robinsons (Cayman) Limited	Property development	100	-	Cayman Islands
. Robinsons Properties Marketing and Management Corporation	Marketing of office and residential units	100	-	Philippines
Altus Angeles, Inc.	Property management	51	-	Philippines
Altus San Nicolas Corp.	Property management	100	-	Philippines
GoHotels Davao, Inc.	Hotel Operation	51	-	Philippines
RLC Resources Ltd.	Property management	100	-	British Virgin Islands
Lingkod Pinoy Bus Liner, Inc.	Land Transportation	80	-	Philippines

[1] *Closed operations effective August 31, 2007*

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9 3 2 6 9 - A

Company Name

R O B I N S O N S   L A N D   C O R P O R A T I O N   A N D
S U B S I D I A R I E S

Principal Office (No./Street/Barangay/City/Town/Province)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
N/A	**397-1888**	**N/A**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,086	**Second Wednesday of March**	**9/30**

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Cecilia M. Pascual	**cecille.pascual@robinsonsland.com**	**397-1888**	**N/A**

Contact Person's Address

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

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

SEC Number 93269-A
File Number

ROBINSONS LAND CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue,
Quezon City, Metro Manila

(Company's Address)

3971-888

(Telephone Number)

SEPTEMBER 30

(Fiscal Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

Amendment Designation (if applicable)

September 30, 2016

Period Ended Date

CN 000452-R-Listed

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended : **September 30, 2016**

2. SEC Identification Number : **93269-A**

3. BIR Tax Identification No. **000-361-376-000**

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

SEC Electronic Records Management Division
ICTD
JAN 13 2017
3
BY:
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

5. **Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila**
   Address of principal office — Postal Code

8. **3971-888**
   Issuer's telephone number, including area code

9. **N.A** ....
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	4,093,830,685 shares
Registered bonds payable	₱ 12,000,000,000.00

11. Are any or all of these securities listed on a Stock Exchange.

    Yes [✓]   No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱40,606,152,041.20**

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines and has six wholly-owned consolidated subsidiaries and two 51%-owned companies.

The Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The Group has 2,069 and 1,898 employees as of September 30, 2016 and 2015, respectively.

RLC is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls and hotels, and the development of mixed-use properties, office and residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an "investment" component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings and hotels) and a "development" component, in which RLC develops residential real estate projects for sale (principally residential condominiums, upper-middle to high-end residential developments and low-and-middle-cost lots and houses in its subdivision developments).

RLC's operations are divided into its four business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of September 30, 2016, RLC operated 44 shopping malls, comprising nine (9) malls in Metro Manila and thirty five (35) malls in other urban areas throughout the Philippines, and had another seven (7) new malls and three (3) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of September 30, 2016, RLC's Residential Division had completed 79 residential condominium buildings/towers/housing projects, 27 ongoing, of which two (2) projects are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of September 30, 2016, this division has completed thirteen (13) office developments, located in Metro Manila, Cebu City and Ilocos. These office projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels Division owns and operates hotels in Metro Manila and other urban areas throughout the Philippines. RLC's Hotels Division currently has a portfolio of fifteen (15) hotel properties under the three (3) brand segments, namely Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria both managed by the InterContinental Hotels Group, Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay and Summit Hotel Magnolia which are under the Summit brand, and a network of ten (10) Go Hotels all over the Philippines. Go Hotels is present in Mandaluyong-Manila, Tacloban, Dumaguete, Bacolod, Puerto Princesa, Otis-Manila, Iloilo, Ortigas Center-Manila, Butuan and Lanang-Davao.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.3 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of fiscal year 2016.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

b) Business

RLC has four business divisions – Commercial Centers, Residential, Office Buildings, and Hotels.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱9.96 billion or 45% of RLC's revenues and ₱6.65 billion or 55% of RLC's EBITDA in fiscal year 2016 and ₱9.10 billion or 46% of RLC's revenues and ₱6.13 billion or 57% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱60.03 billion.

During fiscal year 2016, the Commercial Centers Division opened four (4) new malls and expanded one (1) mall, increasing its gross floor area by 17.6%. It currently operates 44 shopping malls, comprising nine (9) malls in Metro Manila and thirty five (35) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 2.397 million square meters.

As of September 30, 2016, RLC had a portfolio of 44 shopping malls:

Name	Location	Fiscal Year opened	Approximate gross floor area
			(in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1991	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1998	241
Robinsons Nova Market	Quirino Highway, Novaliches, Quezon City	2001	66
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2002	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2005	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2008	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2014	17
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2015	59
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	54
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1999	65
Robinsons Place Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2002	79
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa Market	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2003	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96

Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2003	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2004	59
Robinsons Place Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2005	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2009	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2009	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	40
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete.................	Calindagan Business Park, Dumaguete City	2010	38
Robinsons Ilocos Norte..........................	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2010	20
Robinsons Cybergate Cebu...................	Don Gil Garcia St., Capitol, Cebu City	2010	20
Robinsons Place Pangasinan.................	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan......................	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan.........................	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2014	42
Robinsons Place Malolos........................	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2014	68
Robinsons Place Roxas..........................	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago......................	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo.......................	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Robinsons Place Antique……………….	Brgy. Maybato, San Jose, Antique	2015	10
Robinsons Galleria Cebu………………...	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2016	139
Robinsons Place Tagum…………………	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias…………	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro……………………	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Total			2,397

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be the driver for the Company's growth in the future.

As of fiscal year 2016, the Company had seven (7) new shopping malls and three (3) expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,181 million, ₱1,877 million, and ₱1,630 million in 2016, 2015 and 2014, respectively.

ii. Residential Division

The Residential Division focuses on the construction of residential condominium and subdivision projects. The Division accounted for ₱7.83 billion or 34% of RLC's revenues and ₱2.08 billion or 17% of RLC's EBITDA in fiscal year 2016, and ₱6.62 billion or 34% of RLC's revenues and ₱1.83 billion or 17% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱43.47 billion.

Percentage of realized revenues from foreign sales to total revenues for fiscal years 2016, 2015 and 2014 are 0.24%, 0.59% and 0.63%, respectively. While percentage of realized revenues from foreign sales to net income for fiscal years 2016, 2015 and 2014 are 0.88%, 2.04% and 2.26%, respectively.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are nine (9) residential condominium buildings/towers under the Luxuria portfolio, of which seven (7) have been completed and two (2) projects are under various stages of development.

Key details of the Company's Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
The Residences at The Westin Manila Sonata Place (1)...........	50	344
Signa Designer Residences Tower 2....................................	28	351
Completed Projects		

Galleria Regency [1] [2]	13	107
AmiSa Private Residences Tower A [1]	14	131
AmiSa Private Residences Tower B [1]	18	155
AmiSa Private Residences Tower C [1]................................	18	189
Signa Designer Residences Tower 1....................................	29	306
Sonata Private Residences – Building 1 [1]	29	270
Sonata Private Residences – Building 2 [1]	30	271

The Robinsons Luxuria projects are detailed as follows:

1. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

2. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of 6 mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

3. ***Sonata Private Residences – Buildings 1 and 2*** are part of a mixed-use Sonata Place community in Ortigas Center that has been masterplanned to consist of three residential condominiums, and one hotel. RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project in 2016.

4. ***The Residences at The Westin Manila Sonata Place (legal name Sonata Premier)*** is the first Westin-branded Residences in Southeast Asia and the final residential tower in the Sonata Place mixed-use community.

5. ***Signa Designer Residences Towers 1 and 2*** is a joint venture project between Robinsons Land Corporation and Security Land Corporation in Makati CBD. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Residential Condominium in the Philippines.

The Company's Business Plan for its Luxuria Brand is to continue to acquire and launch properties in key central and strategic locations within Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive features and amenities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the Luxuria segment as of September 30, 2016:

[1] *Part of a mixed-used development*
[2] *Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel*

Location	Acquisition Date	Approximate gross land area [3]
		(in hectares)
Fort Bonifacio, Taguig City	March 2007	1.0
Total		1.0

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, efficiently designed living spaces, stress-busting amenities and lifestyle perks and privileges.

As of September 30, 2016, Robinsons Residences segment had a portfolio of twenty nine (29) residential condominium buildings/towers, of which twenty two (22) had been completed and seven (7) are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 (1)..	21	270
The Trion Towers – Building 3 ……………………….………..	50	626
The Magnolia Residences Tower C (1)	38	433
The Sapphire Bloc West Tower	38	416
Azalea Place Cebu	25	408
The Radiance Manila Bay North Tower ……………….……	36	538
The Radiance Manila Bay South Tower ……………….……	36	527
Completed Projects		
Robinsons Place Residences 1 (1)	38	388
Robinsons Place Residences 2 (1)	38	388
One Gateway Place (1)	28	436
Gateway Garden Heights (1)	32	549
One Adriatico Place (1)	38	601
Two Adriatico Place (1)	38	548
Three Adriatico Place (1)	38	537
Fifth Avenue Place	38	612
Otis 888 Residences (1)	3	179
McKinley Park Residences...	44	391
East of Galleria	44	693
The Fort Residences	31	242

[3] *"Gross Land Area" means the total area of land acquired by the Company*

Vimana Verde Residences Tower A	6	20
Vimana Verde Residences Tower B	6	20
Vimana Verde Residences Tower C	7	45
The Trion Towers - Building 1	49	694
The Trion Towers - Building 2 …………………………………	50	725
Gateway Regency [(1)]..	31	463
The Magnolia Residences Tower A [(1)]	36	378
The Magnolia Residences Tower B [(1)]	38	419
The Sapphire Bloc North Tower	38	412
Woodsville Residences	2	185

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, the Robinsons Forum mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go Hotels Mandaluyong.

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of a mixed-use development in Paco, Manila, which includes Robinsons Otis mall and Go Hotels Otis.

4. ***The Magnolia Residences Towers A, B and C*** are part of a mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines.

5. ***Fifth Avenue Place*** is a 38-storey development in Bonifacio Global City. Composed of 612 units, it is the first completed project of RLC in the area.

6. ***McKinley Park Residences*** is a 44-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units—flat and loft type.

8. ***The Trion Towers 1, 2 and 3*** compose the three-tower development

[1] *Part of a mixed-use development*

in Bonifacio Global City. In 2015, RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project.

9. ***East of Galleria*** is a one tower development located along Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mall.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex. This project was recognized in the 2015 Philippine Property Awards and 2016 Asia Pacific Awards, as the Best Mid-Range Condo Development and Best Residential High-Rise Development in the country, respectively.

12. ***Vimana Verde Residences Buildings A, B and C*** is a three mid-rise building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City.

14. ***The Radiance Manila Bay Nort and South Towers*** is a two-tower development that features a lifestyle retail wing. It is located along Roxas Boulevard in Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Tower 1*** is part of a three-tower residential component of the Robinsons Galleria Cebu Complex which will consist of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City.

The Company's Business Plan for its Robinsons Residences is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of September 30, 2016:

Location	Acquisition Date	Approximate land area
		(in hectares)
Maxilom Avenue, Cebu City	September 2008	0.4
Merville, Paranaque City	March 2006	3.3
E. Rodriguez Jr. Ave., Quezon City.................	2011	3.9
Ortigas Center, Pasig City………………………..	September 2015	0.3
Total		7.9

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically located near major gateways, highly developed cities and central business districts to provide easy access to schools, work places and vital institutions.

As of September 30, 2016, Robinsons Communities had completed twenty five (25) residential condominium buildings/towers and two (2) subdivision projects. It has five (5) on-going projects in different stages that are scheduled for completion over the next five years.

Robinsons Communities is currently focusing on the development of both Mid-rise and High-rise residential condominium projects that primarily offer compact units with an average price levels below ₱3.0 million. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	NUMBER OF RESIDENTIAL FLOORS	NUMBER OF RESIDENTIAL UNITS
Current Projects		
Escalades North Tower …………………...	17	397
Axis Residences - Building B ……………..	37	792
Acacia Escalades - Building B ……………	13	414
The Pearl Place - Tower B	34	640
Chimes Greenhills....................................	24	372
Completed Projects		

Acacia Escalades - Building A ……………	11	383
Axis Residences - Tower A ……………….	37	913
Escalades East Tower …………………….	11	269
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	33	653
Wellington Courtyard - Bldg A	5	34
Wellington Courtyard - Bldg B	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E	5	38
Gateway Garden Ridge...........................	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches		461
Centennial Place		50

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is a mixed-use development located in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

2. ***Escalades at 20th Avenue Towers 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (10) residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, this is another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. These project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs), with 192 units.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is a residential development located in Sucat, Muntinlupa. Comprising initially of tow (2) out of six (6) mid-rise residential buildings, it boasts of generous open spaces allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families, inventors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6^{th} floor and 40^{th} floor (Tower A), and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two mid-rise buildings with commercial component.

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan.

10. ***Escalades East Tower*** is a 14-storey residential development located along 20^{th} Ave., Cubao, QC and is part of the Escalades-Cubao complex.

11. ***Escalades North Tower*** is the final tower to complete the Escalades-Cubao complex. The 21-storey mid-rise residential condominium with commercial component is located along Aurora Blvd, Cubao, QC.

12. ***Bloomfields Novaliches*** is a horizontal residential development situated behind the Robinsons Place Novaliches mall.

13. ***Centennial Place*** - This is a half-hectare townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) townhouses, with lots ranging from 65 to 70 square meters.

The Company's Business Plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. It plans to acquire additional properties through purchase or joint venture.

The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of September 30, 2016:

Location	Acquisition Date	Approximate land area
		(in hectares)
Sucat, Muntinlupa [1]	2002	1.4
Las Pinas City [1]	2011	2.0
Total		3.4

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of RLC. It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of September 30, 2016, Robinsons Homes has thirty six (36) projects in its portfolio. Thirteen (13) of these projects are on-going construction, two of which are awating for the receipt of License to Sell (LS) to launch. Among the thirty six (36) projects, twenty five (25) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of fiscal year 2016 are set forth in the table below:

Name	Location	Started [2]	Approximate Gross Land Area [3]	Number of Lots/Units
			(in hectares)	
Robinsons Homes East	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard	Cavite	May 1996	71.8	2,899
South Square Village	Cavite	August 1998	26.7	3,896
San Lorenzo Homes	Antipolo City	September 1999	2.8	372
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes	Pampanga	November 2005	14.5	654
Rosewood Parkhomes	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104

[1] *This property is part of a mixed-use development of RLC, and represents the unused residential portion only.*
[2] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[3] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Location	Started (2)	Approximate Gross Land Area (3)	Number of Lots/Units
			(in hectares)	
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights...............................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences.................	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra..................................	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag............................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos..........	General Santos City	May 2014	33.0	755
Brighton Bacolod........................	Negros Island	February 2016	22.4	735
Brighton Puerto Princesa.............	Palawan	August 2016	13.1	377
Monte Del Sol............................	Misamis Oriental	-	3.3	256
Springdale at Pueblo Angono......	Angono, Rizal	-	3.8	197

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East.*** A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring fourteen (14) shop house units at 190sqm/unit and eight commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard.*** A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village.*** This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot.

The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes*.** This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.

5. ***Robinsons Highlands*.** This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.

6. ***Grosvenor Place*.** This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.

7. ***Robinsons Hillsborough Pointé*.** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four phases, which have been fully completed. The lots have an average size of 150 square meters.

8. ***Forest Parkhomes*.** An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC's first housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.

9. ***San Jose Estates*.** This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.

10. ***Robinsons Residenza Milano*.** Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes' first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.

11. ***Fernwood Parkhomes*.** This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282 lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is

located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is aA 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 365-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 79 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview*.** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates*.** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades*.** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra*.** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive

lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of 180 square meters.

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

35. ***Brighton Puerto Princesa.*** This mediterranean-themed subdivision offers 377 residential lots in a 13.1-hectare development catered to locals and tourists. Average lot area is 180 square meters which is complemented by amenities such as clubhouse, multi-purpose court and swimming pool.

36. ***Springdale at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 3.8 hectares of land. This subdivision offers 197 units with a predominant area of 100 square meters.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of September 30, 2016, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Brighton Bacolod, Brighton Puerto Princesa and Monte Del Sol.

The Company's Business Plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of September 30, 2016, it was in various stages of negotiations for the acquisition of approximately 85 hectares of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱2.91 billion or 13% of RLC's revenues and ₱2.63 billion or 22% of RLC's EBITDA in fiscal year 2016, and ₱2.24 billion or 11% of RLC's revenues and ₱2.11 billion or 20% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱12.67 billion.

RLC engages outside architects and engineers for the design of its office buildings developments. One recent trend affecting the Company's office tower design is the increasing presence of customer call centers and BPOs in the Philippines. The Company has secured a number of major customer call centers and BPOs as long-term tenants in its office building space and has focused on attracting their business, including custom-designing its office space with call center and BPO design requirements in mind. The Company believes, based on its own market research, that it is a leading provider of office space to BPOs in the Philippines.

As of September 30, 2016, the Office Buildings Division has completed thirteen (13) office developments with the completion of Tera Tower, Galleria Cebu Office and Robinsons Place Ilocos Office, and is building six more office building projects in Metro Manila and non-Metro Manila areas. The Company's completed office building projects are described below.

Name,	Location	Size & Designation
Galleria Corporate Center	Along EDSA corner Ortigas Avenue, Quezon City	30-storey
Robinsons-Equitable Tower	Corner of ADB and Poveda Streets, Pasig City	45-storey
Robinsons Summit Center	Ayala Avenue, Makati City	37-storey
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18-storey
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12-storey
Robinsons Cybergate Cebu	Fuente Osmena, Bo. Capitol, Cebu City	3-storey
Cyberscape Alpha	Sapphire and Garnet Roads, Pasig City	26-storey
Cyberscape Beta	Ruby and Topaz Roads, Pasig City	37-storey
Tera Tower	Bridgetowne, C5 Road, Quezon City	20-storey
Robinsons Galleria Cebu Office	Gen. Maxilom Avenue, Cebu City	4-storey
Robinsons Place Ilocos Office	San Nicolas, Ilocos Norte	4-storey

The Company's completed office buildings are described as follows:

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an

approximate net floor area (comprising only leasable space) of 25,000 square meters. As of September 30, 2016, approximately 83% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 92.1% occupancy rate.

2. ***Robinsons-Equitable Tower.*** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of September 30, 2016, RLC had sold approximately 76% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 99.1% occupancy rate as of September 30, 2016.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 96.5% occupancy rate as of September 30, 2016.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of September 30, 2016.

5. ***Robinsons Cybergate Center Tower 2.*** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of September 30, 2016.

6. ***Robinsons Cybergate Center Tower 3.*** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.6% occupancy rate as of September 30, 2016.

7. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 99.9% occupancy rate as of September 30, 2016.

8. ***Robinsons Cybergate Cebu.*** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of September 30, 2016, the office floors had an occupancy rate of 100%.

9. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 100% occupancy rate as of September 30, 2016.

10. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the Ground and Mezzanine levels. The office floors are located from the 9th to the 37th levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 99.9% occupancy rate as of September 30, 2016.

11. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6th to 20th floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 99.7% occupancy rate as of September 30, 2016.

12. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had just been completed in September 2016.

13. ***Robinsons Place Ilocos Office.*** This office development is integrated with the mall expansion. The office development has a gross leasable area of 7,500 square meters and it is 100% owned by RLC. It was just recently completed in September 2016.

iv. Hotels

RLC's hotels division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. For this fiscal year, RLC opened its second Go Hotels in the Mindanao region at Lanang, Davao City, a joint venture with Udenna Development Corporation. Go Hotels Lanang-Davao is the first franchise of gohotels.ph to open. RLC's hotels division currently has a portfolio of fifteen (15) hotel properties. As of September 30, 2016, the Company's Hotels Division had assets, valued on a historical cost less depreciation basis, of ₱3.87 billion.

The hotels division accounted for ₱1.81 billion or 8% of RLC's revenues and ₱0.66 billion or 6% of RLC's EBITDA in fiscal year 2016, and ₱1.75 billion or

9% of RLC's revenues and ₱0.62 billion or 6% of RLC's EBITDA in fiscal year 2015.

Although the hotels division is an important part of RLC's business, the Company considers its primary value to be as a complement to its other developments. Over the next years, we will see more Go Hotels and Summit Hotels in major cities of the country.

Serving over 1.8 million guests to date, Go Hotels has steadily increased its presence in the Philippines with ten (10) operational branches, offering a total of more than 1,300 rooms, in strategic cities across the country. Its thrust is to build in locations with high market demand. To support expansion of the brand, Go Hotels has also opened its business to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of September 30, 2016:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF ROOMS
Crowne Plaza Manila Galleria ….	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria…………………………....	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel) ……………	Fuente Osmena, Bo. Capitol, Cebu City	Standard	210
Summit Ridge Tagaytay ………...	Aguinaldo Highway, Tagaytay City	De Luxe	108
Summit Hotel Magnolia…………	Dona Hemady cor. Aurora Boulevard, Quezon City	-	82
Go Hotel …………………………..	EDSA, Mandaluyong City	Economy	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	Economy	108
Go Hotel …………………………..	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel …………………………..	Tacloban City, Leyte	Tourist Inn	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	Economy	108
Go Hotel …………………………..	Paco, Manila	Economy	118
Go Hotel …………………………..	Iloilo City	Economy	167
Go Hotel …………………………..	Ortigas Center, Pasig City	Economy	198
Go Hotel…………………………....	Butuan City	Economy	104
Go Hotel…………………………....	Lanang, Davao City	Economy	183
Total			2,357

As of September 30, 2016, the Company's Hotels Division has an average occupancy rate of 68%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has an initial term of ten years. On June 2015, the contract was extended for another 3 years and is extendible further upon mutual agreement between RLC and InterContinental. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It must also carry out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay, Summit Hotel Magnolia and the ten (10) Go Hotels directly.

In fiscal year 2016, the Company had one new Go Hotel branch in Lanang-Davao. There are additional Summit and Go Hotels in the pipeline slated to open in the next two years.

Roxaco-Vanguard Hotels Corporation (RVHC), a franchise of Go Hotels, also opened their first Go Hotel branch in Manila Airport Road. The Franchisee has four (4) more Go Hotels in Metro Manila under construction which will open in the coming months.

c) Significant Subsidiaries

As of September 30, 2016, RLC has six wholly-owned subsidiaries, one 80%-owned subsidiary and two 51%-owned subsidiaries, all of which are consolidated with the Company's financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RCL, RPMMC, AAI, ASN, GHDI, RLCRL and LPBLI.

Key details of each of RLC's subsidiary companies are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by RLC. RII's principal business is to engage in the development and operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. The company acts as a real estate agent on the international market, among others, for the Residential Division.

4. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's residential division. RPMMC manages the marketing of the portfolio of residential and office units that are available for sale through the residential division's Robinsons Communities, Robinsons Residences, and Luxuria Brands. RPMMC's primary purpose is to acquire, own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on

March 28, 2007, has a registered share capital of 40,000,000 and is 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. ASNC's principal business is to establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations, without engaging in retail business.

7. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture within the Company's Hotels Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations.

8. ***RLC Resources, Ltd.*** RLC Resources, Ltd. (RLCRL) was incorporated on September 10, 2001 in the British Virgin Islands as an International Business Company, has an initial registered share capital of 50,000, which was increased to 500,000 in fiscal year 2016 and is 100%-owned by the Parent Company. RLC Resources, Ltd.'s principal business is to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into arrangements with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organize, manage, supervise and control any corporation, company, fund, trust, business or institution; to purchase or otherwise acquire and hold, in any manner and upon any terms, and to underwrite, invest and deal in shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities and enter into any interest rate exchange contracts, forward contracts, futures contracts and enforce all rights and powers incidental to the Company's interest therein.

9. ***Lingkod Pinoy Bus Liner, Inc.*** Lingkod Pinoy Bus Liner, Inc. (LPBLI) was incorporated on April 7, 2016 to engage in land transportation for the transportation and carriage of passengers, goods, and merchandise within any place in the Philippines.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its commercial centers division—SM Prime Holdings, Inc. (SM) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SM's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of September 30, 2016, the mall segment of SM has ₱302.4 billion and ₱129.2 billion while the mall segment of ALI has ₱93.8 billion and ₱22.3 billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

ii. Residential Division

1. ***Robinsons Luxuria***

   The Robinsons Luxuria brand continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land (Rockwell), Century Properties and Megaworld Corporation (Megaworld) to its developments. Rockwell’s total assets and equity accounts as of September 30, 2016 amounted to ₱39.8 billion and ₱15.1 billion, respectively; Century Properties’ total assets and equity accounts as of September 30, 2016 amounted to ₱40.8 billion and ₱15.1 billion, respectively, while Megaworld's total assets and equity accounts as of September 30, 2016 amounted to ₱266.47 billion and ₱141.4 billion, respectively.

2. ***Robinsons Residences***

RLC's competitors (Alveo Land, Megaworld, Filinvest, and Ortigas & Co.) under this segment targets the same market and offers similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remains one of the top of mind developments as a result of growing experienced sales and distribution network and convenient locations. Projects are found within Central Business Districts or a RLC mixed-use development.

3. ***Robinsons Communities***

RLC Robinsons Communities in particular, has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), Filinvest Land (FL), SM Development Corporation (SMDC) and DMCI Homes. As of September 30, 2016, total assets and equity accounts amounted to ₱125.5 billion and ₱57.7 billion, respectively, for FL while total assets and equity accounts of SM Prime Holdings Inc. (SMDC was ultimately merged with SM Prime Holdings thru SM Land in 2013) as of September 30, 2016 amounted to ₱457.2 billion and ₱227.4 billion, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. ***Robinsons Homes***

Recognizing the growing housing market in the Philippines, RLC continues to embark on building subdivisions through its Robinsons Homes brand. For families aspiring to own their first home or upgrade to a better abode and neighborhood, Robinsons Homes provides them themed, master planned, secure and gated horizontal subdivisions in key urbanized cities nationwide ideal to start the good life. In order to cater to varying market profiles, Robinsons Homes launched its four sub-brands namely: *Happy Homes* for socialized housing, *Springdale* for our affordable market segment, *Brighton* for our mid-cost development and *Bloomfields* for our high-end market.

It stands in close competition with ALI, FL and Vista Land (VL). Total assets and equity accounts of VL as of September 30, 2016 amounted to ₱172.8 billion and ₱74.91 billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is creating not just subdivisions but is forming nurturing communities with lifestyle amenities and support developments in response to the changing lifestyle of Filipinos.

The Company believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success.

iii. Office Buildings Division

The Company believes that competition for office space is principally on the basis of location, availability of space and quality of office space. The biggest competitors of the Company under this segment are ALI, Megaworld and SM. The Company competes in this market on the basis of the strategic locations of its buildings, including their proximity to the Company's malls and residences as part of mixed-use developments, and has also began to design its office space with BPO- and call center-specific requirements in mind, in order to better serve that market and make its office buildings more attractive to those potential tenants. The Company also believes that its established reputation for completing projects on time andtrue to its deliverables and commitment resulted to becoming one of the preferred choices or first in mind of call centers, BPO as well as local and multinational companies. a The Company is committed in providing an excellent customer experience and satisfaction by developing office projects of high quality and reliability, meeting the evolving needs of its customers.

iv. Hotels Division

Philippine Tourism is highly influenced by general political and economic conditions within the country. The Philippines is a preferred destination in the global tourism industry because of its competitiveness in terms of pricing hotel rooms and airline ticket, natural resources and eco-tourism.

The 8 point agenda of the new administration has not been fully implemented, the focus being more oriented towards "war against drugs and corruption" in the country.

New administration budget proposal for 2017 provides a higher allocation to implement an infrastructure program which would cover both government funded and PPP projects within the next 2-3 years.

The Permanent Court of Arbitration (PCA) under UNCLOS has issued a sweeping verdict in favor of the Philippines in its case against China's territorial claims in the South China Sea. China has strongly condemned the verdict and tensions still continue over the Scarborough Shoal.

President Duterte agenda includes abolition of current practice of “ENDO” or end of contract for non-regular employees. Current labor practice is being blamed for preventing employees from gaining regular employment and receiving full benefits allowed by law.

However, concerns on safety and security/travel advisories, infrastructure and health and hygiene must be addressed. The hotel business has seen a continued stabilized situation due to remittances from Filipino overseas workers, the continued booming of business outsource processing & IT infrastructure projects in the Philippines, and the continuous drive of the local tour operators in developing affordable tour packages.

The tourism outlook in the Philippines seems optimistic, driven by the presence of low cost carriers and with several hotels opening in Makati, Ortigas, and Fort Bonifacio CBD. With total expected supply of 8,500 rooms from year 2016-2017, the DOT continues to attract in bound tourism by an aggressive global marketing campaign and brand awareness. The Word Economic Forum (WEF), in its “Travel & Tourism Competiveness Report 2013”, ranked the Philippines 12 places higher than in 2012 at 82nd overall and 16th regionally – the largest improvement of any country within the Asia-Pacific Region.

Thanks to an aggressive and highly successful global marketing campaign, under previous government, brand awareness is on the rise. Momentum looks to continue as current government too seems set to carry the baton with confirmation of Miss Universe Pageant at Manila in January 2017.

Taking advantage of the increasing inbound and outbound travels looking for accommodation, a number of local and foreign competitors have entered or signified interest to enter the country. These chains, considered competitors of the Company’s Go Hotels, include Red Planet, Fave Hotels of Indonesia, Microtel by Wyndham and the local Islands Stay Hotels. Other hotel chains which have also been growing geographically include Park Inn by Radisson, Novotel, Seda Hotels by Ayala, and Remington Hotel. These hotel chains cater to the mid-scale market and are thus considered competitors of the Company’s Summit Hotel brand. In the Ortigas Central Business District, new players such as Marco Polo, Citadines, Accor, Exchange Regency and Oakwood compete with the Company’s two IHG-managed hotels.

Crowne Plaza Manila Galleria has celebrated its 10th year of service in 2015, with this new service experience are yet to be expected to ensure Travelling for Success --- Sleep Advantage supporting the environment expected by our high achiever and Meetings Success, assuring a unique guest experience when conducting meetings and celebrating milestones.

Holiday Inn remains to be the only international mid-market brand in Ortigas which caters of both Leisure and Corporate Transient business in the area.

e) Sources and Availability of Raw Materials and Names of Principal Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes the Company will undertake to procure the construction materials when it believes that it has an advantage in doing so. The Company typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge the Company. If the Company believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

f) Employees and Labor

As of September 30, 2016, RLC and its subsidiaries had a total of 7,789 employees, including 2,069 permanent full-time managerial and support employees and approximately 5,720 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	997	4,566	5,563
Office Buildings Division	26	292	318
Residential Division	430	279	709
Hotels Division	616	583	1,199
Total	2,069	5,720	7,789

The 2,069 permanent full-time managerial and support employees of RLC and its subsidiaries as of September 30, 2016 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	713
Administrative	965
Technical	391
Total	**2,069**

The Company foresees an increase in its manpower complement to 2,172 employees in the ensuing twelve months.

Almost all of the Company's hotels division employees are covered by a collective bargaining agreement. Holiday Inn Manila Galleria hotel's collective bargaining agreement will mature on September 30, 2019 while Summit Circle Cebu (formerly Cebu Midtown Hotel) expired last September 30, 2016 with ongoing talks on renewal as date of writing. The Company's other employees are not unionized or party to collective bargaining agreements with the Company.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures.

g) Industry Risk

The Company substantially conducts its business activities in the Philippines where majority of its assets are located.

Demand for and prevailing prices of shopping mall and office leases, as well as the development of the Philippine hospitality sector are directly related to the strength of the Philippine economy and the overall levels of business activity in the Philippines.

RLC's Commercial Centers Division is directly affected by level of consumption, demographic makeup, social trends, changing spending patterns and consumer sentiment in the Philippines, which are in turn heavily influenced by economic, political and security conditions in the Philippines. The level of consumption is largely determined by the income levels of consumers which is supplemented by a large number of Overseas Filipino Workers (OFWs) and expatriate Filipinos employed in countries around the world. This exposes RLC to adjustments in the specific economies of the countries where OFWs are deployed.

As the fastest growing sector in the Philippine economy, the Information Technology-Business Process Management (IT-BPM) outsourcing industry drives office space demand which fuels the performance and profitability of RLC's Office Buildings Division. The growth of the IT-BPM sector is heavily reliant on the availability of Information and Communications Technology (ITC) hubs across the country which provide sufficient labor supply and upgraded talent ecosystem, good ITC infrastructure and service capabilities, efficient cost and overall business environment as a product of sound macroeconomic fundamentals and geopolitical climate in the country.

RLC's Hotels and Resorts Division, on the other hand, is anchored on the development of Philippine tourism which is contingent on the rate of response of the Philippine government to address infrastructure challenges across the country.

On the development side of the Company's business, RLC is engaged in both domestic and international residential property development. The property market has been cyclical where property values have been affected by confidence in the economy as well the interest rate environment.

Considerable economic and political uncertainties exist in the Philippines that could have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because majority of RLC's businesses are in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally could materially adversely affect RLC's financial performance, position and profitability.

RLC operates in a highly competitive industry. The Company's future growth and development is dependent, in large part, on the availability and affordability of large tracts of land suitable for development. As the Company and its competitors attempt to locate sites for development, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company, particularly in Metro Manila and other urban areas. To the extent that the Company is unable to acquire suitable land at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other commercial center and residential developers and real estate services companies, some with greater financial and other resources and more attractive land banks than the Company, compete with RLC in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect RLC's ability to develop and sell its properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for commercial and residential real estate.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

Over the years, the Company has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance. The Company also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them exclusive development and marketing rights.

The following are locations of the Company's properties:

Location	Use	Status
Land		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/ Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Residential/ Mall/ Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall	No encumbrances
Batangas	Mall/ Residential	No encumbrances
Cavite	Mall/ Residential/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential/Mall	No encumbrances
Isabela	Mall	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Iloilo	Mixed-use (mall/hotel)	No encumbrances
Bacolod City	Mall	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall	No encumbrances
Roxas City	Mall	No encumbrances
Visayas area	Land bank	No encumbrances

Mindanao		
Agusan Del Norte	Mall	No encumbrances
Cagayan De Oro City	Residential	No encumbrances
Davao	Mall/Hotel	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Butuan City	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Mixed-use (mall/hotel/residential)	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Malabon City	Mall	No encumbrances
Las Pinas City	Mall	No encumbrances
Muntinlupa City	Residential	No encumbrances
Luzon		
Ilocos Norte	Mixed-use (mall/office)	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall	No encumbrances
Batangas	Mall	No encumbrances
Cavite	Mall/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall/Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Isabela	Mall	No encumbrances
Visayas		
Iloilo City	Mixed-use (mall/hotel)	No encumbrances
Bacolod City	Mall	No encumbrances
Cebu	Mixed-use (mall/hotel/office/residential)	No encumbrances
Negros Oriental	Mall	No encumbrances
Leyte	Mall	No encumbrances
Roxas City	Mall	No encumbrances
Mindanao		
Cagayan De Oro City	Mall	No encumbrances
Davao City	Mall	No encumbrances
South Cotabato	Mall	No encumbrances
Agusan Del Norte	Mall	No encumbrances

The Company owns all the land properties upon which all of its existing commercial centers are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, and (v) Robinsons Place Jaro. These five land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta and Pulilan properties are for 25 years each and commenced in December 2003 and January 2008, respectively. Renewal options for Cainta and Pulilan are available to the Company. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015. Total rent expense amounted to ₱180 million in 2016, ₱199 million in 2015 and ₱152 million in 2014.

Capital expenditure incurred for fiscal years 2016, 2015 and 2014 amounted to ₱26.7 billion, ₱16.8 billion and ₱14.1 billion, respectively, representing about 118%, 85% and 83% of revenues in those years, respectively.

The Company has allotted approximately ₱4.0 billion for capital expenditures in the Philippines for October to December 2016; wherein 65% will be spent on the construction and expansion of malls, offices and hotels, 26% for residential property developments and the balance of 9% on land acquisitions.

For calendar year 2017, the Company has budgeted approximately ₱16.0 billion for domestic capital expenditures which will be funded through internally generated cash from operations and borrowings. Approximately 53% will be allocated for the development of new and expansion of existing malls, offices and hotels, 25% is expected to be incurred for the completion of ongoing residential property developments while the remaining 22% will be spent on replenishing the landbank.

Item 3. Legal Proceedings

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Company's consolidated financial position.

Item 4. Submission of Matters to A Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the relevant local government unit in which the project is situated. The development of subdivision and condominium projects can commence only after the relevant government body has issued the development permit.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked afer a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with Presidential Decree 957, which set out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls.

Further, Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future. The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under current law, income derived by domestic corporations from the development and sale of socialized housing which currently, among other things, must have a basic selling price of no more than ₱300,000, is exempt from project related income taxes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

c) Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the "Hotel Code") in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the

Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

d) Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

e) Special Economic Zone

The Philippine Economic Zone Authority ("PEZA") is a government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Information technology ("IT") enterprises offering IT services (such as call centers, and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of fiscal year 2015, the Pioneer mixed-use complex was in a PEZA Ecozone, the Robinsons Equitable Tower and Robinsons Summit Center were PEZA-registered buildings. A number of malls are also PEZA-registered.

f) Effect of Existing or Probable Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations mentioned under "items 5a-e" as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱27.9 million in 2016, ₱20.8 million in 2015 and ₱20.4 million in 2014.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

Data on the quarterly price movement of its shares for the past three fiscal years are set forth below.

	2016			2015			2014		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	27.50	26.70	27.50	26.50	25.20	26.50	20.10	19.92	19.96
2	29.20	27.55	27.90	31.60	30.20	30.80	21.25	21.00	21.05
3	31.65	29.50	29.50	29.60	28.60	29.30	23.85	23.35	23.60
4	31.35	30.30	31.00	28.65	28.40	28.45	24.65	24.25	24.35

Additional information as of December 31, 2016 are as follows:

Market Price:	<u>**Period**</u>	<u>**High**</u>	<u>**Low**</u>
	Oct. to Dec. 2016	₱26.30	₱25.10

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the fiscal years 2016, 2015 and 2014.

For fiscal year 2016, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2015 to all stockholders on record as of March 29, 2016. The cash dividends were paid out on April 22, 2016.

For fiscal year 2015, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2014 to all stockholders on record as of May 14, 2015. The cash dividends were paid out on June 9, 2015.

For fiscal year 2014, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2013 to all stockholders on record as of May 29, 2014. The cash dividends were paid out on June 25, 2014.

RLC's unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱1,157 million, ₱977 million, and ₱699 million in 2016, 2015 and 2014. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the cost of shares held in treasury amounting to ₱222 million and amount appropriated for expansion totaling ₱16 billion.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of September 30, 2016:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	2,496,114,787	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,068,943,027	26.11%
3	PCD Nominee Corporation (Filipino)	494,695,282	12.08%
4	Elizabeth Yu	8,737,200	0.21%
5	John Gokongwei, Jr.	8,124,721	0.20%
6	Cebu Liberty Lumber	2,203,200	0.05%
7	James L. Go	1,685,994	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Quality Investments & Sec Corp.	904,200	0.02%
10	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
11	Frederick D. Go	500,001	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.01%
17	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	8,076,737	0.20%
	Total	**4,093,830,685**	**100.00%**

Item 9. Management Discussion and Analysis of Financial Condition and Results of Operation

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 92% of the Company's total revenues and are derived from the lease of commercial spaces in the various Robinsons malls, the lease and sale of space from RLC's office buildings, and the sale of residential units from the Company's various housing projects. Approximately 8% of total revenues are derived from hotel operations.

i. Year ended September 30, 2016 versus same period in 2015

RLC generated total gross revenues of ₱22.51 billion for fiscal year 2016, an increase of 14.2% from ₱19.71 billion total gross revenues for fiscal year 2015. EBIT grew 12.2% to ₱8.45 billion while EBITDA posted a 12.5% growth to ₱12.02 billion. Net income stood at ₱6.15 billion, up by 7.9% compared to last year.

The Commercial Centers Division accounted for ₱9.96 billion of the real estate revenues for the year versus ₱9.10 billion last year or a 9.4% increase. Rental revenues increased due to opening of new malls in Cebu City, Tagum (Davao), General Trias (Cavite) and Jaro (Iloilo). Also, the full year impact of Robinsons Place Antique and the expansion of Robinsons Novaliches, as well as the expansion of Robinsons Ilocos this year, contributed to the growth. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 5.2% and 8.5%, respectively.

Revenues of Office Buildings Division grew by 30% to ₱2.91 billion from ₱2.24 billion over the same period last year. Revenue growth was mainly attributable to the contribution from new office developments completed in 2014 and 2015 namely Cyberscape Alpha, Cyberscape Beta and Tera Tower. System-wide occupancy rate ended at 96% as of September 30, 2016. The Division's EBIT and EBITDA showed positive variances of 27.9% and 25.0%, respectively.

The Residential Division realized revenues rose to ₱7.83 billion for the year versus ₱6.62 billion last year, an increase of 18.2%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 13.8% and 13.5 %, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.81 billion as against last year's ₱1.75 billion.

The 3.5% increase in hotel revenues principally came from the relatively new hotels namely Go Hotels Iloilo, Go Hotels Ortigas Center, Go Hotels Butuan, and Summit Hotels Magnolia. The hotel average occupancy rate is 68% in 2016. Hotels Division EBIT and EBITDA grew by 8.3% and 6.7%, respectively.

Interest income decreased to ₱18.1 million from ₱39.3 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2016 resulting from higher level of capital expenditures and operating expenses.

Real estate cost and expenses went up by 19% to ₱9.34 billion from ₱7.84 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱330 million or 14% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱87 million or 16%. In addition, the higher level of realized sales of residential units brought cost of real estate sales to increase by ₱775.0 million or 24%. Furthermore, cinema expense rose by 10% or ₱ 69.8 million as a result of increase in cinema revenues.

General and administrative expenses went up by 11% to ₱3.40 billion due to higher taxes and licenses, salaries, insurance, donations, advertising and promotions and supplies expense, among others.

Interest expense significantly increased to ₱571.6 million due to higher level of short-term and long-term borrowings.

Total assets of the Company stood at ₱120.04 billion, a growth of 21% from ₱99.07 billion in 2015. Receivables (current and noncurrent net) increased by 30% or ₱2.29 billion to ₱10.02 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale increased by 67% to ₱25.85 billion due to purchase of land rights located in Chengdu Province, China, and higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment Properties and Property and Equipment both increased by 12% to ₱71.90 billion and 27% to ₱4.46 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Maxilom-Cebu, Tagum, Jaro-Iloilo, Ilocos (expansion), General Trias-Cavite, redevelopment of Robinsons Galleria and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons Iligan, Naga and Pavia-Iloilo contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Other current assets increased by 13% to ₱4.45 billion due to increase in advances to suppliers and contractors for mall, office buildings and residential constructions. On the other hand, other noncurrent assets decreased by 31% to ₱2.21 billion mainly due to return of bid deposit for land use rights amounting to ₱1.4 billion.

Accounts payable and accrued expenses went up by 34% to ₱7.94 billion due to higher level of capital expenditures and operating expenses this year.

Loans Payable (current and noncurrent) increased by 50% to ₱37.34 billion due to availment of additional term loans totaling ₱11.5 billion and short-term loans totaling ₱0.99 billion in 2016. Deposits (current and noncurrent) and Other liabilities went up by 16% to ₱9.83 billion due to higher level of deposits from from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2016 stood at ₱61.34 billion, up by 8% from ₱56.66 billion last year due to the earnings during the year of ₱6.15 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2016	2015
Gross revenues	₱22.51 billion	₱19.71 billion
EBIT	8.45 billion	7.54 billion
EBITDA	12.02 billion	10.69 billion
Net income	6.15 billion	5.70 billion
Earnings per share	1.50	1.39
Net book value per share	14.98	13.84
Current ratio	2.25:1	1.98:1
Debt-to-equity ratio	0.61:1	0.44:1
Interest coverage ratio	6.06:1	7.91:1
Asset to equity ratio	1.95:1	1.74:1
Operating margin ratio	0.38:1	0.38:1

Capital expenditures for the fiscal year ended September 30, 2016 amounted to ₱26.7 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

ii. Year ended September 30, 2015 versus same period in 2014

RLC generated total gross revenues of ₱19.71 billion for fiscal year 2015, an increase of 15.6% from ₱17.05 billion total gross revenues for fiscal year 2014. EBIT grew 21% to ₱7.54 billion while EBITDA posted a 19.2% growth to ₱10.69 billion. Net income stood at ₱5.70 billion, up by 20.4% compared to last year.

The Commercial Centers Division accounted for ₱9.10 billion of the real estate revenues for the year versus ₱8.10 billion last year or a 12.3% increase. The newly opened malls in 2014 and 2015 namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Antipolo and

Robinsons Las Pinas contributed to the increase in revenues. In addition, the reopening of Robinsons Tacloban in June 2014 contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 9.2% and 11.3%, respectively.

The Residential Division realized revenues rose to ₱6.62 billion for the year versus ₱5.86 billion last year, an increase of 12.9%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 25.5% and 25.3 %, respectively.

Revenues of Office Buildings Division grew by 45.2% to ₱2.24 billion from ₱1.54 billion over the same period last year. This increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, both with occupancy rates of 100% as of September 30, 2015, respectively. The Division's EBIT and EBITDA showed positive variances of 50.1% and 42.6%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.75 billion as against last year's ₱1.53 billion. The 13.8% increase in hotel revenues was principally due to the opening of new Go Hotels Iloilo and Go Hotels Ortigas Center in January 2014 and August 2014, respectively, and the reopening of Go Hotels Tacloban in May 2014. The hotel average occupancy rate is 69% in 2015. Hotels Division EBIT and EBITDA grew by 26.0% and 17.6%, respectively.

Interest income increased to ₱39.3 million from ₱14.6 million last year due to higher average balance of cash and cash equivalents during the fiscal year 2015 resulting from the proceeds of fixed rate bonds.

Real estate cost and expenses went up by 11% to ₱7.84 billion from ₱7.06 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱310 million or 15% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱104 million or 24%. Furthermore, cinema expense rose by 21% or ₱120 million due to the operation of new cinemas in new malls.

Hotel expenses rose by 10% to ₱1.29 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened and re-opened Go Hotels branches.

General and administrative expenses went up by 19% to ₱3.05 billion due to higher commission expense, salaries, advertising and promotions and rent expense, among others.

Total assets of the Company stood at ₱99.07 billion, a growth of 16% from ₱85.37 billion in 2014. Receivables (current and noncurrent net) increased by 15% or ₱1.03 billion to ₱7.73 billion due substantially to higher level of installment contracts receivables.

Investment Properties and Property and Equipment both increased by 17% to ₱64.02 billion and 12% to ₱3.51 billion, respectively, due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Las Pinas, Robinsons Novaliches expansion and Robinsons Antique during the fiscal year and ongoing mall constructions at Robinsons Maxilom, Robinsons Tagum, Robinsons General Trias and Robinsons Jaro Iloilo contributed to the increase. Other current and noncurrent assets increased by 25% to ₱3.95 billion and 145% to ₱3.2 billion, respectively, due to increase in advances to suppliers and contractors for mall and office buildings constructions and utility deposits.

Loans Payable (current and noncurrent) increased by 38% to ₱24.88 billion due to issuance of ₱12 billion fixed rate bonds in 2015. Deposits (current and noncurrent) and Other liabilities went up by 22% to ₱8.45 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2015 stood at ₱56.66 billion, up by 8% from ₱52.44 billion last year due to the earnings during the year of ₱5.70 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2015	2014
Gross revenues	₱19.71 billion	₱17.05 billion
EBIT	7.54 billion	6.24 billion
EBITDA	10.69 billion	8.97 billion
Net income	5.70 billion	4.73 billion
Earnings per share	1.39	1.16
Net book value per share	13.84	12.81
Current ratio	1.98:1	1.41:1
Debt-to-equity ratio	0.44:1	0.34:1
Interest coverage ratio	7.91:1	6.96:1
Asset to equity ratio	1.74:1	1.62:1
Operating margin ratio	0.38:1	0.37:1

Capital expenditures for the fiscal year ended September 30, 2015 amounted to ₱16.8 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

iii. Year ended September 30, 2014 versus same period in 2013

RLC generated total gross revenues of ₱17.05 billion for fiscal year 2014, an increase of 7% from ₱15.90 billion total gross revenues for fiscal year 2013. EBIT grew 4% to ₱6.24 billion while EBITDA posted a 6.3% growth to ₱8.97 billion. Net income stood at ₱4.73 billion, up by 5.8% compared to last year.

The Commercial Centers Division accounted for ₱8.10 billion of the real estate revenues for the year versus ₱7.39 billion last year or a 9.7% increase. The newly opened malls namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas and Robinsons Malabon contributed to the increase in revenues. In addition, Robinsons Magnolia, Robinsons Palawan and Robinsons Iloilo contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 5.8% and 8.5%, respectively.

The Residential Division realized revenues rose to ₱5.86 billion for the year versus ₱5.58 billion last year, an increase of 5%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 0.9% and 0.6%, respectively.

Revenues of Office Buildings Division grew by 7% to ₱1.54 billion from ₱1.44 billion over the same period last year. This 7% increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, with occupancy rates of 46% and 68% as of September 30, 2014, respectively. The Division's EBIT and EBITDA showed positive variances of 3.7% and 6.5%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.53 billion as against last year's ₱1.50 billion. The 2.5% increase in hotel revenues was principally due to additional new Go Hotels Iloilo and Go Hotels Ortigas Center which opened in fiscal year 2014. The hotel average occupancy rate is 68% in 2014. Hotels Division EBIT grew by 5.6%, while EBITDA is flat at ₱527 million in 2014 and 2013.

Interest income decreased to ₱14.6 million from ₱113.4 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2014.

Real estate cost and expenses went up by 8% to ₱7.06 billion from ₱6.56 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱245 million or 13% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱53 million or 14%. Furthermore, cinema expense rose by 19% or ₱90 million due to higher level of cinema operations which in turn resulted to higher cinema revenues.

Hotel expenses rose by 1.5% to ₱1.17 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened Go Hotels branches.

General and administrative expenses went up by 17% due to higher salaries, advertising and promotions and insurance expense, among others.

Total assets of the Company stood at ₱85.37 billion, a growth of 14% from

₱74.89 billion in 2013. Receivables (current and noncurrent net) increased by 33% or ₱1.65 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale grew by 26% due to the reclassification of land from Investment Properties amounting to ₱1.76 billion as of September 30, 2014.

Investment Properties and Property and Equipment both increased by 9% due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Malabon and Robinsons Antipolo during the fiscal year and ongoing mall constructions at Robinsons Maxilom and Robinsons Las Pinas contributed to the increase. While other noncurrent assets increased by 104% due to increase in utility deposits, and prepaid rental as a result of ASNC's (wholly-owned subsidiary of RLC) assignment to RLC of all its rights, interests and obligations under a long-term contract of lease of land located in Taguig City.

Loans Payable (current and noncurrent) increased by 42% due to availment of ₱10 billion term loans and additional short-term loans of ₱8 billion offset by payment of ₱10 billion bonds payable that matured in 2014. Accounts payable and accrued expenses increased by 17% due to higher level of capital and operational expenditures. Deposits (current and noncurrent) and Other liabilities went up by 12% to ₱6.92 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2014 stood at ₱52.44 billion, up by 6.6% from ₱49.17 billion last year due to the earnings during the year of ₱4.74 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2014	2013
Gross revenues	₱17.05 billion	₱15.90 billion
EBIT	6.24 billion	5.98 billion
EBITDA	8.97 billion	8.44 billion
Net income	4.73 billion	4.48 billion
Earnings per share	1.16	1.09
Net book value per share	12.81	12.01
Current ratio	1.41:1	0.95:1
Debt-to-equity ratio	0.34:1	0.26:1
Interest coverage ratio	6.96:1	6.15:1
Asset to equity ratio	1.62:1	1.52:1
Operating margin ratio	0.37:1	0.38:1

Capital expenditures for the fiscal year ended September 30, 2014 amounted to ₱14.1 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

a.) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material effect on revenues or income from continuing operations.

The Company currently derives substantially all of its revenues and income from its property investment and development businesses in the Philippines. Their performance and profitability are anchored on the strength of the Philippine economy that is largely driven by private consumption, remittances from OFWs, growth of the IT-BPM sector, flourishing tourism industry, and a low interest rate environment.

b.) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 74) are filed as part of this Form 17-A (pages 78 to 169).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by Sycip, Gorres Velayo & Co. :

Name	2016	2015
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱3,908,261**	₱3,657,498
All Other Fees...	**770,000**	2,967,000
TOTAL	**₱4,678,261**	₱6,624,498

No other service was provided by external auditors to the Company for the fiscal years 2016 and 2015.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 13. Security Ownership of Certain Record and Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners

As of September 30, 2016, the Corporation knows no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	2,496,114,787	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,068,943,027	26.11%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	494,695,282	12.08%

Notes:

1 The Chairman and the President of JG Summit Holdings Inc. (JGSHI) are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President and Chief Operating Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

2 PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. Out of the PCD Nominee Corporation account, "Deutsche Bank Manila-Clients" and "The Hongkong and Shanghai Banking Corp. Ltd.- Clients Account" - (Non-Filipino) holds for various trust accounts the following shares of the Corporation as of September 30, 2016:

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	534,272,166	13.05%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	394,582,102	9.64%

The securities are voted by the trustee's designated officers who are not known to the Corporation.

b) Security Ownership Of Management as of September 30, 2016

Title of Class	Name of beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. John L. Gokongwei, Jr.	Director, Chairman Emeritus	14,119,081 (see note 2)	Filipino	0.35%
Common	2. James L. Go	Director, Chairman	1,685,994	Filipino	0.04%
Common	3. Lance Y. Gokongwei	Director, Vice Chairman and Chief Executive Officer	804,001	Filipino	0.02%
Common	4. Frederick D. Go	Director, President & COO	500,001	Filipino	0.01%
Common	5. Arlene G. Magtibay	General Manager	0		*
	Sub-Total		17,109,077		0.42%
B. Other Directors, Executive Officers and Nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	540,000	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	50,001	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Subtotal		600,905		0.01%
C. All directors and executive officers as a group unnamed			17,709,982		0.43%

Notes:

1 As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of September 30, 2016.

2 Sum of shares in the name of "John Gokongwei, Jr." for 8,124,721, "John L. Gokongwei, Jr." for 300,000 and "Elizabeth Y. Gokongwei and/or John Gokongwei" for 988,000 and shares equivalent to 4,706,360 which were subscribed and paid for under the rights offering of the Corporation and are currently lodged under PDTC.

* less than 0.01%

c) Voting Trust Holder of 5% or more - as of September 30, 2016

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

d) Changes in Control

There has been no change in control of the Company since September 30, 2016.

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company's executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of ten members, of which three are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of September 30, 2016:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.............	90	Director, Chairman Emeritus	Filipino
James L. Go............................	77	Director, Chairman	Filipino
Lance Y. Gokongwei................	49	Director, Vice Chairman & Chief Executive Officer	Filipino
Frederick D. Go.......................	47	Director, President & Chief Operating Officer	Filipino
Patrick Henry C. Go	46	Director	Filipino
Johnson Robert G. Go, Jr.	51	Director	Filipino
Robina Y. Gokongwei-Pe..........	55	Director	Filipino
Artemio V. Panganiban............	79	Director (Independent)	Filipino
Roberto F. de Ocampo.	70	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr............	80	Director (Independent)	Filipino
Omar Byron T. Mier……………	72	Director (Independent)	Filipino
Faraday D. Go…………………..	40	General Manager	Filipino
Arlene G. Magtibay..................	54	General Manager	Filipino
Corazon L. Ang Ley…………..…	49	General Manager	Filipino

Name	Age	Position	Citizenship
Elizabeth Kristine D. Gregorio..	44	General Manager	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	43	Senior Vice President	Filipino
Constante T. Santos…………..	68	Senior Vice President	Filipino
Bach Johann M. Sebastian……	55	Senior Vice President	Filipino
Cecilia M. Pascual ……….…...	58	Vice President	Filipino
Emmanuel G. Arce……………..	58	Vice President	Filipino
Constantino C. Felipe…………	53	Vice President	Filipino
Kerwin Max S. Tan	46	Chief Financial Officer	Filipino
Mary Maylanie L. Precilla.........	42	Vice President	Filipino
Honorio Almeida, Jr..................	58	Vice President	Filipino
Catalina M. Sanchez…………..	37	Vice President	Filipino
Anna Kathrina B. Cipriano…….	40	Vice President	Filipino
Sylvia B. Hernandez…………..	53	Vice President – Treasurer	Filipino
Rosalinda F. Rivera	46	Corporate Secretary	Filipino

The above directors and officers have served their respective offices since March 9, 2016. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 90, founded RLC in 1980 and has been the Chairman Emeritus of RLC effective January 1, 2002. He continues to be a member of RLC's Board and is the Chairman Emeritus of JG Summit Holdings, Inc. and certain of its subsidiaries. He also continues to be a member of the Executive Committee of JG Summit Holdings, Inc. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., Deputy Chairman and Director of United Industrial Corporation Limited and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Masters degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 77, is the Chairman of RLC. He is the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He is the Chairman of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Cebu Air, Inc., Marina Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA. Mr. James L. Go is a brother of Mr. John L. Gokongwei, Jr.

Lance Y. Gokongwei, 49, is the Vice-Chairman and Chief Executive Officer of RLC. He is the President and Chief Operating Officer of JG Summit Holdings, Inc., He is the Chairman and Chief Executive Officer of Robinsons Retail Holdings, Inc. He is the President and Chief Executive Officer of Universal Robina Corporation, Cebu Air, Inc. He is the Chief Executive Officer of JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Chairman of Robinsons Bank Corporation, and a director of Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is a director and Vice Chairman of Manila Electric Company. He is also a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania. Mr. Lance Y. Gokongwei is the son of Mr. John L. Gokongwei, Jr.

Frederick D. Go, 47, is the President and Chief Operating Officer of RLC. He has been a director of the Company since May 6, 1999 and was elected President and Chief Operating Officer effective August 28, 2006. He is also the President and Chief Operating Officer of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank Corporation, JG Summit Petrochemical Corporation, and Cebu Light Industrial Park. He is also a Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 46, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC and is the President and Chief Operating Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 51, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 55**,** was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., Robinsons Bank Corporation. She is currently the President and Chief Operating Officer of Robinsons Retail Holdings, Inc. She is a Trustee of the Gokongwei Brothers Foundation Inc. and Immaculate Conception Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 79**,** was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He was formerly the Chief Justice of the Philippines and concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored over ten (10) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 70, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of

Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 80, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, CFC Corporation, and JG Summit Petrochemical Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. prior to joining the Group in 1962.

Omar Byron T. Mier, 71, was appointed as an Indpendent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Faraday D. Go, 40, was appointed as Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective 01 February 2014. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in

Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 54, is the General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 26 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Masters in Business Management, with distinction, from the Asian Institute of Management.

Corazon L. Ang Ley, 49, She's been with the group over 20 years and has been assigned to various functions and offices within the RLC, including a three-year stint in China. She is currently the BU-GM for Robinsons Homes. She's a graduate of Tourism from University of the Philippines - Asian Institute of Tourism in 1987.

Elizabeth Kristine D. Gregorio, 44, was appointed as General Manager of Robinsons Hotels and Resorts on January 1, 2014. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Ma. Soccorro Isabelle V. Aragon-Gobio, 43, was appointed as Senior Vice President for Robinsons Luxuria, Residences, Communities and Right Homes effective January 1, 2014. She has been with RLC for 22 years and is concurrently director of Manhattan Building Management Corporation and the Chairman of various condominium corporations of the Company's projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University.

Constante T. Santos, 68, is the Senior Vice President in charge of Corporate Tax Advisory Services and Tax Administration Department. Prior to joining RLC in 1986, he practiced public accounting with SyCip, Gorres, Velayo & Co. in the Philippines and Ernst & Whinney in the United States. He is a member of the Philippine Institute of Certified Public Accountants. Mr. Santos received his Bachelor of Science degree in Business Administration from the University of the East and attended the Management Development Program at the Asian Institute of Management.

Bach Johann M. Sebastian, 55, is Senior Vice President and Chief Strategy Officer of RLC. He is also the Senior Vice President and Chief Strategy Officer of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business

Administration degree from the Asian Institute of Management in 1986.

Cecilia M. Pascual, 58, is the Vice President – Group Controller of RLC. Concurrently, she handles Altus San Nicolas Corp., Altus Angeles, Inc., and Manhattan Building Management Corp.. Prior to joining RLC, she held head positions in audit and finance in Robinsons Retail Group, CFC-Keebler, Inc. and Wenphil Corp. among others. A Certified Public Accountant, Ms. Pascual practiced public accounting with SGV & Co.

Emmanuel G. Arce, 58, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 53, is the Vice President/Group Head for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Kerwin Max S. Tan, 46, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President-Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Mary Maylanie L. Precilla, 42, is the Vice President for Sales and Marketing for Robinsons Residences and Luxuria effective November 1, 2011. Prior to joining RLC in April 2011, she was with SM Land Inc. where she was Vice President, Sales and Marketing Head of Costa Hamilo Inc. and Highlands Prime Inc. and Marketing Head of the Commercial Properties Group. She graduated cum laude and received a Bachelor of Arts major in Communication Arts from the University of Sto. Tomas.

Honorio Almeida, Jr., 58**,** is the Vice President of Construction Planning and Projects Department for Robinsons Homes of RLC effective October 2010. He was formerly the Assistant Vice President for Construction Department. He started his professional career with the Local Water Utilities Administration (LWUA) as Resident Engineer supervising the construction of various Water Supply System Projects for different Water Districts nationwide. Prior to working in RLC, he was the Executive Vice President of MRI Construction Inc., a subsidiary of the Moldex Group of Companies. He received a degree in Bachelor of Science in Civil Engineering from the University of Sto. Tomas.

Catalina Mallari-Sanchez, 37, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She has over 15 years of experience in the real estate industry particularly in the residential and office segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Anna Kathrina B. Cipriano, 40, was appointed as Vice President, Business Development for Robinsons Luxuria effective January 1, 2014. She concurrently heads Business Development for the Robinsons Residences brand and serves as Director and Vice President of various condominium corporations of RLC projects. She has been with the Company for 8 years out of her 13 year career with the JG Summit Group, having also held roles in JG Summit Holdings, Inc. and Sun Cellular. She received a Bachelor of Science degree in Management from the Ateneo de Manila University and her Masters in Business Management from the Asian Institute of Management.

Sylvia B. Hernandez, 53, was appointed as Vice President-Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc., Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Robinsons Equitable Tower Condo Corp., and Robinsons Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP-Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in Accountancy. She is a Certified Public Accountant.

Rosalinda F. Rivera, 46, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

b) Involvement In Certain Legal Proceedings of Directors and Executive Officers

None of the members of RLC's Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years.

c) Family Relationships

James L. Go is the brother of John Gokongwei, Jr.
Lance Y. Gokongwei is the son of John Gokongwei, Jr.
Frederick D. Go is the nephew of John Gokongwei, Jr.
Patrick Henry C. Go is the nephew of John Gokongwei, Jr.
Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.
Faraday D. Go, Jr. is the nephew of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

The following table identify RLC's Chief Executive Officer and the four most highly compensated executive officers and summarizes their aggregate compensation for the two most recent fiscal years.

		Fiscal Year 2016			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 35,347,444	P 1,700,000	P 539,250	P 37,586,694
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D. Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 73,786,398	P 2,975,000	P 839,250	P 77,600,648

		Fiscal Year 2015			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 33,226,450	P 2,000,000	P 307,500	P 35,533,950
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D. Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 69,479,474	P 3,000,000	P 405,000	P 72,884,474

** Per diem*

The following table lists the name of the Company's Chief Executive Officer and the four most highly compensated executive officers and summarized their aggregate compensation for the ensuing year:

		Estimated Year 2017			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four (4) most highly compensated executive officers		P 37,304,805	P 1,700,000	P 539,250	P 39,544,055
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D.Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 75,348,514	P 2,975,000	P 839,250	P 79,162,764 **

** Per diem*
*** Estimated*

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed fiscal year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

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

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of September 30, 2016, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

RLC and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the JG Summit Group and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in RLC's shopping malls as well as substantial intercompany loans. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱2.181 billion, ₱1.877 billion and ₱1.630 billion for fiscal years 2016, 2015 and 2014, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank (formerly Robinsons Savings Bank), an affiliated local commercial bank. These balances amounted to ₱105 million, ₱692 million and ₱617 million as of September 30, 2016, 2015 and 2014, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 20 to the Company's financial statements as of and for the fiscal years ended September 30, 2016, 2015 and 2014.

PART IV. CORPORATE GOVERNANCE

Adherence to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, has been reinforced by continuous improvement by the Company in order to implement good governance and management practices.

The Board of Directors has approved its Corporate Governance Compliance Evaluation System in late 2003 in order to monitor and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and actions to be taken. One of the System's output is the Annual Corporate Governance Compliance Evaluation Form submitted to the SEC and PSE on or before January 30 of every year. RLC began making such submission of the Annual Corporate Governance Compliance Evaluation Form covering the previous calendar year to the SEC and PSE in 2004.

Likewise, RLC has consistently striven to raise its level of reporting to adopt and implement prescribed International Accounting Standards (IAS).

PART V - EXHIBITS AND SCHEDULES

Item 17. Exhibits And Reports On SEC Form 17-C

(A) Exhibits-See Accompanying Index To Exhibits (Page 170)

The following exhibit is filed as a separate section of this report:

(Exhibit 18) Subsidiaries Of The Registrant (page 171)

The other exhibits, as indicated in the Index to exhibits are either not applicable to the Company or does not require an answer.

(B) Reports on SEC Form 17-C (Current Report)

Following is a list of corporate disclosures of RLC filed under SEC Form 17-C for the period from April 1, 2016 to September 30, 2016:

Date of Disclosure	Subject Matter
May 12, 2016	Approval by the Board of Directors of RLC of the amendments to the By-Laws
May 12, 2016	Approval by the Board of Directors of RLC on the change in fiscal year to first day of January and ends on the last day of December of the same year
July 25, 2016	Approval by Securities and Exchange Commission of the amendment to the By-Laws of RLC

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on January 6, 2017.

By:

Lance Y. Gokongwei
Vice Chairman & Chief Executive Officer
(Acts as Principal Financial Officer)
1/6/17

Frederick D. Go
President & Chief Operating Officer
1/6/17

Kerwin Max S. Tan
Chief Financial Officer
1/6/17

Cecilia M. Pascual
VP - Group Controller/
Principal Accounting Officer
1/6/17

Rosalinda F. Rivera
Corporate Secretary
1/6/17

SUBSCRIBED AND SWORN to before me this JAN 12 2017 day of __________ 2015, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Lance Y. Gokongwei	16679360	Jan. 26, 2016	Pasig City
Frederick D. Go	21814552	Jan. 6, 2016	Quezon City
Kerwin Max S. Tan	P0352145A	Sept. 23, 2016 - Sept. 22, 2021	Manila
Cecilia M. Pascual	EC2296901	Oct. 3, 2014 - Oct. 2, 2019	Manila
Rosalinda F. Rivera	SSS No. 33-2484959-1		

ATTY. LUIS M. DE VERA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2017
PTR NO. 3802427-1/3/2017-Q.C.
IBP NO. 1054756-12/19/2016-Q.C
ROLL NO. 20761
ADM. MATTER NO. NP-160(2016-2017)
ADDRESS NO 2 CONGRESSIONAL AVE. COR. EDSA Q.C.
MCLE NO. V-0009642

Doc No. 455;
Page No. 92;
Book No. 8;
Series of 2017

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

CONSOLIDATED FINANCIAL STATEMENTS

SUPPLEMENTARY SCHEDULES

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9	3	2	6	9	-	A				

C O M P A N Y   N A M E

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

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

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

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

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	397-1888	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,066	Second Week of June	12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Kerwin Max S. Tan	Kerwin@robinsonsland.ph	397-1888	N/A

CONTACT PERSON's ADDRESS

14 Floor Robinsons Cyberscape Alpha cor. Sapphire & Garnet Road Ortigas Center, Pasig City

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

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

SEC Number 93269-A
File Number ____________

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

(Company's Full Name)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

(Company's Address)

3971-888

(Telephone Number)

DECEMBER 31

(Calendar Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

Amendment Designation (if applicable)

December 31, 2017

Period Ended Date

CN 000452-R-Listed

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended : **December 31, 2017**

2. SEC Identification Number : **93269-A**

3. BIR Tax Identification No. **000-361-376-000**

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

5. **Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila**
   Address of principal office Postal Code

8. **3971-888**
   Issuer's telephone number, including area code

9. **N.A** ………………...
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	4,093,830,685 shares
Registered bonds payable	₱ 12,000,000,000.00

11. Are any or all of these securities listed on a Stock Exchange.

    Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱34,005,860,466.90**

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines and has six wholly-owned consolidated subsidiaries and two 51%-owned companies.

The Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The Group has 2,130 and 2,069 employees as of December 31, 2017 and September 30, 2016, respectively.

RLC is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls and hotels, and the development of mixed-use properties, office and residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an "investment" component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings and hotels) and a "development" component, in which RLC develops residential real estate projects for sale (principally residential condominiums, upper-middle to high-end residential developments and low-and-middle-cost lots and houses in its subdivision developments).

RLC's operations are divided into its five business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of December 31, 2017, RLC operated 47 shopping malls, comprising nine (9) malls in Metro Manila and thirty eight (38) malls in other urban areas throughout the Philippines, and had another eight (8) new malls and four (4) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of December 31, 2017, RLC's Residential Division had completed 84 residential condominium buildings/towers/housing projects, 23 ongoing, of which two (2) projects are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of December 31, 2017, this division has completed seventeen (17) office developments, located in Quezon City, Ortigas Central Business District in Pasig City, Mandaluyong City, Makati Central Business District in Makati City, Fort Bonifacio in Taguig City, Cebu City, San Nicolas, Ilocos Norte, Tarlac City, Naga City and Davao City. These office projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels Division has a diverse portfolio covering three brand segments: upscale international deluxe hotels, mid-market boutique city and resort hotels, and essential service value hotels. In the international deluxe category, Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria, both managed by the Intercontinental Hotels Group, are key players in the hotel market in the Ortigas business district in Pasig City, Metro Manila. The Company's mid-market Summit Hotels and Resorts brand operates Summit Ridge Tagaytay, Summit Circle Cebu, Summit Hotel Magnolia and the recently-opened Summit Galleria Cebu. The third brand segment is the popular Go Hotels that is present in 15 key cities across the Philippines.

- The Infrastucture and Integrated Developments Division focuses on mixed-used developments and masterplanned communities. These developments incorporate different property formats such as residences, work places, commercial centers, and other institutional developments into a single setting. Another major role of this division is to seek business opportunities brought about by Public-Private Partnerships. As of December 31, 2017, this division has completed the masterplanning of two (2) integrated developments located in the cities of Pasig and Quezon and in the municpalities of Taytay and Cainta.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.3 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of calendar year 2017.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the Offer to finance the acquisition of land located in various parts of the country for all its business segments.

The Company has obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the offer was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date – January 24, 2018
- Ex-date – January 26, 2018
- Record date – January 31, 2018
- Offer period – February 2 to 8, 2018
- Listing date – February 15, 2018

The Company has successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

b) Business

RLC has five business divisions – Commercial Centers, Residential, Office Buildings, Hotels, and Infrastructure and Integrated Developments.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱10.79 billion or 48% of RLC's revenues and ₱7.04 billion or 56% of RLC's EBITDA in calendar year 2017 and ₱10.14 billion or 44% of RLC's revenues and ₱6.80 billion or 56% of RLC's EBITDA in calendar year 2016. As of December 31, 2017, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱79.21 billion.

During calendar year 2017, the Commercial Centers Division opened three (3) new malls and expanded two (2) malls, increasing its gross floor area by 8.6%. It currently operates 47 shopping malls, comprising nine (9) malls in Metro Manila and thirty eight (38) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 2.628 million square meters.

As of December 31, 2017, RLC had a portfolio of 47 shopping malls:

Name	Location	Calendar Year opened	Approximate gross floor area
			(in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1990	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1997	241
Robinsons Novaliches	Quirino Highway, Novaliches, Quezon City	2001	66
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2001	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2004	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2007	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2013	17
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2014	59
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	54
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1998	65
Robinsons Fuente Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2001	79
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2002	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96

Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2002	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2003	59
Robinsons Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2004	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2008	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2008	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	62
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete.................	Calindagan Business Park, Dumaguete City	2009	38
Robinsons Ilocos Norte..........................	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2009	65
Robinsons Cybergate Cebu...................	Don Gil Garcia St., Capitol, Cebu City	2009	20
Robinsons Place Pangasinan................	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan.....................	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan........................	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2013	59
Robinsons Place Malolos.......................	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2013	68
Robinsons Place Roxas.........................	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago.....................	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo......................	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Robinsons Place Antique……………….	Brgy. Maybato, San Jose, Antique	2015	28
Robinsons Galleria Cebu……………….	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2015	139
Robinsons Place Tagum…………………	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias…………	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro……………………	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Robinsons Place Iligan…………………..	Macapagal Ave., Brgy. Tubod, Iligan City, Lanao del Norte	2017	54
Robinsons Place Naga…………………..	Roxas Ave., cor. Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur	2017	62
Robinsons North Tacloban…………….	Brgy. Abucay, Tacloban City, Leyte	2017	57
Total			2,628

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be the driver for the Company's growth in the future.

As of calendar year 2017, the Company had eight (8) new shopping malls and four (4) expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,337 million and ₱609 million for the year ended December 31, 2017 and for the three months ended December 31, 2016, respectively.

ii. Residential Division

The Residential Division focuses on the construction of residential condominium and subdivision projects. The Division accounted for ₱6.57 billion or 29% of RLC's revenues and ₱1.78 billion or 15% of RLC's EBITDA in calendar year 2017, and ₱7.86 billion or 34% of RLC's revenues and ₱1.86 billion or 15% of RLC's EBITDA in calendar year 2016. As of December 31, 2017, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱45.05 billion.

Percentage of realized revenues from foreign sales to total revenues for calendar year 2017 and fiscal years 2016 and 2015 are 0.75%, 0.24% and 0.59%, respectively while percentage of realized revenues from foreign sales to net income for calendar year 2017 and fiscal years 2016 and 2015 are 2.86%, 0.88% and 2.04%, respectively.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are nine (9) residential condominium buildings/towers under the Luxuria portfolio, of which eight (8) have been completed and one (1) project is under construction.

Key details of the Company's Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
The Residences at The Westin Manila Sonata Place (1).........	50	344
Completed Projects		
Galleria Regency (1) (2)	13	108
AmiSa Private Residences Tower A (1)	14	131
AmiSa Private Residences Tower B (1)	18	155
AmiSa Private Residences Tower C (1)................................	18	189
Signa Designer Residences Tower 1...................................	29	306
Signa Designer Residences Tower 2...................................	28	351
Sonata Private Residences – Building 1 (1)	29	270
Sonata Private Residences – Building 2 (1)	30	269

The Robinsons Luxuria projects are detailed as follows:

1. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

2. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of 6 mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

3. ***Sonata Private Residences – Buildings 1 and 2*** are part of a mixed-use Sonata Place community in Ortigas Center that has been masterplanned to consist of three residential condominiums, and one hotel. RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project in 2016.

4. ***The Residences at The Westin Manila Sonata Place (legal name Sonata Premier)*** is the first Westin-branded Residences in Southeast Asia and the final residential tower in the Sonata Place mixed-use community.

5. ***Signa Designer Residences Towers 1 and 2*** is a joint venture project between Robinsons Land Corporation and Security Land Corporation in Makati CBD. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Residential Condominium in the Philippines.

The Company's Business Plan for its Luxuria Brand is to continue to acquire and launch properties in key central and strategic locations within Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive

[1] *Part of a mixed-used development*
[2] *Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel*

features and amenities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the Luxuria segment as of December 31, 2017:

Location	Acquisition Date	Approximate gross land area [1]
		(in hectares)
Fort Bonifacio, Taguig City	March 2007	0.9
Lapu-Lapu City	May 2007	1.4
Total		2.3

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, efficiently designed living spaces, stress-busting amenities and lifestyle perks and privileges.

As of December 31, 2017, Robinsons Residences segment had a portfolio of twenty nine (29) residential condominium buildings/towers, of which twenty five (25) had been completed and four (4) are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 (1)..	21	270
Galleria Residences Cebu Tower 2 (1)..	22	352
The Trion Towers – Building 3 ………………………….………..	50	636
The Radiance Manila Bay North Tower ………………………	36	538
Completed Projects		
Robinsons Place Residences 1 (1)	38	388
Robinsons Place Residences 2 (1)	38	388
One Gateway Place (1)	28	413
Gateway Garden Heights (1)	32	549
One Adriatico Place (1)	38	572
Two Adriatico Place (1)	38	546
Three Adriatico Place (1)...	38	537
Fifth Avenue Place	38	611
Otis 888 Residences (1)	3	195

[1] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Storeys	Number of Units
Current projects		
McKinley Park Residences	44	391
East of Galleria	44	693
The Fort Residences	31	242
Vimana Verde Residences Tower A	6	20
Vimana Verde Residences Tower B	6	20
Vimana Verde Residences Tower C	7	45
Azalea Place Cebu	25	408
The Trion Towers - Building 1	49	694
The Trion Towers - Building 2	50	725
Gateway Regency (1)	31	463
The Magnolia Residences Tower A (1)	36	378
The Magnolia Residences Tower B (1)	38	419
The Magnolia Residences Tower C (1)	38	433
The Sapphire Bloc North Tower	38	412
The Sapphire Bloc West Tower	38	416
Woodsville Residences	2	185

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, the Robinsons Forum mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go Hotels Mandaluyong.

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of a mixed-use development in Paco, Manila, which includes Robinsons Otis mall and Go Hotels Otis.

4. ***The Magnolia Residences Towers A, B and C*** are part of a mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines.

5. ***Fifth Avenue Place*** is a 38-storey development in Bonifacio Global City. Composed of 611 units, it is the first completed project of RLC in the area.

[1] *Part of a mixed-use development*

6. ***McKinley Park Residences*** is a 44-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units—flat and loft type.

8. ***The Trion Towers 1, 2 and 3*** compose the three-tower development in Bonifacio Global City. In 2015, RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project.

9. ***East of Galleria*** is a one tower development located along Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mall.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex. This project was recognized in the 2015 Philippine Property Awards and 2016 Asia Pacific Awards, as the Best Mid-Range Condo Development and Best Residential High-Rise Development in the country, respectively. The project was recognized as the Best Residential Interior Design during 2017 Philippine Property Awards and 2017 Asian Property Award (Philippines).

12. ***Vimana Verde Residences Buildings A, B and C*** is a three mid-rise building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City.

14. ***The Radiance Manila Bay North*** is part of a two-tower development that features a lifestyle retail wing. It is located along Roxas Boulevard in Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Towers 1 and 2*** are part of a three-tower residential component of the Robinsons Galleria Cebu Complex which will consist of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City.

The Company's Business Plan for its Robinsons Residences is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of December 31, 2017:

Location	Acquisition Date	Approximate land area
		(in hectares)
Maxilom Avenue, Cebu City	September 2008	0.2
Merville, Paranaque City	March 2006	3.3
Ortigas Center, Pasig City………………………..	November 2011	0.3
Total		3.8

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically located near major gateways, highly developed cities and central business districts to provide easy access to schools, work places and vital institutions.

As of December 31, 2017, Robinsons Communities had completed twenty six (26) residential condominium buildings/towers and two (2) subdivision projects. It has three (3) on-going projects in different stages that are scheduled for completion over the next five years.

Robinsons Communities is currently focusing on the development of both Mid-rise and High-rise residential condominium projects that primarily offer compact units with an average price levels below ₱3.0 million. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	NUMBER OF RESIDENTIAL FLOORS	NUMBER OF RESIDENTIAL UNITS
Current Projects		
Axis Residences - Building B ……………..	37	792
Acacia Escalades - Building B ……………	13	414
Chimes Greenhills....................................	24	378
Completed Projects		
Acacia Escalades - Building A ……………	11	383
Axis Residences - Tower A ……………….	37	913
Escalades East Tower …………………….	11	269
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	33	653
The Pearl Place - Tower B	34	640
Wellington Courtyard - Bldg A	5	34
Wellington Courtyard - Bldg B	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E	5	38
Gateway Garden Ridge...........................	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches		461
Centennial Place		50

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is a mixed-use development located in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

2. ***Escalades at 20th Avenue Towers 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (10) residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, this is another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. These project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs), with 192 units.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is a residential development located in Sucat, Muntinlupa. Comprising initially of tow (2) out of six (6) mid-rise residential buildings, it boasts of generous open spaces allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families, inventors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6th floor (Towers A and B) and 40th floor (Tower A), and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two mid-rise buildings with commercial component.

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan.

10. ***Escalades East Tower*** is a 14-storey residential development located along 20th Ave., Cubao, QC and is part of the Escalades-Cubao complex.

11. ***Bloomfields Novaliches*** is a horizontal residential development situated behind the Robinsons Place Novaliches mall.

12. ***Centennial Place*** - This is a half-hectare townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) townhouses, with lots ranging from 65 to 70 square meters.

The Company's Business Plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. It plans to acquire additional properties through purchase or joint venture.

The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of December 31, 2017:

Location	**Acquisition Date**	**Approximate land area**
		(in hectares)
Cubao, Quezon City (2)	2004	0.3
Sucat, Muntinlupa (1)..	2002	1.4
Las Pinas City (1)	2011	1.5
Total		3.2

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of RLC. It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of December 31, 2017, Robinsons Homes has thirty eight (38) projects in its portfolio. Thirteen (13) of these projects are on-going construction, two of which are awating for the receipt of License to Sell (LS) to launch. Among the thirty eight (38) projects, twenty five (25) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of calendar year 2017 are set forth in the table below:

[1] *This property is part of a mixed-use development of RLC, and represents the unused residential portion only.*

Name	Location	Started (1)	Approximate Gross Land Area (2)	Number of Lots/Units
			(in hectares)	
Robinsons Homes East..................	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard.......................	Cavite	May 1996	71.8	2,899
South Square Village	Cavite	August 1998	26.7	3,896
San Lorenzo Homes	Antipolo City	September 1999	2.8	372
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place............................	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´......	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates...........................	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes	Pampanga	November 2005	14.5	654
Rosewood Parkhomes	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights...............................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences.................	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra..................................	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro.........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag............................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos……….	General Santos City	May 2014	33.0	755
Brighton Bacolod…………………….	Negros Island	February 2016	22.4	735
Brighton Puerto Princesa…………..	Palawan	August 2016	13.1	377
Springdale at Pueblo Angono……	Angono, Rizal	November 2016	3.8	197
Brighton at Pueblo Angono……….	Angono, Rizal	August 2017	4.6	140
Terrazo at Robinsons Vineyard…	Cavite	-	13.4	477
Monte Del Sol……………………..	Misamis Oriental	-	3.3	256

[1] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[2] *"Gross Land Area" means the total area of land acquired by the Company*

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East*.** A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring fourteen (14) shop house units at 190sqm/unit and eight commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard*.** A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village*.** This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot. The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes*.** This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.

5. ***Robinsons Highlands*.** This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.

6. ***Grosvenor Place*.** This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.

7. ***Robinsons Hillsborough Pointé*.** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four phases, which have been fully completed. The lots have an average size of 150 square meters.

8. ***Forest Parkhomes*.** An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC's first

housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.

9. ***San Jose Estates.*** This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.

10. ***Robinsons Residenza Milano.*** Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes' first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.

11. ***Fernwood Parkhomes.*** This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282 lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is aA 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 365-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 79 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview.*** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with

predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates*.** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades*.** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra*.** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of 180 square meters.

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

35. ***Brighton Puerto Princesa.*** This mediterranean-themed subdivision offers 377 residential lots in a 13.1-hectare development catered to locals and tourists. Average lot area is 180 square meters which is complemented by amenities such as clubhouse, multi-purpose court and swimming pool.

36. ***Springdale at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 3.8 hectares of land. This subdivision offers 197 units with a predominant area of 100 square meters.

37. ***Brighton at Pueblo Angono.*** An Asian-Tropical themed subdivision of 140 residential lots ideal for clients with a growing family. This development has a predominant lot cut of 180 square meters and is completed by amenities fit for families looking for a brighter future ahead.

38. ***Terrazo at Robinsons Vineyard.*** This 13.4-hectare contemporary-themed expansion of Robinsons Vineyard offers 477 residential lots catered to middle-class families who want to reside in Dasmariñas, Cavite.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of December 31, 2017, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Terrazo at Robinsons Vineyard and Monte Del Sol.

The Company's Business Plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of December 31, 2017, it was in various stages of negotiations for the acquisition of approximately 85 hectares of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱3.27 billion or 15% of RLC's revenues and ₱2.93 billion or 23% of RLC's EBITDA in calendar year 2017, and ₱3.00 billion or 13% of RLC's revenues and ₱2.71 billion or 23% of RLC's EBITDA in calendar year 2016. As of December 31, 2017, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱17.91 billion.

RLC engages outside architects and engineers for the design of its office buildings developments. Due to the sustained growth from the IT Business Process Management (IT-BPM) sector and increasing office space demands from other multinational and logistic companies, the Company has secured a number of major customers as long-term tenants in its office building space and has continuously improved its building developments including its building features, office layouts and amenities. The Company is one of the leading providers of office spaces in the Philippines.

As of December 31, 2017, the Office Buildings Division has completed seventeen (17) office developments with the completion of Cyber Sigma in Fort Bonifacio, Taguig City, Cybergate Delta in Davao City, Cybergate Naga in Naga City and Robinsons Luisita office in Tarlac City thereby increasing its leasable spaces by 22% In the next two years, the Company is targeting to complete six (6) office buildings located in key cities across the country. The Company's completed office building projects are described below.

Name, Location		Size & Designation
Galleria Corporate Center	Along EDSA corner Ortigas Avenue, Quezon City	30-storey
Robinsons-Equitable Tower.......................	Corner of ADB and Poveda Streets, Pasig City	45-storey
Robinsons Summit Center.........................	Ayala Avenue, Makati City	37-storey
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18-storey
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12-storey
Robinsons Cybergate Cebu.....................	Fuente Osmena, Bo. Capitol, Cebu City	3-storey
Cyberscape Alpha.....................................	Sapphire and Garnet Roads, Pasig City	26-storey
Cyberscape Beta.......................................	Ruby and Topaz Roads, Pasig City	37-storey
Tera Tower...	Bridgetowne, C5 Road, Quezon City	20-storey
Robinsons Galleria Cebu Office...............	Gen. Maxilom Avenue, Cebu City	4-storey
Robinsons Place Ilocos Office.................	San Nicolas, Ilocos Norte	4-storey
Cyber Sigma..	Fort Bonifacio, Taguig City	21-storey
Robinsons Luisita Office........................	Luisita, Tarlac City	3-storey
Cybergate Delta.................................	JP. Laurel Ave., Davao City	5-storey
Cybergate Naga................................	Roxas Ave., Naga City	4-storey

The Company's completed office buildings are described as follows:

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an approximate net floor area (comprising only leasable space) of 25,000 square meters. As of December 31, 2017, approximately 85% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 100% occupancy rate.

2. ***Robinsons-Equitable Tower.*** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of December 31, 2017, RLC had sold approximately 70% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 100% occupancy rate as of December 31, 2017.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 100% occupancy rate as of December 31, 2017.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of December 31, 2017.

5. ***Robinsons Cybergate Center Tower 2*.** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of December 31, 2017.

6. ***Robinsons Cybergate Center Tower 3*.** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.6% occupancy rate as of December 31, 2017.

7. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 99.4% occupancy rate as of December 31, 2017.

8. ***Robinsons Cybergate Cebu*.** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of December 31, 2017, the office floors had an occupancy rate of 100%.

9. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 100% occupancy rate as of December 31, 2017.

10. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the

Ground and Mezzanine levels. The office floors are located from the 9th to the 37th levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 100% occupancy rate as of December 31, 2017.

11. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6th to 20th floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 100% occupancy rate as of December 31, 2017.

12. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had a 70.7% occupancy rate as of December 31, 2017.

13. ***Robinsons Place Ilocos Office.*** This office development is integrated with the mall expansion. The office development has a gross leasable area of 7,500 square meters and it is 100% owned by RLC.

14. ***Cyber Sigma.*** This is a 21-storey office development located in Fort Bonifacio, Taguig City. The office project has access to both Lawton Avenue and Le Grand in Mckinley West. It has a leasable area of approximately 50,000 sqm and was completed last December 2017. It had an occupany rate of 36.6% as of December 31, 2017.

15. ***Robinsons Luisita Office.*** This build to suit development consists of a 3-storey of dedicated office space to a BPO client. The space was commited ahead and was custom built based on the requirement of our client. It has a leasable area of 5,700 sqm and was completed last October 31, 2017. As of December 31, 2017, it had a 100% occupancy rate.

16. ***Cybergate Delta.*** This is a 5-storey office project located within the PEZA registered IT Park, Robinsons Cyberpark located in JP. Laurel Avenue in Davao City. The development sits on more than a hectare property and has it's own commercial spaces at the ground floor to support its office tenants' food and dining requirements. It has a leasable area of approximately 11,900 sqm and was completed last December 2017. As of the same period, it had an occupancy rate of 28%.

17. ***Cybergate Naga.*** This office development is located within the Robinsons Place Naga complex in Roxas Ave, Naga City. It is a 4-storey office development with a leasable area of approximately 5,700 sqm. This was completed in December 31, 2017 and during the same period it had a 54.9% occupancy rate.

iv. Hotels Division

RLC's hotels division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. For this calendar year 2017, RLC opened Summit Galleria Cebu right next to the stunning Robinsons Galleria Cebu mall complex. As the flagship hotel, Summit Galleria Cebu offers all the hallmarks of the Summit Hotels and Resorts brand of RLC with its 220-room modern structure exquisitely designed by renowned architects and interior designers and inspired by Cebu's history, culture and people. RLC's hotels division currently has a portfolio of sixteen (16) hotel properties. As of December 31, 2017, the Company's Hotels Division had assets, valued on a historical cost less depreciation basis, of ₱5.95 billion.

The hotels division accounted for ₱1.89 billion or 8% of RLC's revenues and ₱0.72 billion or 6% of RLC's EBITDA in calendar year 2017, and ₱1.81 billion or 8% of RLC's revenues and ₱0.67 billion or 6% of RLC's EBITDA in calendar year 2016.

Although the hotels division is an important part of RLC's business, the Company considers its primary value to be as a complement to its other developments. Over the next years, we will see more Go Hotels and Summit Hotels in major cities of the country.

Serving over 2.0 million guests to date, Go Hotels has steadily increased its presence in the Philippines with ten (10) operational branches, offering a total of more than 1,400 rooms, in strategic cities across the country. Its thrust is to build in locations with high market demand. To support expansion of the brand, Go Hotels has also opened its business to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of December 31, 2017:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF ROOMS
Crowne Plaza Manila Galleria ….	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria……………….…………....	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel) ……………	Fuente Osmena, Bo. Capitol, Cebu City	Standard	211
Summit Ridge Tagaytay ………....	Aguinaldo Highway, Tagaytay City	De Luxe	108
Summit Hotel Magnolia…………	Dona Hemady cor. Aurora Boulevard, Quezon City	-	82
Summit Galleria Cebu……………	Benedicto St. Cor. Gen. Maxilom Ave. Ext., Cebu City	-	220
Go Hotel …………………………..	EDSA, Mandaluyong City	Economy	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	Economy	108

Go Hotel …………………………..	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel …………………………..	Tacloban City, Leyte	Tourist Inn	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	Economy	108
Go Hotel …………………………..	Paco, Manila	Economy	118
Go Hotel …………………………..	Iloilo City	Economy	167
Go Hotel …………………………..	Ortigas Center, Pasig City	Economy	198
Go Hotel…………………………..	Butuan City	Economy	104
Go Hotel…………………………..	Lanang, Davao City	Economy	183
Total			2,578

As of December 31, 2017, the Company's Hotels Division has an average occupancy rate of 66%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has an initial term of ten years. On June 2015, the contract was extended for another 3 years and is extendible further upon mutual agreement between RLC and InterContinental. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It must also carry out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay, Summit Hotel Magnolia, Summit Galleria Cebu and the ten (10) Go Hotels directly.

In calendar year 2017, Go Hotels opened in Ermita-Manila, Timog-Quezon City, Cubao-Quezon City and North Edsa-Quezon City, completing the five (5) franchised hotels under its franchise partner, Roxaco Vanguard Hotels Corporation (RVHC) and bringing the total number of properties to fifteen (15) with 2,372 rooms. Go Hotels is present in Mandaluyong-Manila, Puerto Princesa, Dumaguete, Tacloban, Bacolod, Otis-Manila, Iloilo, Ortigas Center-Manila, Butuan, Lanang-Davao, and Manila Airport Road.

In the coming years, construction of 6 additional hotels is ongoing with Go Hotels in Iligan, Tuguegarao and Naga, and Summit Hotels and Resorts in Tacloban, Greenhills-Manila and Naga.

For its international branded hotels, the development of the 2.8 hectares, 271-room Dusit Thani Mactan Cebu Resort in Punta Engano, Mactan island and The Westin Manila Sonata Place Hotel in Ortigas Center, Pasig City is in full swing.

v. Infrastructure and Integrated Developments

IID is focused on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, and development of warehouse and logistics facilities. Pilot projects under IID are the development of Sierra Valley, the 18-hectare property in Cainta, Rizal, as well as the eight-hectare Bridgetowne Complex near Ortigas Center and the warehousing facility in Muntinlupa. In 2018, the Company aims to commence the land development in Sierra Valley and to complete the construction of the warehouse facility in Muntinlupa.

c) Significant Subsidiaries

As of December 31, 2017, RLC has six wholly-owned subsidiaries, one 80%-owned subsidiary and two 51%-owned subsidiaries, all of which are consolidated with the Company's financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RCL, RPMMC, AAI, ASN, GHDI, RLCRL and LPBLI.

Key details of each of RLC's subsidiary companies are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by RLC. RII's principal business is to engage in the development and operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. The company acts as a real estate agent on the international market, among others, for the Residential Division.

4. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's residential division. RPMMC manages the marketing of the portfolio of residential and office units that are available for sale through the residential division's Robinsons Communities, Robinsons Residences, and Luxuria Brands. RPMMC's primary purpose is to acquire, own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on March 28, 2007, has a registered share capital of 40,000,000 and is 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. ASNC's principal business is to establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations, without engaging in retail business.

7. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture within the Company's Hotels Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage

hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations.

8. ***RLC Resources, Ltd.*** RLC Resources, Ltd. (RLCRL) was incorporated on September 10, 2001 in the British Virgin Islands as an International Business Company, has an initial registered share capital of 50,000, which was increased to 500,000 in fiscal year 2016 and is 100%-owned by the Parent Company. RLC Resources, Ltd.'s principal business is to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into arrangements with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organize, manage, supervise and control any corporation, company, fund, trust, business or institution; to purchase or otherwise acquire and hold, in any manner and upon any terms, and to underwrite, invest and deal in shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities and enter into any interest rate exchange contracts, forward contracts, futures contracts and enforce all rights and powers incidental to the Company's interest therein.

9. ***Lingkod Pinoy Bus Liner, Inc.*** Lingkod Pinoy Bus Liner, Inc. (LPBLI) was incorporated on April 7, 2016 to engage in land transportation for the transportation and carriage of passengers, goods, and merchandise within any place in the Philippines.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its commercial centers division—SM Prime Holdings, Inc. (SM) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SM's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of December 31, 2017, the mall segment of SM has ₱354.8 billion and ₱150.2 billion while the mall segment of ALI has ₱143.7 billion and ₱29.6 billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

ii. Residential Division

1. ***Robinsons Luxuria***

   The Robinsons Luxuria brand continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land (Rockwell), Century Properties and Megaworld Corporation (Megaworld) to its developments. Rockwell’s total assets and equity accounts as of September 30, 2017 amounted to ₱44.6 billion and ₱16.9 billion, respectively; Century Properties’ total assets and equity accounts as of September 30, 2017 amounted to ₱41.5 billion and ₱15.8 billion, respectively, while Megaworld's total assets and equity accounts as of September 30, 2017 amounted to ₱296.3 billion and ₱154.4 billion, respectively.

2. ***Robinsons Residences***

   RLC’s competitors (Alveo Land, Megaworld, Filinvest, and Ortigas & Co.) under this segment targets the same market and offers similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remains one of the top of mind developments as a result of growing experienced sales and distribution network and convenient locations. Projects are found within Central Business Districts or a RLC mixed-use development.

3. ***Robinsons Communities***

   RLC Robinsons Communities in particular, has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), Filinvest Land (FL), SM Development Corporation (SMDC) and DMCI Homes. As of September 30, 2017, total assets and equity accounts amounted to ₱141.7 billion and ₱61.5 billion, respectively, for FL while total assets and equity accounts of SM Prime Holdings Inc. (SMDC was ultimately merged with SM Prime Holdings thru SM Land in 2013) as of September 30, 2017 amounted to ₱521.9 billion and ₱252.1 billion, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. ***Robinsons Homes***

Recognizing the growing housing market in the Philippines, RLC continues to embark on building subdivisions through its Robinsons Homes brand. For families aspiring to own their first home or upgrade to a better abode and neighborhood, Robinsons Homes provides them themed, master planned, secure and gated horizontal subdivisions in key urbanized cities nationwide ideal to start the good life. In order to cater to varying market profiles, Robinsons Homes launched its four sub-brands namely: *Happy Homes* for socialized housing, *Springdale* for our affordable market segment, *Brighton* for our mid-cost development and *Bloomfields* for our high-end market.

It stands in close competition with ALI, FL and Vista Land (VL). Total assets and equity accounts of VL as of September 30, 2017 amounted to ₱195.7 billion and ₱82.1 billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is creating not just subdivisions but is forming nurturing communities with lifestyle amenities and support developments in response to the changing lifestyle of Filipinos.

The Company believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success.

iii. Office Buildings Division

The Company believes that competition for office space is principally on the basis of location, quality and reliability of the project's design and equipment, reputation of the developer, availability of space, and PEZA registration. The biggest competitors of the Company under this segment are ALI, Megaworld and SM. The Company competes in this market on the basis of the strategic locations of its buildings, including their proximity to the malls and residences as part of its mixed-use developments and its accessibility to public transportation, building features as the office projects can accommodate all types of tenants including companies in the IT Business Process Management (IT-BPM) sector, corporate headquarters and traditional offices. The Company also believes that its established reputation of good quality, ease of doing business, and completing projects on time makes it one of the most preferred choices of the IT-BPM industry as well as local and multinational companies. The Company is committed in providing an excellent customer experience and satisfaction by developing office projects of high quality and reliability, meeting the evolving needs of its customers.

iv. Hotels Division

Philippine Tourism is highly influenced by general political and economic conditions within the country. The Philippines is a preferred destination in the global tourism industry because of its competitiveness in terms of pricing hotel rooms and airline ticket, natural resources and eco-tourism.

The hotel business has seen a continued stabilized situation due to remittances from Filipino overseas workers, IT infrastructure projects in the Philippines, and the continuous drive of the local tour operators in developing affordable tour packages.

Foreseen increase of business travels coming from government led infrastructure projects with Chinese and Japanese investors such as construction of the Mega Manila Subway, Manila Bay Smart City Development – 407 hectare reclamation project, Manila- Clark Railway Project, Ortigas-BGC flyover.

There is sustained growth in domestic tourism due to more affordable flights and ease of air access. 28% of domestic travelers are millennials aged 15-24 years of age; 24% are aged 25-34 years of age, 19% for 35-44 years of age, 14% for 45 t0 54 years age; 9% for 55-64 and 6% above 65 years old.

The tourism outlook in the Philippines seems optimistic, driven by the presence of low cost carriers and with several hotels opening in Makati, Ortigas, and Fort Bonifacio CBD. With total expected supply of 3,500 rooms from year 2017, the DOT continues to attract in bound tourism by an aggressive global marketing campaign and brand awareness.

Taking advantage of the increasing inbound and outbound travels looking for accommodation, a number of local and foreign competitors have entered or signified interest to enter the country. These chains, considered competitors of the Company's Go Hotels, include Red Planet, Fave Hotels of Indonesia, Tryp hotels and Microtel by Wyndham. Other hotel chains which have also been growing geographically include Park Inn by Radisson, Novotel, Seda Hotels by Ayala, Accor and Ascott Hotels. These hotel chains cater to the mid-scale market and are thus considered competitors of the Company's Summit Hotel brand. In the Ortigas Central Business District, new players such as Mercure, Citadines, JoyNostalg by Accor and Marco Polo compete with the Company's two IHG-managed hotels.

Planned of removal of VAT incentives to Business Processing Outsourcing/Offshoring companies (a main industry driver) as part of the governments TAX reform program will weaken the country's competitive advantage in the region, thus may slowdown expansion programs.

The Department of Tourism is projecting 6.6 million foreign tourists for 2017 while the top five source markets have remained the same for the last two years.

Crowne Plaza Manila Galleria, with upcoming brand refresh is expected to ensure Travelling for Success --- Sleep Advantage supporting the environment expected by our high achiever and Meetings Success, assuring a unique guest experience when conducting meetings and celebrating milestones.

Holiday Inn remains to be the only dominant international mid-market brand in Ortigas which caters to both Leisure and Corporate Transient business in the area, despite increasing competition from Mercure & Joy Nostalg by Accor and Citadines by Ascott, which have mushroomed over last two years.

v. Infrastructure and Integrated Developments Division

Though Infrastructure and Integrated Developments is a new Division under RLC, RLC is not a newcomer in integrated developments. RLC has developed four major mixed used developments in Metro Manila alone, namely, Robinsons Galleria, Robinsons Forum, Robinsons Manila, and Robinsons Magnolia. These projects are anchored by Robinsons Mall with components of Office and/or Residential and/or Hotel/Leisure. With the formation of the Infrastructure and Integrated Development Division, RLC can now focus on this new fast growing development format.

All major developers are now into integrated development. Developers are now acquiring big parcels of land and incorporating different real estate components to attract investors and customers. The biggest competitors of RLC in integrated developments are Ayala Land, Megaworld, Filinvest, Eton, and SM.

RLC-IID will harness opportunities for synergies with RLC's other business units: Commercial, Residential, Hotel, and Office Division. RLC, having years of experience in these real estate components, will thus have a competitive advantage. With efficient master planning, innovative designs, and quality construction, RLC is committed to sustainable and future-proof communities.

e) Sources and Availability of Raw Materials and Names of Principal Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes the Company will undertake to procure the construction materials when it believes that it has an advantage in doing so. The Company typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge the Company. If the Company believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

f) Employees and Labor

As of December 31, 2017, RLC and its subsidiaries had a total of 9,060 employees, including 2,130 permanent full-time managerial and support employees and approximately 6,930 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	1,024	5,414	6,438
Office Buildings Division.........................	40	270	310
Residential Division................................	410	677	1,087
Hotels Division	646	537	1,183
Infrastructure and Integrated Developments Division…………………...	10	32	42
Total	2,130	6,930	9,060

The 2,130 permanent full-time managerial and support employees of RLC and its subsidiaries as of December 31, 2017 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	790
Administrative	938
Technical	402
Total	**2,130**

The Company foresees an increase in its manpower complement to 2,215 employees in the ensuing twelve months.

Almost all of the Company's hotels division employees are covered by a collective bargaining agreement which will mature on September 30, 2021 for Summit Circle Cebu (formerly Cebu Midtown Hotel) and September 30, 2020 for Holiday Inn Manila Galleria's hotel. The Company's other employees are not unionized or party to collective bargaining agreements with the Company.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures.

g) Industry Risk

The Company substantially conducts its business activities in the Philippines where majority of its assets are located.

Demand for and prevailing prices of shopping mall and office leases, as well as the development of the Philippine hospitality sector are directly related to the strength of the Philippine domestic economy and the overall levels of business activity in the Philippines.

RLC's Commercial Centers Division is directly affected by level of consumption, demographic structure, social trends, changing spending patterns and consumer sentiments in the Philippines, which are in turn heavily influenced by economic, political and security conditions in the Philippines. The level of consumption is largely determined by the income levels of consumers which is supplemented by a large number of Overseas Filipino Workers (OFWs) and expatriate Filipinos employed in countries around the world. This exposes RLC to changes in the specific economies of the countries where OFWs are deployed.

As the fastest growing sector in the Philippine real estate industry, the Information Technology-Business Process Management (IT-BPM) outsourcing sector drives office space demand which fuels the performance and profitability of RLC's Office Buildings Division. The growth of the IT-BPM sector is heavily dependent on the availability of Information and

Communications Technology (ITC) hubs across the country which provide sufficient labor supply and upgraded talent ecosystem, good ITC infrastructure and service capabilities, efficient cost and overall business environment as a product of sound macroeconomic fundamentals and geopolitical climate in the country.

RLC's Hotels and Resorts Division, on the other hand, is anchored on the development of Philippine tourism which is contingent on the rate of response of the Philippine government to address infrastructure challenges across the country.

On the development side of the Company's business, RLC is engaged in both domestic and international residential development. The property market has been cyclical where property values have been affected by confidence in the economy as well the interest rate environment.

Considerable economic and political uncertainties exist in the Philippines that may have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because majority of RLC's businesses are in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally may materially adversely affect RLC's financial performance, position and profitability.

RLC operates in a highly competitive industry. The Company's future growth and development is dependent, in large part, on the availability and affordability of large tracts of land suitable for development. As the Company and its competitors attempt to locate sites for development, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company, particularly in Metro Manila and other urban areas. To the extent that the Company is unable to acquire suitable land at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other commercial center and residential developers and real estate services companies, some with greater financial and other resources and more attractive land banks than the Company, compete with RLC in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect RLC's ability to develop and sell its properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for commercial and residential real estate.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

Over the years, the Company has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance. The Company also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them exclusive development and marketing rights.

The following are locations of the Company's properties:

Location	Use	Status
Land		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/ Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/ Residential/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential/Mall	No encumbrances
Isabela	Mall	No encumbrances
Ilocos	Mixed use (mall/office)	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Hotel	No encumbrances
Capiz	Mall	No encumbrances
Antique	Mall	No encumbrances
Visayas area	Land bank	No encumbrances

Mindanao		
Agusan Del Norte	Mall/Hotel	No encumbrances
Misamis Oriental	Residential	No encumbrances
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Lanao Del Norte	Mall	No encumbrances
Davao Del Norte	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential/Office Building	No encumbrances
Malabon City	Mall	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Ilocos Norte	Mixed use (mall/office)	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/ Residential/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall/Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Isabela	Mall	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Visayas		
Iloilo	Mall/Mixed-use (mall/hotel)	No encumbrances
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Hotel	No encumbrances
Capiz	Mall	No encumbrances
Antique	Mall	No encumbrances
Mindanao		
Misamis Oriental	Mall/Residential	No encumbrances
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Agusan Del Norte	Mixed-use (mall/hotel)	No encumbrances
Davao Del Norte	Mall	No encumbrances
Lanao Del Norte	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances

The Company owns all the land properties upon which all of its existing commercial centers are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, (v) Robinsons Place Jaro, and (vi) Cyber Sigma. These six land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta, Pulilan and Cyber Sigma properties are for 25 years each and commenced in December 2003, January 2008 and August 2014, respectively. Renewal options for Cainta, Pulilan and Cyber Sigma are available to the Company, with an Option to Purchase the property and its improvements for Cyber Sigma. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015. Total rent expense amounted to ₱52 million in calendar year 2017 and ₱180 million and ₱199 million in fiscal year 2016 and 2015, respectively.

Capital expenditure incurred amounted to ₱28.9 billion, ₱26.7 billion and ₱16.8 billion for calendar year 2017 and fiscal years 2016 and 2015, respectively, representing about 128%, 118% and 85% of revenues in those years, respectively.

The Company has allotted approximately ₱6.15 billion for capital expenditures in the Philippines for January to March 2018; wherein 56% will be spent on the construction and expansion of malls, offices and hotels, 12% for mixed-used developments and masterplanned communities, 13% for residential property developments and the balance of 19% on land acquisitions.

For calendar year 2018, the Company has budgeted approximately ₱24.6 billion for domestic capital expenditures which will be funded through internally generated cash from operations and borrowings. Approximately 56% will be allocated for the development of new and expansion of existing malls, offices and hotels, 12% will be allocated to mixed-used developments and masterplanned communities, 13% is expected to be incurred for the completion of ongoing residential property developments, while the remaining 19% will be spent on replenishing the landbank.

Item 3. Legal Proceedings

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Company's consolidated financial position.

Item 4. Submission of Matters to A Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the relevant local government unit in which the project is situated. The development of subdivision and condominium projects can commence only after the relevant government body has issued the development permit.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked afer a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with Presidential Decree 957, which set out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls.

Further, Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future. The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under current law, income derived by domestic corporations from the development and sale of socialized housing which currently, among other things, must have a basic selling price of no more than ₱450,000, is exempt from project related income taxes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

c) Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the "Hotel Code") in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

d) Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

e) Special Economic Zone

The Philippine Economic Zone Authority ("PEZA") is a government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Information technology ("IT") enterprises offering IT services (such as call centers, and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of calendar year 2017, a number of RLC malls and office buildings are PEZA-registered.

f) Effect of Existing or Probable Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations mentioned under "items 5a-e" as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱30.5 million in calendar year 2017, ₱27.9 million and ₱20.8 million in fiscal years 2016 in 2015, respectively.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

Data on the quarterly price movement of its shares for the past three calendar years are set forth below.

	2017			2016			2015		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	23.20	22.75	23.00	29.20	27.55	27.90	31.60	30.20	30.80
2	24.40	23.80	24.25	31.65	29.50	29.50	29.60	28.60	29.30
3	26.15	25.00	25.30	31.35	30.30	31.00	28.65	28.40	28.45
4	21.75	21.30	21.30	26.30	25.10	26.00	27.50	26.70	27.50

Additional information as of March 31, 2018 are as follows:

Market Price:	**Period**	**High**	**Low**
	Jan. to Mar. 2018	₱20.25	₱19.66

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the calendar year 2017 and fiscal years 2016 and 2015.

For calendar year 2017, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2016 to all stockholders on record as of April 3, 2017. The cash dividends were paid out on May 2, 2017.

For fiscal year 2016, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2015 to all stockholders on record as of March 29, 2016. The cash dividends were paid out on April 22, 2016.

For fiscal year 2015, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2014 to all stockholders on record as of May 14, 2015. The cash dividends were paid out on June 9, 2015.

RLC’s unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱1,793 million and ₱1,275 million as of December 31, 2017 and 2016, respectively. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the cost of shares held in treasury amounting to ₱222 million and amount appropriated for expansion totaling ₱16 billion as of December 31, 2017.

The Board of Directors (BOD) of the Company approved on April 6, 2018 the declaration of a cash dividend in the amount of Thirty Six Centavos (₱0.36) per share from the unrestricted earnings of the Company as of December 31, 2017, to all stockholders of record as of April 26, 2018 and payable on May 23, 2018.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of December 31, 2017:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	2,496,114,787	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,069,563,519	26.13%
3	PCD Nominee Corporation (Filipino)	494,203,490	12.07%
4	Elizabeth Yu	8,737,200	0.21%
5	John Gokongwei, Jr.	8,124,721	0.20%
6	Cebu Liberty Lumber	2,203,200	0.05%
7	James L. Go	1,685,994	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Quality Investments & Sec Corp.	904,200	0.02%
10	Frederick D. Go	700,001	0.02%
11	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.01%
17	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	7,748,037	0.19%
	Total	**4,093,830,685**	**100.00%**

Item 9. Management Discussion and Analysis of Financial Condition and Results of Operation

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 92% of the Company's total revenues and are derived from the lease of commercial spaces in the various Robinsons malls, the lease and sale of space from RLC's office buildings, and the sale of residential units from the Company's various housing projects. Approximately 8% of total revenues are derived from hotel operations.

i. Year ended December 31, 2017 versus same period in 2016

	For the Years Ended December 31	
	2017	2016
REVENUE		
Real Estate Operations		
Rental income	**₱11,581,560,401**	₱10,746,626,900
Real estate sales	**5,973,248,023**	6,973,938,019
Amusement income	**1,802,643,181**	1,673,249,242
Others	**1,266,492,267**	1,608,619,627
	20,623,943,872	21,002,433,788
Hotel Operations	**1,892,873,758**	1,806,612,441
	22,516,817,630	22,809,046,229
COSTS		
Real Estate Operations		
Cost of rental services	**4,499,595,017**	4,273,894,548
Cost of real estate sales	**3,143,037,387**	4,153,220,627
Cost of amusement services	**820,824,802**	751,257,456
Others	**812,417,065**	538,388,429
	9,275,874,271	9,716,761,060
Hotel Operations	**1,350,512,369**	1,308,841,469
	10,626,386,640	11,025,602,529
	11,890,430,990	11,783,443,700
GENERAL AND ADMINISTRATIVE EXPENSES	**3,328,016,547**	3,510,879,439
OPERATING INCOME	**8,562,414,443**	8,272,564,261
OTHER INCOME (LOSSES)		
Interest income	**36,809,915**	19,340,620
Gain from insurance claims	**28,397,634**	208,713,905
Gain (loss) on foreign exchange	**(14,019,285)**	68,410,856
Interest expense and finance charges	**(778,194,869)**	(943,109,383)
Gain on sale of investment property	–	7,281,855
	(727,006,605)	(639,362,147)
INCOME BEFORE INCOME TAX	**7,835,407,838**	7,633,202,114
PROVISION FOR INCOME TAX	**1,950,969,880**	1,877,886,479
NET INCOME	**5,884,437,957**	5,755,315,635

RLC generated total gross revenues of ₱22.52 billion for calendar year 2017, a slight decrease of 1.3% from ₱22.81 billion total gross revenues for calendar year 2016. EBIT grew 3.5% to ₱8.56 billion while EBITDA posted a 3.6% growth to ₱12.48 billion. Net income stood at ₱5.89 billion, up by 2.2% compared to last year.

The Commercial Centers Division accounted for ₱10.79 billion of the real estate revenues for the year versus ₱10.14 billion last year or a 6.4% increase. Rental revenues increased due to opening of new malls in Iligan, Naga and North Tacloban and expansion of Robinsons Place Antique and Robinsons Butuan this year. Also, the full year impact of Robinsons Place General Trias, Robinsons Place Tagum, Robinsons Place Jaro and the expansion of Robinsons Ilocos Norte last year, contributed to the growth, despite renovation of Robinsons Galleria, one of our largest revenue contributors. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 3.3% and 3.4%, respectively.

Revenues of Office Buildings Division grew by 8.8% to ₱3.27 billion from ₱3.00 billion over the same period last year. Revenue growth was mainly attributable to sustained occupancy rates, and escalation of rents in existing offices and contribution from the new offices namely Cyber Sigma, Galleria Cebu Office, Robinsons Lusitia Office and Cybergate Delta. The Division's EBIT and EBITDA showed positive variances of 10.3% and 7.9%, respectively.

The Residential Division realized revenues is at ₱6.57 billion this year versus ₱7.86 billion last year, a decrease of 16.5%, due to lower level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA decreased by 5.4% and 3.8%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.89 billion as against last year's ₱1.81 billion. The 4.8% increase in hotel revenues principally came from the new hotels Go Hotels Davao and Summit Galleria Cebu. The hotel average occupancy rate is 66% in 2017. Hotels Division EBIT and EBITDA grew by 9.0% and 7.5%, respectively.

Interest income increased to ₱36.8 million from ₱19.3 million last year due to higher average balance of cash and cash equivalents during the calendar year 2017.

Real estate costs went down by 4.5% to ₱9.28 billion from ₱9.72 billion last year. The lower level of realized sales of residential units brought cost of real estate sales to decrease by ₱1.01 billion or 24.3%. Furthermore, cinema expense rose by 9.3% or ₱69.6 million as a result of increase in cinema revenues.

Gain from insurance is lower this year by 86% to ₱28.4 million from ₱208.7 million last year, which basically included insurance proceeds from Typhoon Yolanda. Finance charge amounting to ₱147.0 million last year pertain to pretermination of loans. Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of RLC's foreign subsidiary.

Total assets of the Company stood at ₱148.13 billion, a growth of 19.0% from ₱124.43 billion in 2016.

Investment Properties and Property and Equipment increased by 27.9% to ₱94.38 billion and 25.2% to ₱6.69 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Naga, Iligan, Tagum, North Tacloban, redevelopment of Robinsons Galleria, expansion of malls in Antique and Butuan and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons malls in San Pedro, Bridgetowne, Pavia-Iloilo, Tuguegarao, Ormoc and Cabanatuan, and ongoing expansion of Starmills-Pampanga and Magnolia malls contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Accounts payable and accrued expenses went up by 48.6% to ₱13.88 billion due to higher level of operating expenses this year.

Loans Payable (current and noncurrent) increased by 30.4% to ₱51.35 billion due to availment of additional long term loans to fund the Company's property constructions and developments. Deposits (current and noncurrent) and Other liabilities went up by 29.9% to ₱12.11 billion primarily due to payable to JG Summit Holdings for the purchase of an investment property.

Equity attributable to equity of the Parent Company as of December 31, 2017 stood at ₱67.09 billion, up by 7.2% from ₱62.58 billion last year due to the earnings during the year of ₱5.88 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators for the calendar year follows:

	2017	2016
Gross revenues	₱22.52 billion	₱22.81 billion
EBIT	8.56 billion	8.27 billion
EBITDA	12.48 billion	12.05 billion
Net income	5.88 billion	5.76 billion
Earnings per share	1.44	1.41
Net book value per share	16.39	15.29
Current ratio	1.21:1	1.34:1
Debt-to-equity ratio	0.76:1	0.63:1
Interest coverage ratio	4.72:1	5.66:1
Asset to equity ratio	2.20:1	1.98:1
Operating margin ratio	0.38:1	0.36:1

Capital additions for the calendar year ended December 31, 2017 amounted to ₱28.86 billion. Funding for the capital additions was sourced from proceeds of short-term and long-term loans and internally generated funds.

ii. Year ended September 30, 2016 versus same period in 2015

RLC generated total gross revenues of ₱22.51 billion for fiscal year 2016, an increase of 14.2% from ₱19.71 billion total gross revenues for fiscal year 2015. EBIT grew 12.2% to ₱8.45 billion while EBITDA posted a 12.5% growth to ₱12.02 billion. Net income stood at ₱6.15 billion, up by 7.9% compared to last year.

The Commercial Centers Division accounted for ₱9.96 billion of the real estate revenues for the year versus ₱9.10 billion last year or a 9.4% increase. Rental revenues increased due to opening of new malls in Cebu City, Tagum (Davao), General Trias (Cavite) and Jaro (Iloilo). Also, the full year impact of Robinsons Place Antique and the expansion of Robinsons Novaliches, as well as the expansion of Robinsons Ilocos this year, contributed to the growth. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 5.2% and 8.5%, respectively.

Revenues of Office Buildings Division grew by 30% to ₱2.91 billion from ₱2.24 billion over the same period last year. Revenue growth was mainly attributable to the contribution from new office developments completed in 2014 and 2015 namely Cyberscape Alpha, Cyberscape Beta and Tera Tower. System-wide occupancy rate ended at 96% as of September 30, 2016. The Division's EBIT and EBITDA showed positive variances of 27.9% and 25.0%, respectively.

The Residential Division realized revenues rose to ₱7.83 billion for the year versus ₱6.62 billion last year, an increase of 18.2%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 13.8% and 13.5 %, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.81 billion as against last year's ₱1.75 billion. The 3.5% increase in hotel revenues principally came from the relatively new hotels namely Go Hotels Iloilo, Go Hotels Ortigas Center, Go Hotels Butuan, and Summit Hotels Magnolia. The hotel average occupancy rate is 68% in 2016. Hotels Division EBIT and EBITDA grew by 8.3% and 6.7%, respectively.

Interest income decreased to ₱18.1 million from ₱39.3 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2016 resulting from higher level of capital expenditures and operating expenses.

Real estate cost and expenses went up by 19% to ₱9.34 billion from ₱7.84 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱330 million or 14% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱87 million or 16%. In addition, the higher level of realized sales of residential units brought cost of real estate sales to increase by ₱775.0 million or 24%. Furthermore, cinema expense rose by 10% or ₱ 69.8 million as a result of increase in cinema revenues.

General and administrative expenses went up by 11% to ₱3.40 billion due to higher taxes and licenses, salaries, insurance, donations, advertising and promotions and supplies expense, among others.

Interest expense significantly increased to ₱571.6 million due to higher level of short-term and long-term borrowings.

Total assets of the Company stood at ₱120.04 billion, a growth of 21% from ₱99.07 billion in 2015. Receivables (current and noncurrent net) increased by 30% or ₱2.29 billion to ₱10.02 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale increased by 67% to ₱25.85 billion due to purchase of land rights located in Chengdu Province, China, and higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment Properties and Property and Equipment both increased by 12% to ₱71.90 billion and 27% to ₱4.46 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Maxilom-Cebu, Tagum, Jaro-Iloilo, Ilocos (expansion), General Trias-Cavite, redevelopment of Robinsons Galleria and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons Iligan, Naga and Pavia-Iloilo contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Other current assets increased by 13% to ₱4.45 billion due to increase in advances to suppliers and contractors for mall, office buildings and residential constructions. On the other hand, other noncurrent assets decreased by 31% to ₱2.21 billion mainly due to return of bid deposit for land use rights amounting to ₱1.4 billion.

Accounts payable and accrued expenses went up by 34% to ₱7.94 billion due to higher level of capital expenditures and operating expenses this year.

Loans Payable (current and noncurrent) increased by 50% to ₱37.34 billion due to availment of additional term loans totaling ₱11.5 billion and short-term loans totaling ₱0.99 billion in 2016. Deposits (current and noncurrent) and

Other liabilities went up by 16% to ₱9.83 billion due to higher level of deposits from from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2016 stood at ₱61.34 billion, up by 8% from ₱56.66 billion last year due to the earnings during the year of ₱6.15 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2016	2015
Gross revenues	₱22.51 billion	₱19.71 billion
EBIT	8.45 billion	7.54 billion
EBITDA	12.02 billion	10.69 billion
Net income	6.15 billion	5.70 billion
Earnings per share	1.50	1.39
Net book value per share	14.98	13.84
Current ratio	2.25:1	1.98:1
Debt-to-equity ratio	0.61:1	0.44:1
Interest coverage ratio	6.06:1	7.91:1
Asset to equity ratio	1.95:1	1.74:1
Operating margin ratio	0.38:1	0.38:1

Capital additions for the fiscal year ended September 30, 2016 amounted to ₱26.7 billion. Funding for the capital additions was sourced from proceeds of short-term and long-term loans and internally generated funds.

iii. Year ended September 30, 2015 versus same period in 2014

RLC generated total gross revenues of ₱19.71 billion for fiscal year 2015, an increase of 15.6% from ₱17.05 billion total gross revenues for fiscal year 2014. EBIT grew 21% to ₱7.54 billion while EBITDA posted a 19.2% growth to ₱10.69 billion. Net income stood at ₱5.70 billion, up by 20.4% compared to last year.

The Commercial Centers Division accounted for ₱9.10 billion of the real estate revenues for the year versus ₱8.10 billion last year or a 12.3% increase. The newly opened malls in 2014 and 2015 namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Antipolo and Robinsons Las Pinas contributed to the increase in revenues. In addition, the reopening of Robinsons Tacloban in June 2014 contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 9.2% and 11.3%, respectively.

The Residential Division realized revenues rose to ₱6.62 billion for the year versus ₱5.86 billion last year, an increase of 12.9%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 25.5% and 25.3 %, respectively.

Revenues of Office Buildings Division grew by 45.2% to ₱2.24 billion from ₱1.54 billion over the same period last year. This increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, both with occupancy rates of 100% as of September 30, 2015, respectively. The Division's EBIT and EBITDA showed positive variances of 50.1% and 42.6%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.75 billion as against last year's ₱1.53 billion. The 13.8% increase in hotel revenues was principally due to the opening of new Go Hotels Iloilo and Go Hotels Ortigas Center in January 2014 and August 2014, respectively, and the reopening of Go Hotels Tacloban in May 2014. The hotel average occupancy rate is 69% in 2015. Hotels Division EBIT and EBITDA grew by 26.0% and 17.6%, respectively.

Interest income increased to ₱39.3 million from ₱14.6 million last year due to higher average balance of cash and cash equivalents during the fiscal year 2015 resulting from the proceeds of fixed rate bonds.

Real estate cost and expenses went up by 11% to ₱7.84 billion from ₱7.06 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱310 million or 15% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱104 million or 24%. Furthermore, cinema expense rose by 21% or ₱120 million due to the operation of new cinemas in new malls.

Hotel expenses rose by 10% to ₱1.29 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened and re-opened Go Hotels branches.

General and administrative expenses went up by 19% to ₱3.05 billion due to higher commission expense, salaries, advertising and promotions and rent expense, among others.

Total assets of the Company stood at ₱99.07 billion, a growth of 16% from ₱85.37 billion in 2014. Receivables (current and noncurrent net) increased by 15% or ₱1.03 billion to ₱7.73 billion due substantially to higher level of installment contracts receivables.

Investment Properties and Property and Equipment both increased by 17% to ₱64.02 billion and 12% to ₱3.51 billion, respectively, due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Las Pinas, Robinsons Novaliches expansion and Robinsons Antique during the fiscal year and ongoing mall constructions at Robinsons Maxilom, Robinsons Tagum, Robinsons General Trias and Robinsons Jaro Iloilo contributed to the increase. Other current and noncurrent assets increased by 25% to ₱3.95 billion and 145% to ₱3.2 billion, respectively, due to increase in advances to suppliers and contractors for mall and office buildings constructions and utility deposits.

Loans Payable (current and noncurrent) increased by 38% to ₱24.88 billion due to issuance of ₱12 billion fixed rate bonds in 2015. Deposits (current and noncurrent) and Other liabilities went up by 22% to ₱8.45 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2015 stood at ₱56.66 billion, up by 8% from ₱52.44 billion last year due to the earnings during the year of ₱5.70 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2015	2014
Gross revenues	₱19.71 billion	₱17.05 billion
EBIT	7.54 billion	6.24 billion
EBITDA	10.69 billion	8.97 billion
Net income	5.70 billion	4.73 billion
Earnings per share	1.39	1.16
Net book value per share	13.84	12.81
Current ratio	1.98:1	1.41:1
Debt-to-equity ratio	0.44:1	0.34:1
Interest coverage ratio	7.91:1	6.96:1
Asset to equity ratio	1.74:1	1.62:1
Operating margin ratio	0.38:1	0.37:1

Capital additions for the fiscal year ended September 30, 2015 amounted to ₱16.8 billion. Funding for the capital additions was sourced from proceeds of short-term and long-term loans and internally generated funds.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

a.) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material effect on revenues or income from continuing operations.

The Company currently derives substantially all of its revenues and income from its property investment and development businesses in the Philippines. Their performance and profitability are anchored on the strength of the Philippine economy that is largely driven by private consumption, remittances from OFWs, growth of the IT-BPM sector, flourishing tourism industry, and a low interest rate environment.

b.) Any events that will trigger direct or contingent financial obligation

that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 78) are filed as part of this Form 17-A (pages 86 to 167).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by Sycip, Gorres Velayo & Co. :

Name	2017	2016
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱4,106,781**	**₱3,908,261**
All Other Fees...	**227,845**	**770,000**
TOTAL	**₱4,334,626**	**₱4,678,261**

No other service was provided by external auditors to the Company for the calendar year 2017 and fiscal year 2016.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 13. Security Ownership of Certain Record and Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2017, the Corporation knows no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	2,496,114,787	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,069,563,519	26.13%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	494,203,490	12.07%

Notes:

1 The Chairman and the President of JG Summit Holdings Inc. (JGSHI) are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President and Chief Operating Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

2 PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

Out of the PCD Nominee Corporation accounts, "Deutsche Bank Manila-Clients", "The HongKong and Shanghai Banking Corp. Ltd.- Clients Account" and "Citibank N.A." hold for various trust accounts the following shares of the Corporation as of December 31, 2017:

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	534,272,166	13.14%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	394,582,102	9.71%
Citibank N.A.	235,252,373	5.75%

Voting instructions may be provided by the beneficial owners of the shares.

b) Security Ownership Of Management as of December 31, 2017

Title of Class	Name of beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. John L. Gokongwei, Jr.	Director, Chairman Emeritus	14,119,081 (see note 2)	Filipino	0.35%
Common	2. James L. Go	Director, Chairman	1,685,994	Filipino	0.04%
Common	3. Lance Y. Gokongwei	Director, Vice Chairman and Chief Executive Officer	804,001	Filipino	0.02%
Common	4. Frederick D. Go	Director, President	700,001	Filipino	0.02%
Common	5. Arlene G. Magtibay	General Manager	0		*
	Sub-Total		17,309,077		0.43%
B. Other Directors, Executive Officers and Nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	540,000	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	25,001	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Subtotal		575,905		0.01%
C. All directors and executive officers as a group unnamed			17,884,982		0.44%

Notes:

[1] As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2017.

[2] Sum of shares in the name of "John Gokongwei, Jr." for 8,124,721, "John L. Gokongwei, Jr." for 300,000 and "Elizabeth Y. Gokongwei and/or John Gokongwei" for 988,000 and shares equivalent to 4,706,360 which were subscribed and paid for under the rights offering of the Corporation and are currently lodged under PDTC.

* less than 0.01%

c) Voting Trust Holder of 5% or more - as of December 31, 2017

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

d) Changes in Control

There has been no change in control of the Company since December 31, 2017.

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company's executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of ten members, of which three are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of December 31, 2017:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.	91	Director, Chairman Emeritus	Filipino
James L. Go............................	78	Director, Chairman	Filipino
Lance Y. Gokongwei................	51	Director, Vice Chairman & Chief Executive Officer	Filipino
Frederick D. Go.......................	48	Director, President & Chief Operating Officer	Filipino
Patrick Henry C. Go	47	Director	Filipino
Johnson Robert G. Go, Jr.	52	Director	Filipino
Robina Y. Gokongwei-Pe..........	56	Director	Filipino
Artemio V. Panganiban............	81	Director (Independent)	Filipino
Roberto F. de Ocampo.	71	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr............	82	Director (Independent)	Filipino
Omar Byron T. Mier……………	72	Director (Independent)	Filipino
Kerwin Max S. Tan	48	Chief Financial Officer	Filipino
Faraday D. Go…………………..	42	Business Unit General Manager	Filipino
Arlene G. Magtibay..................	55	Business Unit General Manager	Filipino

Name	Age	Position	Citizenship
Corazon L. Ang Ley……………	50	Business Unit General Manager	Filipino
Elizabeth Kristine D. Gregorio..	45	Business Unit General Manager	Filipino
Henry L. Yap…………………..	54	Business Unit General Manager	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	44	Business Unit General Manager	Filipino
Bach Johann M. Sebastian……	56	Senior Vice President and Chief Strategist	Filipino
Cecilia M. Pascual …………......	59	Vice President - Group Controller	Filipino
Emmanuel G. Arce……………..	59	Vice President	Filipino
Constantino C. Felipe…………	55	Vice President	Filipino
Catalina M. Sanchez…………..	39	Vice President	Filipino
Sylvia B. Hernandez…………..	54	Vice President - Treasurer	Filipino
Rosalinda F. Rivera	47	Corporate Secretary	Filipino
Arlene S. Denzon	50	Compliance Officer	Filipino

The above directors and officers have served their respective offices since June 28, 2017. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 91, founded RLC in 1980 and has been the Chairman Emeritus of RLC effective January 1, 2002. He continues to be a member of RLC's Board and is the Chairman Emeritus of JG Summit Holdings, Inc. and certain of its subsidiaries. He also continues to be a member of the Executive Committee of JG Summit Holdings, Inc. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., Deputy Chairman and Director of United Industrial Corporation Limited and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Master's degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 78, is the Chairman of RLC. He is the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He is the Chairman of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Cebu Air, Inc., Marina

Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei, 51, is the Vice-Chairman and Chief Executive Officer of RLC. He is the President and Chief Operating Officer of JG Summit Holdings, Inc., He is the Chairman and Chief Executive Officer of Robinsons Retail Holdings, Inc. He is the President and Chief Executive Officer of Universal Robina Corporation, Cebu Air, Inc. He is the Chief Executive Officer of JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Chairman of Robinsons Bank Corporation, and a director of Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is a director and Vice Chairman of Manila Electric Company. He is a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Frederick D. Go, 48, is the President of RLC since 2006. He is also the President of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank Corporation, JG Summit Petrochemical Corporation, and Cebu Light Industrial Park. He is also the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 47, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC and is the Senior Managing Director of the URC Packaging (BOPP) Division and Flexible Packaging Division. He is also the President and Chief Operating Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 52, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies

(Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 56, was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., Robinsons Bank Corporation. She is currently the President and Chief Operating Officer of Robinsons Retail Holdings, Inc. consisting of Robinsons Supermarket, Robinsons Department Store, Handyman, True Value, Robinsons Builders, Robinsons Specialty Stores, Robinsons Appliances, Toys R Us, Daiso Japan, Ministop, South Star Drug and The Generics Pharmacy. She is a Trustee of the Gokongwei Brothers Foundation Inc. and Immaculate Conception Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 81, was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He was formerly the Chief Justice of the Philippines and concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored over ten (10) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 71, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 82, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, CFC Corporation, and JG Summit Petrochemical Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. prior to joining the Group in 1962.

Omar Byron T. Mier, 72, was appointed as an Independent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. He is also a director of Paymaya since 2016 and Chairman of the Board Audit Committee. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Guest Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Kerwin Max S. Tan, 48, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President - Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Faraday D. Go, 42, was appointed as Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective 01 February 2014. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 55, is the Business Unit General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 27 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Masters in Business Management, with distinction, from the Asian Institute of Management.

Corazon L. Ang Ley, 50, is the Business Unit General Manager for Robinsons Homes concurrent to her role as Property Acquisition Head for RLC. She's held various positions and functions within RLC during her 25 years of service including her 3 year stint in China. She graduated from the University of the Philippines - Asian Institute of Tourism in 1987.

Elizabeth Kristine D. Gregorio, 45, was appointed as Business Unit General Manager of Robinsons Hotels and Resorts on January 1, 2014. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Henry L. Yap*,* 54, is the Business Unit General Manager of Robinsons Luxuria, Residences and Communities of RLC's Residential Division. Prior to assuming this post, he served the group/company as the Country Business Unit General Manager of Ding Feng Real Estate Companies (China), Business Unit General Manager of the Office Buildings Division, Vice President of RLC's Property Planning and Design Department and member of the Investors Relations Team. Before joining RLC, he headed the Property Planning and Design Group of Fort Bonifacio Development Corporation and sat on the Boards of seven subsidiaries, affiliates and foundation of FBDC. He worked as Manager for Metro Manila Camps of the Bases Conversion and Development Authority where he was involved in the planning, design, privatization and implementation of the Bonifacio Global City, among others. He also lent his expertise to Government by serving as the head of the National Committee on Architecture and the Allied Arts and member of the Sub-Commission on the Arts of the National Commission for Culture and the Art. He also taught at the University of the Philippines where he was Senior Lecturer at the School of Urban and Regional Planning and at the College of Architecture. He holds a Master's of Science in Urban Planning in Developing Countries from the University of Wales College of Cardiff (UK), Bachelor of Science in Architecture, cum laude, and earned units for his Ph.D. in Urban and Regional Planning, both from UP. Henry Yap is Philippine-licensed Architect and Environmental Planner."

Ma. Soccorro Isabelle V. Aragon-Gobio, 44, was appointed as Business Unit General Manager of the Infrastructure and Integrated Developments Division effective October 1, 2016. She has been with RLC for 24 years and is concurrently director of Manhattan Building Management Corporation, Manchego Food Corporation, and various condominium corporations of the Company's projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University and is a PRC licensed Real Estate Broker.

Bach Johann M. Sebastian, 56, is Senior Vice President and Chief Strategist of RLC. He is also the Senior Vice President and Chief Strategist of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business Administration degree from the Asian Institute of Management in 1986.

Cecilia M. Pascual*,* 59, is the Vice President - Group Controller of RLC. Concurrently, she handles Altus San Nicolas Corp., Altus Angeles, Inc., and Manhattan Building Management Corp. Prior to joining RLC, she held head positions in audit and finance in Robinsons Retail Group, CFC-Keebler, Inc. and Wenphil Corp. among others. A Certified Public Accountant, Ms. Pascual practiced public accounting with SGV & Co.

Emmanuel G. Arce, 59, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 55, is the Vice President for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Catalina Mallari-Sanchez, 39, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She has over 18 years of experience in the real estate industry particularly in the residential and office segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Sylvia B. Hernandez, 54, was appointed as Vice President - Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc, Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Rob. Equitable Tower Condo Corp., Rob. Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP - Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in Accountancy. She is a Certified Public Accountant."

Rosalinda F. Rivera, 47, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

Arlene S. Denzon, 50, is the Compliance Officer of RLC and Vice President of the Corporate Governance and Management Systems (CGMS) of JGSHI. She is also the Compliance Officer of JG Summit Holdings, Inc. and Universal Robina Corporation. Prior to rejoining the RLC in February 2013, she was the Senior Vice President in charge of the Enterprise-wide Risk Management Group of Digitel Mobile Philippines, Inc. (DMPI, more popularly known as Sun Cellular) until December, 2012. Ms Denzon started her career in the Gokongwei Group in 1991 and performed various roles including Accounting Manager of JGSHI until 1997, Assistant Vice President-Special Assistant to the Chairman until 2001, Vice President-Treasurer and Acting Chief Financial Officer of URC International until 2003 before she was seconded to DMPI in 2004. Prior to RLC, Ms. Denzon had three years working experience as external auditor in Sycip, Gorres, Velayo & Co. She was a Certified Public Accountant Board topnotcher and obtained her Bachelor of Accountancy degree, Magna Cum Laude, from Polytechnic University of the Philippines.

b) Involvement In Certain Legal Proceedings of Directors and Executive Officers

None of the members of RLC's Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years.

c) Family Relationships

James L. Go is the brother of John Gokongwei, Jr.
Lance Y. Gokongwei is the son of John Gokongwei, Jr.
Frederick D. Go is the nephew of John Gokongwei, Jr.
Patrick Henry C. Go is the nephew of John Gokongwei, Jr.
Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.
Faraday D. Go, Jr. is the nephew of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

The following table identify RLC's Chief Executive Officer and the four most highly compensated executive officers and summarizes their aggregate compensation for the two most recent calendar years.

		Calendar Year 2017			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 38,008,402	P 2,000,000	P 307,500	P 40,315,902
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 76,743,217	P 3,500,000	P 405,000	P 80,648,217

		Calendar Year 2016			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 35,918,547	P 1,700,000	P 424,500	P 38,043,047
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 74,063,464	P 2,975,000	P 648,000	P 77,686,464

** Per diem*

The following table lists the name of the Company's Chief Executive Officer and the four most highly compensated executive officers and summarized their aggregate compensation for the ensuing year:

		Calendar Year 2018			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 40,196,973	P 2,000,000	P 307,500	P 42,504,473
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D. Go	Director, President				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
4. Arlene G. Magtibay	BU General Manager				
5. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
B. All other officers and directors as a group unnamed		P 80,076,703	P 3,500,000	P 405,000	P 83,981,703

** Per diem*
*** Estimated*

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed calendar year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed calendar year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

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

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of December 31, 2017, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

RLC and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the JG Summit Group and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in RLC's shopping malls as well as substantial intercompany loans. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱2.337 billion and ₱0.61 billion for the year ended December 31, 2017 and for three months ended December 31, 2016, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank (formerly Robinsons Savings Bank), an affiliated local commercial bank. These balances amounted to ₱1.01 billion and ₱492 million as of December 31, 2017 and 2016, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 20 to the Company's financial statements as of and for the calendar year ended December 31, 2017 and for the three months ended December 31, 2016.

PART IV. CORPORATE GOVERNANCE

Adherence to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, has been reinforced by continuous improvement by the Company in order to implement good governance and management practices.

The Board of Directors has approved its Corporate Governance Compliance Evaluation System in late 2003 in order to monitor and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and actions to be taken. One of the System's output is the Annual Corporate Governance Compliance Evaluation Form submitted to the SEC and PSE on or before January 30 of every year. RLC began making such submission of the Annual Corporate Governance Compliance Evaluation Form covering the previous calendar year to the SEC and PSE in 2004.

Likewise, RLC has consistently striven to raise its level of reporting to adopt and implement prescribed International Accounting Standards (IAS).

PART V - EXHIBITS AND SCHEDULES

Item 17. Exhibits And Reports On SEC Form 17-C

(A) Exhibits-See Accompanying Index To Exhibits (Page 183)

The following exhibit is filed as a separate section of this report:

(Exhibit 18) Subsidiaries Of The Registrant (page 184)

The other exhibits, as indicated in the Index to exhibits are either not applicable to the Company or does not require an answer.

(B) Reports on SEC Form 17-C (Current Report)

Following is a list of corporate disclosures of RLC filed under SEC Form 17-C for the period from July 1, 2017 to December 31, 2017:

Date of Disclosure	Subject Matter
July 7, 2017	Amended PSE Disclosure Form 4-25 – Results of the Organizational Meeting
August 25, 2017	Press Release “Robinsons Land’s P12 Billion Bonds Keep Highest Rating”
November 27, 2017	PSE Disclosure Form 4-14 – Stock Rights Offering
December 8, 2017	Change in Directors and/or Officers

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on April 6, 2018.

By:

4/6/18
Lance Y. Gokongwei
Vice Chairman & Chief Executive Officer
(Acts as Principal Financial Officer)

4/6/18
Frederick D. Go
President & Chief Operating Officer

4/6/2018
Kerwin Max S. Tan
Chief Financial Officer

4/6/2018
Cecilia M. Pascual
VP - Group Controller/
Principal Accounting Officer

4/6/18
Rosalinda F. Rivera
Corporate Secretary

APR 06 2018

SUBSCRIBED AND SWORN to before me this _________ day of __________
15, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Lance Y. Gokongwei	07809720	Jan. 16, 2018	Pasig City
Frederick D. Go	22198960	Jan. 30, 2018	Quezon City
Kerwin Max S. Tan	P0352145A	Sept. 23, 2016 - Sept. 22, 2021	Manila
Cecilia M. Pascual	EC2296901	Oct. 3, 2014 - Oct. 2, 2019	Manila
Rosalinda F. Rivera	SSS No. 33-2484959-1		

Doc No. 172;
Page No. 136;
Book No. 69;
Series of 2018

ATTY. JOSHUA D. LAPUZ
Notary Public for Makati City
Appointment No. M-82 until 12/31/2019
PTR No. [illegible], Jan. 3, 2018, Makati
Roll No. 45790, IBP Lifetime Roll No. [illegible]
MCLE No. V-[illegible] 4-15-2016
G/F Fedman Suites, 199 Salcedo Street
Legaspi Village, Makati City

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152 FAX

April 6, 2018

Securities and Exchange Commission
Ground Flr - North Wing, PICC Secretarial Building,
Philippine International Convention Center (PICC) Complex,
Roxas Boulevard, Pasay City.

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended as at December 31, 2017 and December 31, 2016 and for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, including the additional components attached herein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders or members.

Sycip, Gorres, Velayo and Co. (SGV), the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

James L. Go
Chairman

Lance Y. Gokongwei
Vice Chairman and Chief Executive Officer

SUBSCRIBED AND SWORN to before me on this APR 06 2018
__ day of ____, 20__, at Makati City, Philippines.
Affiant exhibiting his/her ID No. __ valid until ____

Frederick D. Go
President and Chief Operating Officer

Ktan

Kerwin Max S. Tan
Chief Financial Officer

APR 06 2018

Signed this _ day of _______.

Doc. No. 174
Page No. 36
Book No. 229
Series of 2018

ATTY. JOSHUA D. LAPUZ
Notary Public for Makati City
Appointment No. M-02 until 12/31/2019
PTR No. 6607878, Jan. 5, 2018, Makati
Roll No. 45790, IBP Lifetime Roll No. 04897
MCLE No. V-0019692/ 4-15-2016
G/F Fedman Suites, 199 Salcedo Street
Legaspi Village, Makati City

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152.FAX

CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

I hereby certify that I am the Certified Public Accountant (CPA) who performed the compilation services related to the preparation and presentation of financial information of an entity in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities and reports as required by accounting and auditing standards for **Robinsons Land Corporation and Subsidiaries** for the year ended December 31, 2017.

In discharging this responsibility, I hereby declare that I am the VP – Group Controller of **Robinsons Land Corporation.**

Furthermore, in my compilation services for the preparation of the financial statements and notes to the financial statements, I was not assisted by or did not avail the services of **Mr. Michael C. Sabado** which is the external auditor who rendered the audit opinion for the said financial statements and notes to the financial statements.

I hereby declare, under penalties of perjury and violation of Republic Act No. 9298, that my statements are true and correct.

CMPascual
CECILIA M. PASCUAL

CPA Certificate No. **0049148**
Valid Until **October 9, 2019**

Accreditation No. **0355**
Valid Until **October 9, 2019**

SUBSCRIBED AND SWORN to before me
this day 13 APR 2018

Doc. No. 312
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Series of 2018

ATTY. BENJAMIN F. ALFONSO
NOTARY PUBLIC
UNTIL December 31, 2018
PTR NO. 5520234, January 3, 2018, QUEZON CITY
IBP NO. 019073 12-20-2017 - QUEZON CITY
ROLL NO. 13296
ADM. MATTER NO. NP-046-(2017-2018)
TIN NO. 177-957-619-000
MCLE III-0024526 - December 12, 2017
34 Ascot's St. GSIS Village
Project 8 Quezon City

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year ended December 31, 2017, three months ended December 31, 2016 and year ended September 30, 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016 and September 30, 2016, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2017, three months ended December 31, 2016 and year ended September 30, 2016 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Recognition of real estate revenue and costs

The Group applies the percentage of completion (POC) method in determining real estate revenue and costs. The POC is based on the proportion of cost incurred to date over total estimated cost of the real estate project. The cost of sales is determined on the basis of the total estimated costs applied with the POC of the project. The Group's real estate revenue and costs accounts for 19% of total consolidated revenue and 30% of the total consolidated cost of sales, respectively. The estimation of the total cost of the real estate project requires technical inputs by management's specialists (project development engineers). In addition, the Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. It is the reaching of this level of collection that management has assessed that it is probable that economic benefits will flow to the Group because of the buyers' continuing commitment with the sales agreement. The assessment of the stage of completion and level of buyer's equity involves significant management judgment as disclosed in Notes 4 and 5 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence and objectivity of the project development engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced costs accumulated to the supporting documents such as purchase order, billings and invoices of contractors. We visited selected project sites and made relevant inquiries with project engineers. We performed test computation of the percentage of completion calculation of management. For selected projects, we obtained the approved total estimated costs and any revisions thereto and the supporting details such as capital fulfillment plan, capital expenditure requests and related executive committee approvals. We likewise performed inquiries with the project development engineers for the revisions. We evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales collections from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as official receipts and buyer's ledger.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2017, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2017 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-3 (Group A),
March 16, 2017, valid until March 15, 2020
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-73-2018,
February 26, 2018, valid until February 25, 2021
PTR No. 6621321, January 9, 2018, Makati City

April 6, 2018

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20, 31 and 32)	**₱2,075,454,523**	₱1,436,210,577
Receivables (Notes 8, 20, 31 and 32)	**5,565,058,271**	7,166,097,227
Subdivision land, condominium and residential units for sale (Notes 5 and 9)	**26,632,634,568**	25,983,487,629
Other current assets (Note 10)	**6,609,712,081**	6,075,315,674
Total Current Assets	**40,882,859,443**	40,661,111,107
Noncurrent Assets		
Noncurrent receivables (Notes 8, 20, 31 and 32)	**3,775,948,572**	2,392,386,437
Land held for future development (Note 11)	**24,906,878,858**	17,730,922,918
Investment properties (Note 11)	**69,468,304,004**	56,081,968,929
Property and equipment (Note 12)	**6,692,358,405**	5,345,968,790
Other noncurrent assets (Notes 13, 30, 31 and 32)	**2,400,198,520**	2,219,800,218
Total Noncurrent Assets	**107,243,688,359**	83,771,047,292
	₱148,126,547,802	₱124,432,158,399
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 16, 31 and 32)	**₱15,693,400,000**	₱16,010,000,000
Accounts payable and accrued expenses (Notes 14, 31 and 32)	**13,883,446,747**	9,345,778,207
Income tax payable	**539,028,037**	841,657,479
Deposits and other current liabilities (Notes 15, 20, 31 and 32)	**3,783,534,816**	4,126,768,201
Total Current Liabilities	**33,899,409,600**	30,324,203,887
Noncurrent Liabilities		
Loans payable (Notes 16, 31 and 32)	**35,661,162,154**	23,361,477,678
Deferred tax liabilities - net (Note 27)	**2,865,190,187**	2,693,450,046
Deposits and other noncurrent liabilities (Notes 17, 29, 31 and 32)	**8,328,168,101**	5,197,721,257
Total Noncurrent Liabilities	**46,854,520,442**	31,252,648,981
Total Liabilities	**80,753,930,042**	61,576,852,868
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 19)	**4,111,528,685**	4,111,528,685
Additional paid-in capital	**20,392,532,781**	20,392,532,781
Treasury stock (Notes 18 and 19)	**(221,834,657)**	(221,834,657)
Other equity reserve (Note 19)	**(87,597,873)**	(87,597,873)
Other comprehensive income:		
Remeasurements of net defined benefit liability - net of tax (Note 29)	**(63,719,597)**	(131,292,935)
Cumulative translation adjustment	**75,409,464**	36,329,484
Retained earnings (Note 18)		
Unappropriated	**18,385,021,808**	22,477,650,126
Appropriated	**24,500,000,000**	16,000,000,000
	67,091,340,611	62,577,315,611
Non-controlling interest	**281,277,149**	277,989,920
	67,372,617,760	62,855,305,531
	₱148,126,547,802	₱124,432,158,399

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017, FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 AND FOR THE YEAR ENDED SEPTEMBER 30, 2016

	December 31, 2017 (One year)	December 31, 2016 (Three months, see Note 2)	September 30, 2016 (One year)
REVENUE (Note 6 and 21)			
Real Estate Operations			
Rental income (Notes 11 and 20)	**₱11,581,560,401**	₱2,718,339,596	₱10,556,125,587
Real estate sales (Notes 5 and 24)	**5,973,248,023**	1,472,300,349	7,193,970,995
Amusement income	**1,802,643,181**	431,783,166	1,694,021,661
Others	**1,266,492,267**	575,454,463	1,259,845,366
	20,623,943,872	5,197,877,574	20,703,963,609
Hotel Operations (Note 21)	**1,892,873,758**	496,892,214	1,807,598,592
	22,516,817,630	5,694,769,788	22,511,562,201
COSTS (Note 6 and 22)			
Real Estate Operations			
Cost of rental services	**4,499,595,017**	1,168,382,997	3,973,070,846
Cost of real estate sales (Notes 5 and 9)	**3,143,037,387**	1,072,837,533	3,982,243,972
Cost of amusement services	**820,824,802**	195,593,971	764,711,495
Others	**812,417,065**	111,686,938	619,951,194
	9,275,874,271	2,548,501,439	9,339,977,507
Hotel Operations (Note 22)	**1,350,512,369**	333,323,139	1,316,869,629
	10,626,386,640	2,881,824,578	10,656,847,136
	11,890,430,990	2,812,945,210	11,854,715,065
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6 and 23)	**3,328,016,547**	794,064,752	3,402,719,589
OPERATING INCOME	**8,562,414,443**	2,018,880,458	8,451,995,476
OTHER INCOME (LOSSES)			
Interest income (Note 7 and 26)	**36,809,915**	7,286,604	18,075,015
Gain from insurance claims (Note 26)	**28,397,634**	130,020	208,583,885
Gain (loss) on foreign exchange	**(14,019,285)**	(1,404,592)	69,815,448
Interest expense and finance charges (Notes 16 and 26)	**(778,194,869)**	(384,139,651)	(571,626,129)
Gain on sale of investment property	**–**	–	7,281,855
	(727,006,605)	(378,127,619)	(267,869,926)
INCOME BEFORE INCOME TAX	**7,835,407,838**	1,640,752,839	8,184,125,550
PROVISION FOR INCOME TAX (Note 27)	**1,950,969,881**	385,752,870	2,033,647,029
NET INCOME	**5,884,437,957**	1,254,999,969	6,150,478,521
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Cumulative translation adjustment	**39,079,980**	(5,750,284)	42,079,768
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability (Note 29)	**96,533,340**	(20,806,359)	(57,610,174)
Income tax effect (Note 27)	**(28,960,002)**	6,241,908	17,283,052
	67,573,338	(14,564,451)	(40,327,122)
Total Other Comprehensive Income (Loss)	**106,653,318**	(20,314,735)	1,752,646
TOTAL COMPREHENSIVE INCOME	**₱5,991,091,275**	₱1,234,685,234	₱6,152,231,167

(Forward)

	December 31,		
	2017 (One year)	2016 (Three months, see Note 2)	September 30, 2016 (One year)
Net Income Attributable to:			
Equity holders of Parent Company	**₱5,881,150,728**	₱1,254,917,783	₱6,154,532,055
Non-controlling interest in consolidated subsidiaries	**3,287,229**	82,186	(4,053,534)
	₱5,884,437,957	₱1,254,999,969	₱6,150,478,521
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱5,987,804,046**	₱1,234,603,048	₱6,156,284,701
Non-controlling interest in consolidated subsidiaries	**3,287,229**	82,186	(4,053,534)
	₱5,991,091,275	₱1,234,685,234	₱6,152,231,167
Basic/Diluted Earnings Per Share (Note 28)	**₱1.44**	₱0.31	₱1.50

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017, FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 AND FOR THE YEAR ENDED SEPTEMBER 30, 2016

For the Year Ended December 31, 2017

	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 19)	**Additional Paid-in Capital**	**Treasury Stock** (Note 19)	**Other Equity Reserve** (Note 19)	**Remeasurements of Net Defined Benefit Liability** (Note 29)	**Cumulative Translation Adjustment**	**Unappropriated Retained Earnings** (Note 18)	**Appropriated Retained Earnings** (Note 18)	**Non-controlling Interest**	**Total Equity**
Balances at January 1, 2017	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱131,292,935)**	**₱36,329,484**	**₱22,477,650,126**	**₱16,000,000,000**	**₱277,989,920**	**₱62,855,305,531**
Comprehensive income										
Net income	–	–	–	–	–	–	**5,881,150,728**	–	**3,287,229**	**5,884,437,957**
Other comprehensive income	–	–	–	–	**67,573,338**	**39,079,980**	–	–	–	**106,653,318**
Total comprehensive income	–	–	–	–	**67,573,338**	**39,079,980**	**5,881,150,728**	–	**3,287,229**	**5,991,091,275**
Reversal of appropriation (Note 18)	–	–	–	–	–	–	**16,000,000,000**	**(16,000,000,000)**	–	–
Appropriation (Note 18)	–	–	–	–	–	–	**(24,500,000,000)**	**24,500,000,000**	–	–
Cash dividends (Note 18)	–	–	–	–	–	–	**(1,473,779,046)**	–	–	**(1,473,779,046)**
Balances at December 31, 2017	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱63,719,597)**	**₱75,409,464**	**₱18,385,021,808**	**₱24,500,000,000**	**₱281,277,149**	**₱67,372,617,760**

For the Three Months Ended December 31, 2016

	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 19)	Additional Paid-in Capital	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurements of Net Defined Benefit Liability (Note 29)	Cumulative Translation Adjustment	Unappropriated Retained Earnings (Note 18)	Appropriated Retained Earnings (Note 18)	Non-controlling Interest	Total Equity
Balances at October 1, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱116,728,484)	₱42,079,768	₱21,222,732,343	₱16,000,000,000	₱130,319,734	₱61,473,032,297
Comprehensive income										
Net income	–	–	–	–	–	–	1,254,917,783	–	82,186	1,254,999,969
Other comprehensive loss	–	–	–	–	(14,564,451)	(5,750,284)	–	–	–	(20,314,735)
Total comprehensive income	–	–	–	–	(14,564,451)	(5,750,284)	1,254,917,783	–	82,186	1,234,685,234
Issuance of capital stock	–	–	–	–	–	–	–	–	147,588,000	147,588,000
Balances at December 31, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱131,292,935)	₱36,329,484	₱22,477,650,126	₱16,000,000,000	₱277,989,920	₱62,855,305,531

	For the Year Ended September 30, 2016									
	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 19)	Additional Paid-in Capital	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurements of Net Defined Benefit Liability (Note 29)	Cumulative Translation Adjustment	Unappropriated Retained Earnings (Notes 18)	Appropriated Retained Earnings (Note 18)	Non-controlling Interest	Total Equity
Balances at October 1, 2015	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱76,401,362)	₱–	₱15,541,979,334	₱17,000,000,000	₱134,373,268	₱56,794,580,176
Comprehensive income										
Net income	–	–	–	–	–	–	6,154,532,055	–	(4,053,534)	6,150,478,521
Other comprehensive income	–	–	–	–	(40,327,122)	42,079,768	–	–	–	1,752,646
Total comprehensive income	–	–	–	–	(40,327,122)	42,079,768	6,154,532,055	–	(4,053,534)	6,152,231,167
Reversal of appropriation (Note 18)	–	–	–	–	–	–	17,000,000,000	(17,000,000,000)	–	–
Appropriation (Note 18)	–	–	–	–	–	–	(16,000,000,000)	16,000,000,000	–	–
Cash dividends (Note 18)	–	–	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at September 30, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱116,728,484)	₱42,079,768	₱21,222,732,343	₱16,000,000,000	₱130,319,734	₱61,473,032,297

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017, FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 AND FOR THE YEAR ENDED SEPTEMBER 30, 2016

	December 31, 2017 (One year)	December 31, 2016 (Three months, see Note 2)	September 30, 2016 (One year)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱7,835,407,838**	₱1,640,752,839	₱8,184,125,550
Adjustments for:			
Depreciation (Notes 11, 12, 22 and 24)	**3,914,114,101**	1,010,020,925	3,571,271,998
Interest expense and finance charges (Note 26)	**778,194,869**	384,139,651	571,626,129
Accretion expense on security deposits (Notes 15 and 22)	**56,147,861**	21,327,753	66,820,441
Net movement in pension liabilities	**38,986,245**	10,962,639	34,516,561
Interest income (Notes 7, 21 and 26)	**(1,751,369,198)**	(175,623,025)	(326,362,956)
Provision for impairment losses (Note 8)	**–**	–	1,634,384
Gain on sale of investment property (Note 11)	**–**	–	(7,281,855)
Operating income before working capital changes	**10,871,481,716**	2,891,580,782	12,096,350,252
Decrease (increase) in:			
Receivables – trade	**222,753,309**	464,207,718	(2,298,872,947)
Subdivision land, condominium and residential units for sale (inclusive of capitalized borrowing cost)	**(1,703,718,678)**	(139,739,329)	(10,269,088,882)
Other current assets	**(986,266,081)**	(128,405,195)	(58,738,669)
Increase (decrease) in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**6,611,699,733**	1,108,405,097	1,442,405,192
Customers' deposits	**634,837,173**	(291,349,521)	1,244,567,497
Cash generated from operations	**15,650,787,172**	3,904,699,552	2,156,622,443
Interest received from installment contract receivables (Note 21)	**1,714,559,283**	168,336,421	308,287,941
Income tax paid	**(2,081,859,182)**	(304,148,434)	(1,611,811,533)
Net cash flows provided by operating activities	**15,283,487,273**	3,768,887,539	853,098,851
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from cash and short-term investments	**36,810,038**	7,254,230	18,221,298
Decrease (increase) in:			
Receivables from affiliated companies (Notes 8 and 20)	**(5,276,611)**	(581,814)	4,916,656
Advances to suppliers and contractors (Notes 10 and 13)	**522,468,189**	(188,256,343)	(881,320,355)
Other noncurrent assets	**(301,116,636)**	(10,095,285)	1,298,516,855
Advances to lot owners (Notes 10 and 13)	**(681,303,655)**	(1,310,732,053)	51,490,204
Additions to:			
Investment properties and land held for future development (inclusive of capitalized borrowing cost) (Note 11)	**(22,111,858,644)**	(2,694,665,019)	(10,408,209,367)
Property and equipment (Note 12)	**(1,898,020,108)**	(524,097,050)	(1,452,986,001)
Proceeds from sale of investment property	**–**	–	33,610,500
Cash received from non-controlling interest for increase in capital stock	**–**	147,588,000	–
Net cash flows used in investing activities	**(24,438,297,427)**	(4,573,585,334)	(11,335,760,210)

(Forward)

	December 31, 2017 (One year)	2016 (Three months, see Note 2)	September 30, 2016 (One year)
CASH FLOWS FROM FINANCING ACTIVITIES (Note 35)			
Proceeds from availment of:			
Short-term loans (Note 16)	**₱15,693,400,000**	₱16,010,000,000	₱4,039,100,000
Loans payable (Note 16)	**12,340,263,710**	–	11,500,000,000
Payments of:			
Short-term loans (Note 16)	**(16,010,000,000)**	(4,039,100,000)	(3,048,897,460)
Loans payable (Note 16)	**(10,000,000)**	(10,000,000,000)	–
Debt issue cost (Note 16)	**(57,500,000)**	–	(57,500,000)
Cash dividends (Notes 14 and 18)	**(1,448,810,138)**	–	(1,472,627,310)
Interest and finance charges	**(764,240,887)**	(206,797,257)	(517,222,768)
Increase (decrease) in payable to affiliated companies and other noncurrent liabilities (Note 15)	**50,941,415**	(672,359,319)	(3,980,173)
Net cash flows provided by financing activities	**9,794,054,100**	1,091,743,424	10,438,872,289
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**639,243,946**	287,045,629	(43,789,070)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,436,210,577**	1,149,164,948	1,192,954,018
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱2,075,454,523**	₱1,436,210,577	₱1,149,164,948

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

Robinsons Land Corporation (the Parent Company) is a stock corporation organized and incorporated on June 4, 1980 with a corporate life of 50 years under the laws of the Philippines. The Parent Company and its subsidiaries are collectively referred herein as “the Group”.

The Group is engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, shopping malls, commercial centers and housing projects, hotels and other variants and mixed-used property projects. The Group is 60.97% owned by JG Summit Holdings, Inc. (JGSHI or the Ultimate Parent Company). JGSHI is one of the country’s largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation and financial services.

The Parent Company’s shares of stock are listed and currently traded at the Philippine Stock Exchange (PSE).

The Parent Company’s principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

On May 10, 2016, the Board of Directors approved the change of Parent Company’s reporting period from fiscal year ending September 30 to calendar year ending December 31.

On July 18, 2016, the Parent Company filed its Amended By-Laws with SEC, amending the Parent Company’s year end from fiscal year ending September 30 to calendar year ending December 31 and the said amendments were approved by the SEC on the same day.

On August 1, 2016, the BIR issued a certificate granting the Parent Company the change in accounting period.

The consolidated financial statements as of December 31, 2017 and 2016, and for the year ended December 31, 2017, for the three months ended December 31, 2016, and for the year ended September 30, 2016 were authorized for issue by the Parent Company’s Board of Directors (BOD) on April 6, 2018.

2. **Basis of Preparation**

The consolidated financial statements of the Group have been prepared under the historical cost basis and are presented in Philippine Peso (₱), the Parent Company’s functional currency. All amounts are rounded to the nearest Peso unless otherwise indicated.

The Group’s short period financial statements as of and for the three months ended December 31, 2016 were prepared pursuant to the Parent Company’s change in accounting period from fiscal year ended September 30 to calendar year ended December 31 (see Note 1).

The amounts presented in the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows and related notes to consolidated financial statements are for three months and accordingly, are not comparable to the consolidated financial statements as of and for the years ended December 31, 2017 and September 30, 2016.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2017 and 2016, and for the year ended December 31, 2017, for the three months ended December 31, 2016, and for the year ended September 30, 2016.

The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

An investee is included in the consolidation at the point when controls is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not owned by the Group and are presented separately in consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests, including preferred shares and options under share-based transactions, if any.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as of December 31, 2017 and 2016:

	Country of Incorporation	Effective Percentage of Ownership
Robinson's Inn Inc.	Philippines	**100%**
Robinsons Realty and Management Corp.	Philippines	**100%**
Robinsons Properties Marketing and Management Corp.	Philippines	**100%**
Manhattan Buildings and Management Corp.	Philippines	**100%**
Robinson's Land (Cayman), Ltd.	Cayman Islands	**100%**
Altus San Nicolas Corporation (ASNC)	Philippines	**100%**
Altus Angeles, Inc. (AAI)	Philippines	**51%**
GoHotels Davao, Inc. (GDI)	Philippines	**51%**
Lingkod Pinoy Bus Liner, Inc. (LPBLI)	Philippines	**80%**
RLC Resources Ltd.	British Virgin Island	**100%**
Land Century Holdings Ltd.	Hong Kong	**100%**
World Century Enterprise Ltd.	Hong Kong	**100%**
First Capital Development Ltd. (First Capital)	Hong Kong	**100%**
Chengdu Xin Yao Real Estate Development, Co. Ltd. (Chengdu Xin Yao)	China	**100%**

The voting rights held by the Parent Company in the above subsidiaries is equivalent to its ownership interest.

On October 19, 2015, Chengdu Xin Yao, subsidiary of First Capital, was incorporated to engage in the business of real estate development of Wuhou District of Chengdu Province in China (see Note 9).

On April 7, 2016, Lingkod Pinoy Bus Liner, Inc. was incorporated to engage in land transportation for transportation of carriage of passengers, goods, and merchandise within any place in the Philippines.

Voting rights held by non-controlling interest on AAI, GDI and LPBLI is equivalent to 49%, 49% and 20%, respectively. As of December 31, 2017 and 2016, the Group does not consider these subsidiaries as having material non-controlling interest that would require additional disclosures.

3. **Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2017. Adoption of these pronouncements did not have any significant impact on the consolidated financial position or performance unless otherwise indicated.

- Amendments to PFRS 12, *Disclosure of Interests in Other Entities*, *Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

  The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

- Amendments to PAS 7, *Statement of Cash Flows*, *Disclosure Initiative*

  The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

  The Group has provided the required information in Note 35 to the consolidated financial statements. As allowed under the transition provisions of the standard, the Group did not present comparative information for the three months ended December 31, 2016 and year ended September 30, 2016.

- Amendments to PAS 12, *Income Taxes*, *Recognition of Deferred Tax Assets for Unrealized Losses*

  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions upon the reversal of the deductible temporary difference related to unrealized losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

  The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Standards Issued But Not Yet Effective
The Group has not applied the following PFRS, Philippine Accounting Standards (PAS) and Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2018

- Amendments to PFRS 2, *Share-based Payment*, *Classification and Measurement of Share-based Payment Transactions*

  The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

  On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

- PFRS 9, *Financial Instruments*

  PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

  The Group plans to adopt the new standard on the mandatory effective date and will not restate comparative information.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption is expected to impact the assessment of the credit losses amount. The Group is currently assessing the impact of adopting this standard.

- Amendments to PFRS 4, *Insurance Contracts*, *Applying PFRS 9, Financial Instruments, with PFRS 4*

  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

  The amendments are not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

- PFRS 15, *Revenue from Contracts with Customers*

  PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the modified retrospective method.

The Parent Company is still assessing the impact of adopting PFRS 15 in 2018.

In addition, as the presentation and disclosure requirements in PFRS 15 are more detailed than under current PFRSs, the Group is currently assessing what necessary changes it needs to make on its current systems, internal controls, policies and procedures to enable the Group to collect and disclose the required information.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

  The amendments should be applied retrospectively, with earlier application permitted.

- Amendments to PAS 40, *Investment Property*, *Transfers of Investment Property*

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

  The Group's current practice is in line with the clarifications issued.

- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

  The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Since the Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements upon adoption of this interpretation.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

  The amendments to PFRS 9 allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

  The Group will apply this amendment if there are transactions of this nature in the future. None of its current transactions will fall under this feature.

- PFRS 16, *Leases*

  PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

  Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

  PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

  Early application is permitted, but not before an entity applies PFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

  The Group is currently assessing the impact of adopting PFRS 16. The Group expects the standard to impact its operating lease arrangements for land which will require recognition of right of use asset and its related lease liability in the books. The Group does not expect significant impact of the standard to its arrangement as a lessor.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

  The amendments to PAS 28 clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

- Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:
  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

Deferred effectivity
- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. **Summary of Significant Accounting Policies**

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

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

Real estate sales
Revenue from sales of real estate and cost from completed projects is accounted for using the percentage of completion (POC). In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1, the POC is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to buyer and the costs incurred or to be incurred can be measured reliably. Under the POC method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of project.

Revenue recognition commences when the construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the required buyer's equity is met. Buyer's equity represents the percentage of collection over the total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group.

If any of the criteria under the percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits from real estate buyers" account which is shown as part of the "Deposits and other current liabilities" and "Deposits and other noncurrent liabilities" account in the liabilities section of the consolidated statement of financial position.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

Amusement income
Revenue is recognized upon rendering of services.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when the events take place. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Other income
Other income is recognized when earned.

Costs Recognition
Cost of Real Estate Sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision lots and housing units and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Costs and General and Administrative Expense
Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:
- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Commission Expense
The Group recognizes commission expense when services are rendered by the broker and agent. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

<u>Current and Noncurrent Classification</u>
The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Financial Instruments - Initial Recognition and Subsequent Recognition
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability.
In cases where variables used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Assets
Initial recognition and measurement
Financial assets are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investment, available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge as appropriate. All financial instruments are recognized initially at fair value plus, in the case of financial instruments not recorded at FVPL, transaction costs that are directly attributable to the acquisition of financial assets.

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

The Group's financial assets are of the nature of loans and receivables as of December 31, 2017 and 2016.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

The Group's loans and receivables include cash and cash equivalents, receivables and refundable utility deposits included under "Other current assets" and "Other noncurrent assets".

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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

<u>Impairment of Financial Assets</u>
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or (loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include other financial liabilities as of December 31, 2017 and 2016.

Other Financial Liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

The Group's other financial liabilities consists of accounts payable and accrued expenses, short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under "Deposit and other current liabilities" and "Deposit and other noncurrent liabilities".

Derecognition

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

Debt Issue Costs

Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Customers' Deposits

Deposits from lessees

Deposits from lessees are measured initially at fair value. After initial recognition, customers' deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the "Deposits and other liabilities" in the consolidated statement of financial position) and amortized using EIR amortization process.

Deposits from real estate buyers
Deposits from real estate buyers represent mainly reservation fees and advance payments. These deposits will be recognized as revenues in the profit or loss as the related obligations are fulfilled to the real estate buyers. The deposits are recorded as "Deposits from real estate buyers" and reported under the "Deposits and other liabilities" account in the consolidated statement of financial position.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Subdivision Land, Condominium and Residential Units for Sale
Subdivision land, condominium and residential units for sale in the ordinary course of business are carried at the lower of cost and net realizable value (NRV). Cost includes land costs, costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, contractor's fees and other professional fees, property transfer taxes, construction overheads and other related costs) and borrowing costs on loans directly attributable to the projects which were capitalized during construction.

NRV is the estimated selling price in the ordinary course of business less cost of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Prepaid expenses
Prepaid expenses pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

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

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statements of financial position.

Investment Properties and Land Held for Future Development
Investment properties
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the companies consolidated into the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Investment properties

are depreciated and amortized using the straight-line method over their estimated useful lives (EUL) as follows:

	Years
Buildings	20-30
Building improvements	10
Land improvements	10

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the profit and loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

Land held for future development

Land held for future development consist of raw land held by the Group which will be developed in the future. Land held for future development is carried at cost less any impairment in value. Transfers are made to investment properties when there is commencement of construction of commercial centers or office building on the land property. Transfers are made from land held for future development to either property and equipment or subdivision land, condominium and residential units for sale when, and only when, there is change in use, as evidenced by owner occupation or upon commencement of real estate development with a view to sell.

Land held for future development are derecognized when either they have been disposed of or when the land is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of land held for future development is recognized in the profit and loss in the period of retirement or disposal.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition. Cost also includes interest and other charges on borrowed funds used to finance the construction of property and equipment to the extent incurred during the period of construction and installation.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation commences once the assets are available for use and is calculated on a straight-line basis over the estimated useful life of over the EUL as follow:

	Years
Buildings	20
Building improvements	10
Land improvements	5
Theater furniture and equipment	5
Other equipment	2.5

Assets under construction are transferred to a specific category of property and equipment when the construction and other related activities necessary to prepare the property and equipment for their intended use are completed and the property and equipment are available for service.

Other equipment includes china, glassware, silver and linen on stock used in hotel operations.

The useful life and depreciation method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that the Group's land held for future development, investment properties and property and equipment may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

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

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the consolidated statement of comprehensive income.

Borrowing costs

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

Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs (included in “Subdivision land, condominium and residential units for sale”, “Property and equipment” and “Investment properties” accounts in the Group’s consolidated statement of financial position). Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings.

All other borrowing costs are expensed in the period they occur and is recorded under “Interest expense.”

Equity

Capital stock is measured at par value for all shares issued. When the Group issues more than one capital stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to “Additional paid-in capital” account. Direct costs incurred related to equity issuance are chargeable to “Additional paid-in capital” account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend distribution when they are declared by the subsidiaries as approved by their respective BOD.

Treasury Stock

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

Other equity reserve

Other equity reserve pertains to the difference between the consideration paid and the carrying value of the non-controlling interest acquired.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered. The Group does not recognize deferred income tax assets that will reverse during the income tax holiday (ITH).

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

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension Expense

The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related liabilities). If the fair value of the plan assets is higher than the present value of the defined benefit liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

<u>Leases</u>
The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for any of the scenarios above, and at the date of renewal or extension period for the second scenario.

Group as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss on a straight-line basis over the lease term. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based on the terms of the leased contract.

Group as a lessor
Leases where the Group retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. Indirect costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as the lease income.

Leases where the Group transfers substantially all the risk and benefits of ownership of the assets are classified as finance leases. The Group recognizes assets held under a finance lease in its consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. The lease payments received from the lessee are treated as repayments of principal and finance income. Initial direct costs may include commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging the lease. They are included in the measurement of the net investment in the lease at inception and reflected in the calculation of the implicit interest rate. The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Foreign currencies

The Group's consolidated financial statements are presented in Philippine Peso, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation for consolidation

On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in the cumulative translation adjustment (CTA) in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss when the standard permits.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares.

Operating Segment
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

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

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change.

The effects of any change in judgments and estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

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

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

Revenue and cost recognition on real estate sales
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgment based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group.

Operating leases commitments - Group as lessee
The Group has entered into lease contracts to develop commercial or office properties on the leased land premises. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased land are not transferred to the Group. In determining significant risks and benefits of ownership, the Group considered, among others, that there is no transfer of ownership of the asset to the lessee by the end of the lease term.

In addition, majority of the lease contract have lease term ranging from one year to three years which is considered insignificant relative to the life of the asset (see Note 34).

Operating lease commitments - Group as lessor
The Group has entered into commercial and office property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases. In determining significant risks and benefits of ownership, the Group considered, among others, the significance of the lease term as compared with the EUL of the related asset.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee (see Note 34).

Distinction among real estate inventories, land held for future development and investment properties
The Group determines whether a property will be classified as Real estate inventories, Land held for future development and investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (Real estate inventories), whether it will be retained as part of the Group's strategic landbanking activities for development or sale in the medium or long-term (Land held for future development) or whether it will be held to earn rentals or for capital appreciation (Investment properties).

Finance lease commitments - Group as lessor
The Group has entered into property leases on some of its real estate condominium unit property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the bargain purchase option and minimum lease payments, that the Group has transferred all the significant risks and rewards of ownership of these properties to the lessee and accounts for them as finance leases (see Note 34).

Recognition of deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning. Deferred tax assets recognized as of December 31, 2017 and 2016 amounted to ₱818 million and ₱808 million, respectively (see Note 27).

The Group has deductible temporary difference that is available for offset against taxable income or tax payable which deferred tax asset has not been recognized. This pertains to NOLCO of subsidiaries amounting to ₱3 million as of December 31, 2017 and 2016. The related deferred tax assets amounted to ₱1 million as of December 31, 2017 and 2016 (see Note 27).

Contingencies
The Group is currently involved in various legal proceedings and tax assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the internal and external counsel handling the defense on these matters and is based upon an analysis and judgment of potential results by the management. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, that future results of operations could be materially affected by changes in the judgement or in the effectiveness of the strategies relating to these proceedings (see Note 34).

Estimates
The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue and cost recognition
The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue and cost from real estate is recognized based on the percentage of completion measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of the project. For the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, the real estate sales amounted to ₱5,973 million, ₱1,472 million and ₱7,194 million, respectively, while cost of real estate sales amounted to ₱3,143 million, ₱1,073 million and ₱3,982 million, respectively.

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of December 31, 2017 and 2016, the Group's subdivision land, condominium and residential units for sale amounted to ₱26,633 million and ₱25,983 million, respectively (see Note 9).

Estimation of useful lives of property and equipment and investment properties
The Group estimates the useful lives of its depreciable property and equipment and investment properties based on the period over which the assets are expected to be available for use. The EUL of the said depreciable assets are reviewed at least annually and are updated, if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the EUL of the depreciable property and equipment and investment properties would increase depreciation expense and decrease noncurrent assets.

The carrying balances of the Group's depreciable assets are disclosed in Notes 11 and 12 to the consolidated financial statements.

Impairment of nonfinancial assets
The Group assesses impairment on its nonfinancial assets (i.e., land held for future development, investment properties and property and equipment) and considers the following important indicators:

- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results; and,
- Significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect the carrying amount of the assets.

The carrying values of the Group's land held for future development, investment properties and property and equipment as of December 31, 2017 and 2016 are disclosed in Notes 11 and 12. No impairment was recognized for the Group's nonfinancial assets.

Pension cost
The determination of the obligation and cost of pension benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates (see Note 29).

The cost of defined benefit pension plan and the present value of the pension liabilities are determined using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

As of December 31, 2017 and 2016, the Group's present value of defined benefit obligations is shown in Note 29.

6. Operating Segments

Business Segments

The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest, income tax, depreciation and other income (losses) (EBITDA). The Group does not report its results based on geographical segments because the Group currently only has revenue generating activities in the Philippines as the real estate development in China is still in development stage.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS except for EBITDA.

Cost and expenses exclude interest, taxes and depreciation.

The Group derives its revenue from the following reportable units:

Commercial Center Division - develops, leases and manages shopping malls/commercial centers all over the Philippines.

Residential Division - develops and sells residential condominium spaces, as well as high-end horizontal residential projects.

Office Buildings Division - develops and leases out office spaces.

Hotel Division - owns and operates a chain of hotels in various locations in the Philippines.

The financial information about the operations of these business segments is summarized as follows:

	December 31, 2017 (One Year)					
	Commercial Center Division	**Residential Division**	**Office Buildings Division**	**Hotel Division**	**Intersegment Eliminating Adjustments**	**Consolidated**
Revenue						
Segment revenue	₱10,789,330,038	₱6,567,158,902	₱3,267,454,932	₱1,892,873,758	₱–	₱22,516,817,630
Intersegment revenue	52,219,142	–	–	1,875,627	(54,094,769)	–
Total Revenue	10,841,549,180	6,567,158,902	3,267,454,932	1,894,749,385	(54,094,769)	22,516,817,630
Costs and expenses						
Segment costs and expenses	3,751,872,140	4,781,531,704	337,498,332	1,169,386,910	–	10,040,289,086
Intersegment costs and expenses	–	52,219,142	(5,924,414)	7,800,041	(54,094,769)	–
Total Costs and expenses	3,751,872,140	4,833,750,846	331,573,918	1,177,186,951	(54,094,769)	10,040,289,086
Earnings before interest, taxes and depreciation	7,089,677,040	1,733,408,056	2,935,881,014	717,562,434	–	12,476,528,544
Depreciation (Notes 22 and 24)	3,040,446,157	63,270,808	629,271,677	181,125,459	–	3,914,114,101
Operating income	₱4,049,230,883	₱1,670,137,248	₱2,306,609,337	₱536,436,975	₱–	₱8,562,414,443
Assets and Liabilities						
Segment assets	₱80,743,669,926	₱43,519,547,103	₱17,909,268,241	₱5,954,062,532	₱–	₱148,126,547,802
Investment in subsidiaries - at cost	11,486,332,946	–	–	25,500,000	(11,511,832,946)	–
Total segment assets	₱92,230,002,872	₱43,519,547,103	₱17,909,268,241	₱5,979,562,532	(₱11,511,832,946)	₱148,126,547,802
Total segment liabilities	₱67,627,687,724	₱9,113,640,640	₱3,002,130,903	₱1,010,470,775	₱–	₱80,753,930,042
Other segment information:						
Capital additions (Notes 11 and 12)						₱24,009,878,752
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱4,846,756,065
Cash flows from:						
Operating activities	₱10,696,014,175	₱668,104,328	₱3,013,552,393	₱905,816,377	₱–	₱15,283,487,273
Investing activities	(19,651,620,845)	168,895,108	(3,208,653,145)	(1,746,918,545)	–	(24,438,297,427)
Financing activities	9,314,400,960	(624,221,033)	195,865,811	908,008,362	–	9,794,054,100

	December 31, 2016 (Three Months)					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱2,657,464,580	₱1,794,394,007	₱746,018,987	₱496,892,214	₱–	₱5,694,769,788
Intersegment revenue	9,611,510	–	2,340,322	–	(11,951,832)	–
Total Revenue	2,667,076,090	1,794,394,007	748,359,309	496,892,214	(11,951,832)	5,694,769,788
Costs and expenses						
Segment costs and expenses	832,165,422	1,517,643,403	29,785,555	286,274,025	–	2,665,868,405
Intersegment costs and expenses	1,455,389	11,205,906	(2,471,010)	1,761,547	(11,951,832)	–
Total Costs and expenses	833,620,811	1,528,849,309	27,314,545	288,035,572	(11,951,832)	2,665,868,405
Earnings before interest, taxes and depreciation	1,833,455,279	265,544,698	721,044,764	208,856,642	–	3,028,901,383
Depreciation (Notes 22 and 24)	800,087,879	10,389,344	152,494,588	47,049,114	–	1,010,020,925
Operating income	₱1,033,367,400	₱255,155,354	₱568,550,176	₱161,807,528	₱–	₱2,018,880,458
Assets and Liabilities						
Segment assets	₱62,041,193,665	₱44,396,733,768	₱13,689,850,239	₱4,304,380,727	₱–	₱124,432,158,399
Investment in subsidiaries - at cost	11,009,215,946	–	–	25,500,000	(11,034,715,946)	–
Total segment assets	₱73,050,409,611	₱44,396,733,768	₱13,689,850,239	₱4,329,880,727	(₱11,034,715,946)	₱124,432,158,399
Total segment liabilities	₱50,795,652,791	₱7,837,493,381	₱2,173,027,970	₱770,678,726	₱–	₱61,576,852,868
Other segment information:						
Capital additions (Notes 11 and 12)						₱3,218,762,069
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱1,206,826,578
Cash flows from:						
Operating activities	₱1,113,402,908	₱969,715,502	₱1,138,646,423	₱547,122,706	₱–	₱3,768,887,539
Investing activities	(2,603,403,555)	(416,591,890)	(1,148,027,626)	(405,562,263)	–	(4,573,585,334)
Financing activities	1,661,922,878	(437,392,038)	–	(132,787,416)	–	1,091,743,424

	September 30, 2016 (One Year)					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱9,961,880,934	₱7,829,061,783	₱2,913,020,892	₱1,807,598,592	₱–	₱22,511,562,201
Intersegment revenue	55,590,754	–	11,198,391	–	(66,789,145)	–
Total Revenue	10,017,471,688	7,829,061,783	2,924,219,283	1,807,598,592	(66,789,145)	22,511,562,201
Costs and expenses						
Segment costs and expenses	3,309,888,773	5,749,694,729	281,199,640	1,147,511,585	–	10,488,294,727
Intersegment costs and expenses	6,825,206	63,035,571	(11,680,557)	8,608,925	(66,789,145)	–
Total Costs and expenses	3,316,713,979	5,812,730,300	269,519,083	1,156,120,510	(66,789,145)	10,488,294,727
(Forward)						
Earnings before interest, taxes and depreciation	₱6,700,757,709	₱2,016,331,483	₱2,654,700,200	₱651,478,082	₱–	₱12,023,267,474
Depreciation (Notes 22 and 24)	2,746,396,661	34,309,947	621,207,346	169,358,044	–	3,571,271,998
Operating income	₱3,954,361,048	₱1,982,021,536	₱2,033,492,854	₱482,120,038	₱–	₱8,451,995,476
Assets and Liabilities						
Segment assets	₱60,030,652,818	₱43,469,784,109	₱12,666,803,823	₱3,872,951,799	₱–	₱120,040,192,549
Investment in subsidiaries - at cost	11,009,215,946	–	–	25,500,000	(11,034,715,946)	–
Total segment assets	₱71,039,868,764	₱43,469,784,109	₱12,666,803,823	₱3,898,451,799	(₱11,034,715,946)	₱120,040,192,549
Total segment liabilities	₱48,378,933,760	₱6,963,124,434	₱2,273,902,977	₱951,199,081	₱–	₱58,567,160,252
Other segment information:						
Capital additions (Notes 11 and 12)						₱12,390,195,956
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱14,293,412,622
Cash flows from:						
Operating activities	(₱1,841,614,430)	₱215,869,745	₱1,784,291,784	₱694,551,752	₱–	₱853,098,851
Investing activities	(8,557,665,607)	(3,506,959)	(1,788,278,963)	(986,308,681)	–	(11,335,760,210)
Financing activities	10,267,456,029	148,752,504	–	22,663,756	–	10,438,872,289

The revenue of the Group consists of sales to domestic customers. Inter-segment revenue accounted for under PFRS arising from lease arrangements amounting ₱54 million, ₱12 million and ₱67 million for the year ended December 31, 2017, for the three months ended December 31, 2016, and for the year ended September 30, 2016, respectively, are eliminated in consolidation.

The carrying amount of assets located outside the Philippines amounted to ₱12,414 million and ₱10,564 million as of December 31, 2017 and 2016, respectively.

No operating segments have been aggregated to form the above reportable segments. Capital additions consists of additions to property and equipment, land held for future development and investment properties.

Significant customers in lease arrangements under commercial center division include the affiliated entities (see Note 20). Rental income arising from the lease of commercial properties to affiliated companies which are not part of the Group and therefore not eliminated amounted to ₱2,337 million, ₱609 million and ₱2,181 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	December 31, 2017 (One year)	December 31, 2016 (Three months)	September 30, 2016 (One year)
EBITDA	**₱12,476,528,544**	₱3,028,901,383	₱12,023,267,474
Depreciation (Notes 22 and 24)	**(3,914,114,101)**	(1,010,020,925)	(3,571,271,998)
Other income (losses)	**(727,006,605)**	(378,127,619)	(267,869,926)
Income before income tax	**₱7,835,407,838**	₱1,640,752,839	₱8,184,125,550

7. Cash and Cash Equivalents

	2017	2016
Cash on hand and in banks	**₱1,379,275,821**	₱982,439,669
Short-term investments	**696,178,702**	453,770,908
	₱2,075,454,523	₱1,436,210,577

Cash in banks earns annual interest at the prevailing bank deposit rates. Short-term investments are invested for varying periods of up to three months and earn interest at the prevailing short-term investment rates ranging from 1.3% to 3.0%, 0.3% to 1.2% and 0.7% to 1.4% for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

Interest earned from cash in banks and short-term investments for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016 amounted to ₱37 million, ₱7 million and ₱18 million, respectively (see Note 26).

8. Receivables

	2017	2016
Trade		
Installment contract receivables	**₱7,272,408,707**	₱7,845,804,227
Rental receivables (Note 20)	**793,963,283**	544,958,664
Accrued rent receivables	**886,325,031**	695,135,421
Hotel operations	**185,203,621**	214,128,930
	9,137,900,642	9,300,027,242
Affiliated companies (Note 20)	**23,419,773**	18,143,162
Others	**227,363,029**	287,989,861
	9,388,683,444	9,606,160,265
Less allowance for impairment losses	**47,676,601**	47,676,601
	9,341,006,843	9,558,483,664
Less noncurrent portion	**3,775,948,572**	2,392,386,437
	₱5,565,058,271	₱7,166,097,227

The installment contract receivables aggregating to ₱7,272 million and ₱7,846 million as of December 31, 2017 and 2016, respectively, are collectible in monthly installments over a period of one (1) to ten (10) years. The noncurrent portion of installment contract receivables amounted to ₱3,068 million and ₱1,809 million as of December 31, 2017 and 2016, respectively. The title of the real estate property, which is the subject of the installment contract receivable due beyond 12 months, passes to the buyer once the receivable is fully paid.

Rental receivables from affiliated companies included under “Rental receivables” amounted to about ₱114 million and ₱121 million as of December 31, 2017 and 2016, respectively (see Note 20).

Accrued rent receivables represent the portion of the lease as a consequence of recognizing income on a straight-line basis. As of December 31, 2017 and 2016, the noncurrent portion of accrued rent receivable amounted to ₱708 million and ₱583 million, respectively.

Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage and transportation services. These are normally collectible within thirty (30) to ninety (90) days.

Other receivables consist primarily of insurance claims, receivables from officers and employees, and advances to brokers. The receivables from officers and employees are advances related to conduct of business activities subject to liquidation and for personal loans which are collected through salary deduction.

Allowance for impairment losses on trade receivables follows:

	Individual Assessment		Collective Assessment	
	Rental Receivable	Hotels Operations	Installment Contract Receivables	Total
Balances at December 31, 2017 and 2016	**₱13,905,027**	**₱14,771,574**	**₱19,000,000**	**₱47,676,601**

Aging Analysis

The aging analysis of the Group’s receivables follows:

	December 31, 2017						
		Neither	**Past Due But Not Impaired**				**Past**
	Total	**Past Due nor Impaired**	**Less than 30 days**	**30 to 60 days**	**61 to 90 days**	**Over 90 days**	**Due and Impaired**
Trade receivables							
Installment contract receivables	**₱7,272,408,707**	**₱6,855,942,934**	**₱93,685,610**	**₱76,414,224**	**₱51,280,219**	**₱176,085,720**	**₱19,000,000**
Rental receivables	**793,963,283**	**197,449,461**	**118,969,392**	**32,200,417**	**33,809,261**	**397,629,725**	**13,905,027**
Accrued rent receivables	**886,325,031**	**886,325,031**	–	–	–	–	–
Hotel operations	**185,203,621**	**75,600,122**	**29,206,995**	**13,020,649**	**7,151,953**	**45,452,328**	**14,771,574**
Affiliated companies (Note 20)	**23,419,773**	**23,419,773**	–	–	–	–	–
Others	**227,363,029**	**227,363,029**	–	–	–	–	–
	₱9,388,683,444	**₱8,266,100,350**	**₱241,861,997**	**₱121,635,290**	**₱92,241,433**	**₱619,167,773**	**₱47,676,601**

	December 31, 2016						
		Neither	Past Due But Not Impaired				Past
	Total	Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Due and Impaired
Trade receivables							
Installment contract receivables	₱7,845,804,227	₱5,546,424,970	₱848,393,544	₱566,559,224	₱250,926,651	₱614,499,838	₱19,000,000
Rental receivables	544,958,664	163,210,174	22,273,371	45,355,695	30,827,052	269,387,345	13,905,027
Accrued rent receivables	695,135,421	695,135,421	–	–	–	–	–
Hotel operations	214,128,930	37,018,334	27,198,335	16,696,485	15,763,622	102,680,580	14,771,574
Affiliated companies (Note 20)	18,143,162	18,143,162	–	–	–	–	–
Others	287,989,861	287,989,861	–	–	–	–	–
	₱9,606,160,265	₱6,747,921,922	₱897,865,250	₱628,611,404	₱297,517,325	₱986,567,763	₱47,676,601

9. Subdivision Land, Condominium and Residential Units for Sale

	2017	2016
Land and condominium units	**₱12,891,326,496**	₱13,861,990,601
Land use right and development cost	**11,710,995,852**	10,216,189,751
Residential units and subdivision land	**2,030,312,220**	1,905,307,277
	₱26,632,634,568	₱25,983,487,629

The subdivision land, condominium and residential units for sale are carried at cost.

A summary of the movement in inventory is set out below:

	2017	2016
Beginning balance	**₱25,983,487,629**	₱25,849,498,584
Construction and development costs incurred	**4,846,756,065**	1,206,826,578
Transfers to investment properties and property and equipment (Notes 11 and 12)	**(1,054,571,739)**	–
Cost of real estate sales (Note 22)	**(3,143,037,387)**	(1,072,837,533)
	₱26,632,634,568	₱25,983,487,629

Borrowing cost capitalized amounted to ₱490 million, ₱98 million and ₱376 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016 is 4.02%, 3.87% and 4.45%, respectively. These amounts were included in the construction and development costs incurred (see Note 16).

The amount of subdivision land, condominium and residential units for sale recognized as cost of real estate sales in the consolidated statements of comprehensive income amounted to ₱3,143 million, ₱1,073 million and ₱3,982 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 22).

On October 20, 2015, the Chinese government awarded the Contract for Assignment of the Rights to the Use of State-Owned Land to the Group. In May 2016, the Masterplan had been completed and was submitted for approval to the Chinese government in the same month. The Chinese government approved the Masterplan in the first quarter of 2017, and the project will take around five (5) years to be completed.

Under the Contract, the Group is entitled to transfer, lease, mortgage all or part of the state-owned construction land use right to a third party. Upon receipt of the Certificate of State-owned Land Use Right Assignment, the land title will be subdivided into Individual Property Titles which will be issued to unit owners one year after completion of the development and turn-over of the units to the buyers. When all or part of the state-owned construction land use right is transferred, through sale of commercial units and high-rise condominium units to buyers, the rights and obligations specified in the Contract and in the land registration documents shall be transferred accordingly to the buyer. The use term will be the remaining years as of the date of transfer based on the original use term specified in the Contract.

When the use term under the Contract expires (residential: 70 years and commercial: 40 years) and the land user continues using the assigned land under the Contract, an application for renewal shall be submitted to the Chinese government not less than one (1) year prior to the expiration of the use term.

The land use right amounting to ₱11,710 million and ₱10,216 million as at December 31, 2017 and 2016, respectively, is pledged as security to the Renminbi (RMB)60 million (₱458 million) loan from Agricultural Bank of China (Note 16). Other than this, there are no subdivision land, condominium and residential units for sale that are pledged as security to liabilities as of December 31, 2017 and 2016.

10. Other Current Assets

	2017	2016
Input VAT - net	**₱2,338,956,212**	₱1,413,406,494
Advances to suppliers and contractors	**2,051,548,008**	2,493,347,106
Advances to lot owners (Note 30)	**1,884,161,701**	1,862,104,463
Prepaid expenses	**212,715,201**	164,710,648
Supplies	**64,628,699**	66,374,903
Utility deposits (Notes 31 and 32)	**9,989,072**	8,401,429
Restricted cash - escrow	**4,257,265**	58,631,881
Others	**43,455,923**	8,338,750
	₱6,609,712,081	₱6,075,315,674

Input VAT - net of output VAT can be applied against future output VAT.

Advances to suppliers and contractors consist of advance payment which will be applied against the final billing and are expected to occur within the year.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Prepaid expenses consist mainly of prepayments for taxes and insurance.

Supplies consist mainly of office and maintenance materials.

Utility deposits consist primarily of bid bonds and meter deposits.

Restricted cash - escrow pertains to cash placed in escrow funds earmarked for the acquisition of parcels of land, pursuant to the memorandum of agreement (MOA) with various sellers. Said amount shall be released to the sellers upon fulfillment of certain conditions set forth in MOA.

Others consist primarily of creditable withholding taxes and refundable deposit made by the Group.

11. Investment Properties and Land Held for Future Development

A summary of movement in investment properties is set out below:

	December 31, 2017 (One Year)				
	Land	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost					
Balances at January 1, 2017	**₱10,847,928,424**	**₱232,690,307**	**₱65,445,762,502**	**₱4,717,861,720**	**₱81,244,242,953**
Additions	**–**	**11,805,487**	**1,367,205,964**	**11,276,771,771**	**12,655,783,222**
Reclassification and transfers - net (Notes 9, 10 and 12)	**2,866,735,683**	**–**	**8,099,379,211**	**(6,983,272,089)**	**3,982,842,805**
Balances at December 31, 2017	**13,714,664,107**	**244,495,794**	**74,912,347,677**	**9,011,361,402**	**97,882,868,980**
Accumulated Depreciation					
Balances at January 1, 2017	**–**	**115,195,251**	**25,047,078,773**	**–**	**25,162,274,024**
Depreciation (Notes 22 and 24)	**–**	**18,499,378**	**3,233,791,574**	**–**	**3,252,290,952**
Balances at December 31, 2017	**–**	**133,694,629**	**28,280,870,347**	**–**	**28,414,564,976**
Net Book Value	**₱13,714,664,107**	**₱110,801,165**	**₱46,631,477,330**	**₱9,011,361,402**	**₱69,468,304,004**

	December 31, 2016 (Three Months)				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at October 1, 2016	₱10,347,362,644	₱230,016,623	₱64,140,346,774	₱3,609,106,816	₱78,326,832,857
Additions	–	2,673,684	831,995,383	1,527,225,929	2,361,894,996
Reclassification and transfers - net (Notes 9, 10 and 12)	500,565,780	–	473,420,345	(418,471,025)	555,515,100
Balances at December 31, 2016	10,847,928,424	232,690,307	65,445,762,502	4,717,861,720	81,244,242,953
Accumulated Depreciation					
Balances at October 1, 2016	–	110,571,784	24,212,770,893	–	24,323,342,677
Depreciation (Notes 22 and 24)	–	4,623,467	834,307,880	–	838,931,347
Balances at December 31, 2016	–	115,195,251	25,047,078,773	–	25,162,274,024
Net Book Value	₱10,847,928,424	₱117,495,056	₱40,398,683,729	₱4,717,861,720	₱56,081,968,929

Investment properties consisted mainly of shopping malls/commercial centers and office buildings that are held to earn rentals. Land held for future development pertains to land held for capital appreciation and landbanking activities for development.

The construction in progress reclassified during the year ended December 31, 2017 and for the three months ended December 31, 2016 amounted to ₱6,414 million and ₱418 million, respectively. This year's reclassification represents commercial malls in Iligan, Naga and North Tacloban and office building in Taguig. These have been completed during the year ended December 31, 2017 and transferred to the corresponding assets accounts such as buildings and buildings improvements and land improvements. The remaining construction in progress represents projects in Iloilo, Laguna, Tuguegarao, Ormoc and Quezon City which are all commercial malls and office buildings.

For the year ended December 31, 2017 and for the three months ended December 31, 2016, the Group reclassified subdivision land, condominium and residential units for sale to investment properties amounting to ₱1,017 million and nil, respectively (see Note 9).

For the year ended December 31, 2017, the Group transferred ₱758 million worth of other current assets to investment properties.

Depreciation expense charged to operations amounted to ₱3,252 million, ₱839 million and ₱2,982 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Notes 22 and 24).

Borrowing costs capitalized amounted to ₱472 million, ₱34 million and ₱447 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively. These amounts were included in the consolidated statements of cash flows under additions to investment properties. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016 is 4.02%, 3.87% and 4.45%, respectively.

The fair value of investment properties which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

The fair value as of December 31, 2017 and 2016 amounting to ₱199,351 million and ₱177,481 million, respectively, which are based on independent third party appraisal reports, dated December 31, 2017 and September 30, 2013, respectively, which were updated by management as of December 31, 2017 and 2016.

The fair value of the investment properties was arrived at using the Income Approach as of December 31, 2017 and 2016, and September 30, 2016. The income approach is based on the premise that the value of a property is directly related to the income it generates. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject property.

The fair value of the investment properties disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy.

Description of valuation techniques used and key inputs to valuation on malls and office buildings included under investment properties as of December 31, 2017 and 2016 follows:

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)
Malls	DCF method	discount rate	10%
		capitalization rate	8.0%-9.0%
		growth rate	0.0%-17.0%
		occupancy rate	72.0%-100.0%

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)
Office buildings	DCF method	discount rate	10.0%
		capitalization rate	7.5%
		growth rate	4.0%-10%
		occupancy rate	35.0%-100.0%

The discounted cash flows, or DCF, valuation uses a fundamental approach in valuing the future economic benefits of a projected income stream.

The valuation process significantly consists of the following steps:

- Estimation of the revenues generated;
- Estimation of the costs and expenses related to the operations of the development;
- Estimation of an appropriate discount rate and other significant assumptions; and
- Discounting process using an appropriate discount rate to arrive at an indicative market value

Rental income derived from investment properties amounted to ₱11,582 million, ₱2,718 million and ₱10,556 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 21).

Property operations and maintenance costs arising from investment properties amounted to ₱710 million, ₱184 million and ₱504 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 22).

There are no investment properties as of December 31, 2017 and 2016 that are pledged as security to liabilities.
A summary of the movement in land held for future development is set out below:

	2017	2016
Beginning balance	**₱17,730,922,918**	₱17,898,718,675
Acquisitions	**9,456,075,422**	332,770,023
Transfers to investment properties (Note 12)	**(2,280,119,482)**	(500,565,780)
Ending balance	**₱24,906,878,858**	₱17,730,922,918

12. Property and Equipment

	December 31, 2017 (One Year)				
	Land Improvements	**Buildings and Improvements**	**Theater Furniture and Equipment**	**Other Equipment**	**Total**
Cost					
Balances at January 1, 2017	**₱8,420,371**	**₱5,919,585,396**	**₱890,473,932**	**₱3,850,923,849**	**₱10,669,403,548**
Additions	**554,762**	**1,500,133,951**	**122,513,533**	**274,817,862**	**1,898,020,108**
Write-off	**–**	**–**	**–**	**(1,286)**	**(1,286)**
Reclassifications and transfers (Note 11)	**–**	**111,700,960**	**–**	**(1,508,304)**	**110,192,656**
Balances at December 31, 2017	**8,975,133**	**7,531,420,307**	**1,012,987,465**	**4,124,232,121**	**12,677,615,026**
Accumulated Depreciation					
Balances at January 1, 2017	**4,754,878**	**2,112,090,225**	**635,563,407**	**2,571,026,248**	**5,323,434,758**
Depreciation (Notes 22 and 24)	**674,529**	**186,970,164**	**109,766,408**	**364,412,048**	**661,823,149**
Write-off	**–**	**–**	**–**	**(1,286)**	**(1,286)**
Balances at December 31, 2017	**5,429,407**	**2,299,060,389**	**745,329,815**	**2,935,437,010**	**5,985,256,621**
Net Book Value	**₱3,545,726**	**₱5,232,359,918**	**₱267,657,650**	**₱1,188,795,111**	**₱6,692,358,405**

	December 31, 2016 (Three Months)				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at October 1, 2016	₱8,420,371	₱4,972,032,357	₱868,459,248	₱3,763,049,156	₱9,611,961,132
Additions	–	415,330,427	22,014,684	86,751,939	524,097,050
Reclassifications and transfers (Note 11)	–	532,222,612	–	1,122,754	533,345,366
Balances at December 31, 2016	8,420,371	5,919,585,396	890,473,932	3,850,923,849	10,669,403,548
Accumulated Depreciation					
Balances at October 1, 2016	4,589,197	2,076,812,951	609,333,708	2,461,609,324	5,152,345,180
Depreciation (Notes 22 and 24)	165,681	35,277,274	26,229,699	109,416,924	171,089,578
Balances at December 31, 2016	4,754,878	2,112,090,225	635,563,407	2,571,026,248	5,323,434,758
Net Book Value	₱3,665,493	₱3,807,495,171	₱254,910,525	₱1,279,897,601	₱5,345,968,790

For the year ended December 31, 2017, the Group transferred subdivision land, condominium and residential units for sale to property and equipment amounting ₱38 million (see Note 9).

Depreciation expense charged to operations amounted to ₱662 million, ₱171 million and ₱590 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Notes 22 and 24).

Borrowing cost capitalized amounted to ₱72 million, ₱4 million and ₱24 million for the year ended December 31, 2017, the three months ended December 31, 2016 and year ended September 30, 2016, respectively.

The following are the costs of property and equipment that are fully depreciated as of December 31, 2017 and 2016 but still used in operations:

	2017	2016
Building and improvements	**₱780,821,421**	₱637,223,766
Other equipment	**346,790,615**	234,718,094
Land improvements	**698,241**	698,241
	₱1,128,310,277	₱872,640,101

There are no property and equipment items as of December 31, 2017 and 2016 that are pledged as security to liabilities.

13. **Other Noncurrent Assets**

	2017	2016
Utility deposits (Notes 31 and 32)	**₱874,345,792**	₱615,808,254
Advances to suppliers and contractors	**819,615,054**	900,284,145
Prepaid rent	**382,799,970**	422,849,213
Advances to lot owners (Note 30)	**190,078,577**	190,078,577
Others (Note 30)	**133,359,127**	90,780,029
	₱2,400,198,520	₱2,219,800,218

Utility deposits consist primarily of bid bonds and meter deposits. These are deposits to utility companies in order to continue the availment of their services.

Advances to suppliers and contractors represent advance payment to suppliers or contractors which will be applied against the final billing.

Prepaid rent pertains to advance rentals of the 25-year operating lease agreement between Bases Conversion and Development Authority (BCDA) and ASNC (a wholly-owned subsidiary). The contract is for the long-term and development of approximately 5,000 sqm Lawton Corporate Center along Lawton Avenue, Bonifacio South, Taguig City. Subsequently, the said contract was assigned to the Parent Company through a Deed of Assignment wherein ASNC assigns all its rights, interests, and obligations on the contract of lease with approval of BCDA as provided for under the contract.

Upon the expiration of the initial lease period, the Parent Company has the option to purchase the property or to renew its lease term. Should the Parent Company exercise its option to purchase the property, the purchase price shall be based on the fair market value including the permanent improvements. Otherwise, the ownership of all buildings and permanent improvements constructed by the Parent Company on the property shall automatically be transferred to BCDA.

Therefore, should the Parent Company opt to renew its lease over the property, the new lease rate for the 25-year extension period shall cover the land as well as the buildings and permanent improvements transferred to BCDA. The fixed lease for the initial year of the lease extension period shall be 5% of the average fair market value of the property on the 25th year of the lease including the permanent improvements constructed therein.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Others include deposit to various joint venture partners representing share in an ongoing real estate development which will be liquidated at the end of joint venture agreement. This deposit will be realized through the Group's share in the completed units or share in the sales proceeds of the units, depending on the agreement with the other party.

14. Accounts Payable and Accrued Expenses

	2017	2016
Accounts payable (Note 20)	**₱9,685,757,998**	₱6,538,846,206
Taxes and licenses payable	**2,110,601,784**	1,085,744,274
Accrued rent expense	**806,830,746**	596,495,913
Accrued salaries and wages	**160,574,858**	445,635,017
Accrued interest payable	**370,835,301**	356,881,319
Accrued contracted services	**364,666,444**	230,786,415
Dividends payable	**40,990,210**	16,021,302
Other accrued payable	**343,189,406**	75,367,761
	₱13,883,446,747	₱9,345,778,207

Accounts payable mainly includes unpaid billings from suppliers and contractors related to construction activities. This also includes the payable to JGSHI for the purchase of land in December 2017 (see Note 20).

Taxes and licenses payable, accrued salaries and wages, accrued interest payable and accrued contracted services are normally settled within one (1) year.

Accrued rent expense represents accrual for film rentals.

Other accrued payable includes insurance payable and accrued utilities.

15. Deposits and Other Current Liabilities

	2017	2016
Deposits from real estate buyers	**₱1,204,355,371**	₱2,117,210,266
Deposits from lessees (Notes 17, 31 and 32)	**2,356,241,519**	1,840,490,741
Payables to affiliated companies (Notes 20, 31 and 32)	**185,692,813**	129,212,285
Others	**37,245,113**	39,854,909
	₱3,783,534,816	₱4,126,768,201

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. Deposits from real estate buyers also include cash collections in excess of the installment contract receivables recognized under the percentage-of-completion method.

Deposits from lessees (including noncurrent portion shown in Note 17) represent cash received in advance equivalent to three (3) to six (6) month rent which shall be refunded to lessees at the end of lease term. These are initially recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of instruments. The accretion expense on these deposits, recognized in "accretion of security deposit" under cost of rental services, amounted to ₱56 million, ₱21 million and ₱67 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 22).

Included in the "Deposit from lessees" are unearned rental income amounting to ₱373 million and ₱282 million as of December 31, 2017 and 2016, respectively. Amortization of unearned rental income included in "Rental income" amounted to ₱64 million, ₱16 million and ₱67 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

Others pertain to amount payable to the Parent Company's co-stockholders in its subsidiaries.

16. Loans Payable

Short-term loans

	2017	2016
Short-term loan obtained from local banks that will mature in January 2018. Interest rate is at 2.80% per annum.	**₱14,454,500,000**	₱–
Short-term loan obtained from a local bank that will mature in February 2018. Interest rate is at 2.60% per annum.	**1,238,900,000**	–
Short-term loan obtained from a local bank that matured in January 2017. Interest rate is at 2.50% per annum.	–	11,229,500,000
Short-term loan obtained from a local bank that matured in March 2017. Interest rate is at 2.45% per annum.	–	3,910,000,000
Short-term loan obtained from a local bank that matured in February 2017. Interest rate is at 2.50% per annum.	–	870,500,000
	₱15,693,400,000	₱16,010,000,000

Long-term loans
Details of the principal amount of the long-term loans follow:

	2017	2016
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	**₱10,635,500,000**	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears	**7,000,000,000**	–
Five-year term bonds from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	**6,500,000,000**	6,500,000,000
Seven-year term bonds from BPI maturing on August 10, 2023. Principal payable upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	**4,990,000,000**	5,000,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	**4,500,000,000**	–
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000

(Forward)

	2017	2016
Five-year loan maturing in August 2022. Principal of RMB60 million payable upon maturity, with fixed rate at 4.7500%.	**₱458,325,660**	₱–
Three-year loan maturing in December 2019. Principal of RMB50 million payable upon maturity, with fixed rate at 4.7500%.	**381,938,050**	–
	35,830,263,710	23,500,000,000
Less debt issue costs	**169,101,556**	138,522,322
Long-term loans net of debt issue costs	**₱35,661,162,154**	₱23,361,477,678

The Group's loans payable are all unsecured, except for the five-year loan from Agricultural Bank of China amounting to ₱458 million which the Group has guaranteed with its land use rights in China under Chengdu Xin Yao (see Note 9).

The credit facility is fully drawn as of December 31, 2017 and 2016.

Debt issue costs are deferred and amortized using effective interest method over the term of the related loans.

Total interest cost expensed out from short-term and long-term loans amounted to ₱778 million, ₱384 million and ₱572 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Note 26).

Capitalized borrowing cost amounted to ₱1,034 million, ₱132 million and ₱823 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively (see Notes 9, 11 and 12).

<u>Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022</u>
On February 23, 2015, the Group issued ₱10,636 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants
The Group is required to maintain a debt-to-equity ratio not exceeding 2:1 as referenced from its consolidated financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2017 and 2016.

<u>Seven-year term loan from Metropolitan Bank and Trust Company maturing on March 15, 2024</u>
On March 15, 2017, the Group borrowed ₱7,000 million under Term Loan Facility Agreements with Metropolitan Bank and Trust Company.

The loan amounting to ₱7,000 million was released on March 15, 2017 which bears interest rate at 4.7500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a ratio of consolidated total borrowings to consolidated shareholders' equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its calendar year end December 31 and the consolidated interim financial statements as of March 31, June 30, and September 30. The Group has complied with the debt covenant as of December 31, 2017.

Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021
On July 8, 2016, the Group borrowed ₱6,500 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The loan was released on July 8, 2016 amounting to ₱3,000 million and on September 27, 2016 amounting to ₱3,500 million with interest rate at 3.8327% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2017 and 2016.

Seven-year term loan from Bank of the Philippine Islands maturing on August 10, 2023
On August 10, 2016, the Group borrowed ₱5,000 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The ₱5,000 million loan was released on August 10, 2016 with interest rate at 3.8900% per annum and shall be payable quarterly, computed on the basis of a 360-day year and on the actual number of days elapsed. Partial payment was made during the year amounting to ₱10 million.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2017 and 2016.

Ten-year term loan from BPI maturing on February 13, 2027
On February 10, 2017, the Group borrowed ₱4,500 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The loan was released on February 10, 2017 amounting to ₱4,500 million with interest rate at 4.9500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a ratio of net debt-to-equity not exceeding 2:1 as measured at each fiscal year-end date based on the audited consolidated financial statements. The Group has complied with the debt covenant as of December 31, 2017.

Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025
On February 23, 2015, the Group issued ₱1,365 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants
The Group is required to maintain a debt-to-equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2017 and 2016.

<u>Five-year loan from Agricultural Bank of China (ABC) maturing in August 2022</u>
In 2017, Chengdu Xin Yao entered into a facility loan agreement with ABC amounting to RMB500 million. On August 22, 2017, the Group made a drawdown which amounting to RMB60 million (₱458 million) which is payable after a period of 5 years. Interest on the loan shall be based on the rates released by the People's Bank of China which is 4.75% per annum as of loan agreement date.

Debt Covenants
Chengdu Xin Yao is required to maintain the following financial indicators: (a) actual revenue in its operating period which should not be lower than 20%; (b) debt-asset ratio should not equal or exceed 70%; (c) the borrower should not have a bad credit; and (d) borrower contingent liability ratio should not exceed 4%. Chengdu Xin Yao has complied with the debt covenant as of December 31, 2017.

<u>Three-year entrusted loan from Chengdu Ding Feng Real Estate Development Co. Ltd. Maturing in December 2019</u>
In 2017, Chengdu Xin Yao entered into a loan agreement with Chengdu Ding Feng Real Estate Development Co. Ltd. amounting to RMB50 million (₱382 million). Interest on the loan is 4.75%.

<u>Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019</u>
On July 8, 2014, the Group borrowed ₱9,000 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The ₱9,000 million loan was released in two tranches amounting to ₱5,000 million and ₱4,000 million on July 14, 2014 and August 27, 2014, respectively. The interest rate is at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. On October 17, 2016, the Group preterminated the ₱9,000 million loan.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

<u>Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019</u>
On July 8, 2014, the Group borrowed ₱1,000 million under Term Loan Facility Agreements with BDO Leasing and Finance, Inc.

The ₱1,000 million loan was released on July 14, 2014 with interest rate at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. On October 17, 2016, the Group preterminated the ₱1,000 million loan.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

Pre-termination of term loans from BDO Unibank, Inc. and BDO Leasing & Finance, Inc.
On October 17, 2016, the Group pre-terminated the outstanding balance of the ₱9,000 million five-year term loan from BDO Unibank, Inc. and ₱1,000 million five-year term loan from BDO Leasing and Finance, Inc. Pursuant to the Term Loan Facility Agreement between the Group, BDO Unibank, Inc. and BDO Leasing and Finance, Inc. dated July 8, 2014, the Group may prepay the loan in part or full together with accrued interest thereof to prepayment date subject to the penalty of one percent (1%). The Group paid a prepayment charge amounting to ₱100 million which is included in finance charges under "Other income (losses)" (see Note 26).

Details of the Group's loans payable by maturity follow:

Long-term loans

	Within 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
December 31, 2017	**₱–**	**₱381,938,050**	**₱–**	**₱6,500,000,000**	**₱28,948,325,660**	**₱35,830,263,710**
December 31, 2016	₱–	₱–	₱–	₱–	₱23,500,000,000	₱23,500,000,000

17. **Deposits and Other Noncurrent Liabilities**

	2017	2016
Accounts payable (Note 20)	**₱2,536,748,920**	₱343,997,836
Deposits from lessees (Notes 15, 31 and 32)	**2,341,568,583**	2,192,967,225
Accrued rent expense	**1,458,843,803**	1,577,720,784
Deposits from real estate buyers	**1,220,643,793**	281,156,000
Pension liabilities (Note 29)	**324,547,653**	353,134,746
Advances for marketing and promotional fund	**199,189,605**	175,670,795
Others	**246,625,744**	273,073,871
	₱8,328,168,101	₱5,197,721,257

Accounts payable consists of the balance due to JGSHI for the purchase of investment properties and retentions payable which represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

Accrued rent expense represents the portion of the lease as a consequence of recognizing expense on a straight-line basis. These pertain to various lease of land entered by the Group where the malls are located.

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. The deposits from real estate buyers which are expected to be applied to the contract price within one year are classified as current.

Others include payable to the non-controlling interests of the Parent Company's subsidiaries.

18. **Retained Earnings**

The declarable dividend of Parent Company amounted to ₱18,491 million and ₱23,002 million as of December 31, 2017 and 2016, respectively.

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱1,793 million and ₱1,275 million as of December 31, 2017 and 2016, are not available for dividend declaration by the Parent Company until received in the form of dividends.

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

Dividends declared
The BOD declared cash dividends in favor of all its stockholders for the years ended December 31, 2017 and September 30, 2016 as follows:

	December 31, 2017	September 30, 2016
Date of declaration	**March 3, 2017**	March 9, 2016
Date of payment	**May 2, 2017**	April 22, 2016
Ex-dividend rate	**April 3, 2017**	March 29, 2016
Dividend per share	**₱0.36**	₱0.36
Total dividends	**₱1,473,779,046**	₱1,473,779,046

Appropriation
On December 12, 2017, the BOD approved the reversal of the retained earnings it appropriated in 2016 amounting to ₱16,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱24,500 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2018 up to 2022.

On September 27, 2016, the BOD approved the reversal of the retained earnings it appropriated in 2015 amounting to ₱17,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱16,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2017 to 2021.

19. **Capital Stock and Other Equity Reserve**

The details of the number of common shares as of December 31, 2017 and 2016 follow:

	Shares	Amount
Authorized - at ₱1 par value	8,200,000,000	₱8,200,000,000
Issued and outstanding		
Common shares	4,111,528,685	₱4,111,528,685
Treasury shares	(17,698,000)	(221,834,657)
	4,093,830,685	₱3,889,694,028

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2017:

	Number of shares registered	Issue/ offer price	Date of SEC approval	Number of holders of securities as of year end
Balance before Initial public offering	300,000,000			
Initial public offering	200,000,000	₱1.00/share	February 10, 1989	
Increase in offer price		₱5.81/share	June 3, 1989	
Add:				
1:1 stock rights offering	500,000,000	₱2.50/share	March 15, 1991	
20% stock dividend	200,000,000	₱1.00/share	June 16, 1993	
1:2 stock rights offering	600,000,000	₱2.50/share	March 21, 1995	
Exchange for shares of JGSHI in MMHLC and in RII	496,918,457		April 3, 1997	
1:2 New share offering	450,000,000	₱12.00/share	September 25, 2006	
1:2 stock rights offering	1,364,610,228	₱10.00/share	May 17, 2011	
October 1, 2016	4,111,528,685			1,086
Add (deduct) movement	–			(7)
December 31, 2016	4,111,528,685			1,079
Add (deduct) movement	–			(13)
December 31, 2017	4,111,528,685			1,066

JGSHI - JG Summit Holdings, Inc.
MMHLC - Manila Midtown Hotels and Land Corporation
RII - Robinson's Inn Inc.
Note: Inclusive of 17,698,000 treasury shares

Treasury Shares

On October 22, 2009, the Parent Company's BOD approved the creation and implementation of a share buy-back program allotting up to ₱1,000 million to reacquire a portion of the Parent Company's issued and outstanding common shares, representing approximately 3.1% of current market capitalization.

As of December 31, 2017 and 2016, the Parent Company has a total of 17,698,000 treasury shares with a total purchase price of ₱222 million at an average price of ₱12.53 per share.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity attributable to the equity holders of the Parent Company. Following is a computation of the Group's debt-to-capital ratio as of December 31, 2017 and 2016.

	2017	2016
(a) Loans payable (Note 16)	**₱51,523,663,710**	₱39,510,000,000
(b) Capital	**₱67,091,340,611**	₱62,577,315,611
(c) Debt-to-capital ratio (a/b)	**0.77:1**	0.63:1

The Group's policy is to limit the debt-to-capital ratio at the 1.5:1 level. This policy is consistent with the requirements under the Group's debt covenants with lenders.

Other Equity Reserve

On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in Altus San Nicolas Corp. (ASNC), increasing its ownership interest from 80% to 100%. Cash consideration of ₱198 million was paid to the non-controlling shareholders. The total carrying value of the net assets of ASNC at the date of acquisition was ₱578 million, and the 20% equivalent of the carrying value of the remaining non-controlling interest acquired was ₱111 million. The difference of ₱88 million between the consideration and the carrying value of the interest acquired was booked in "Other equity reserve" account within equity.

20. Related Party Transactions

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities. Transactions are generally settled in cash, unless otherwise stated.

The amounts and balances arising from significant related party transactions are as follows:

	December 31, 2017 (One Year)			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
Ultimate Parent Company				
a) Rental income/receivable	**₱51,766,433**	**₱3,189,986**	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances from	**51,979,442**	**(155,504,725)**	Non-interest bearing; due and demandable	Unsecured
e) Accounts payable	**6,544,360,000**	**(4,842,826,400)**	Non-interest bearing; payable within three years	Unsecured
Under common control				

(Forward)

	December 31, 2017 (One Year)			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
c) Cash and cash equivalents				
• Cash in banks	**₱182,113,340**	**₱484,782,763**	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	**528,119,065**	**528,119,065**	Interest bearing at prevailing market rate; at 1.25% to 3.00% per annum due and demandable	Unsecured; no impairment
• Interest income	**2,730,662**	**10,546**		
a) Rental income/receivable	**2,284,829,922**	**110,555,182**	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**5,276,611**	**23,419,773**	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	**4,501,086**	**(30,188,088)**	Non-interest bearing; due and demandable	Unsecured
d) Sale of lease receivables	**891,045,585**	**–**	Non-interest bearing; payable in installments	Unsecured; no impairment
		(₱3,878,441,898)		

	December 31, 2016 (Three Months)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
a) Rental income/receivable	₱12,091,279	₱3,956,252	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances from	(108,677)	(103,525,283)	Non-interest bearing; due and demandable	Unsecured
Under common control				
c) Cash and cash equivalents				
• Cash in banks	288,051,913	302,669,423	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	189,523,963	189,523,963	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Interest income	1,393,421	14,478		
c) Rental income/receivable	596,634,859	116,717,670	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	581,814	18,143,162	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	(1,585,291)	(25,687,002)	Non-interest bearing; due and demandable	Unsecured
		₱501,812,663		

Outstanding balances consist of the following:

	December 31	
	2017	2016
Cash and cash equivalents (Note 7)	**₱1,012,901,828**	₱492,193,386
Rental receivables (Note 8)	**113,755,714**	120,688,400
Receivable from affiliated companies (Note 8)	**23,419,773**	18,143,162
Payable to affiliated companies (Note 15)	**(185,692,813)**	(129,212,285)
Accounts payable and accrued expenses (Note 14)	**(2,600,000,000)**	–
Deposits and other noncurrent liabilities (Note 17)	**(2,242,826,400)**	–
	(₱3,878,441,898)	₱501,812,663

Significant transactions with related parties are as follows:

a) *Rental income*
The Group leases commercial properties to affiliated companies with a lease term of three to five years based on prevailing market lease rates.

b) *Advances to (from) affiliated companies*
The Group, in the normal course of business, has transactions with its major stockholders, Ultimate Parent Company and its affiliated companies consisting principally of lease arrangements and advances principally for working capital requirement, financing for real estate development, and purchase of investment properties.

c) *Cash and cash equivalents*
The Group maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

There are no other arrangements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled to under the Group's pension plan.

d) *Sale of lease receivables*
On May 26, 2017, the Parent Company entered into a master agreement with an affiliate bank to sell the former's installment contracts receivable on a without recourse basis through various tranches. For the year ended December 31, 2017, the Parent Company sold its lease receivables with a carrying value of ₱891 million to the affiliate bank which resulted to a gain amounting to ₱18 million.

e) *Accounts payable to Ultimate Parent*
In December 2017, the Parent Company entered into a Deed of Absolute Sale with JGSHI, wherein JGSHI sold to the Parent Company its 130,965 square-meter parcels of land for a total selling price of ₱6,544 million plus 12% VAT on an installment basis for three years.

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables. The Group has not recognized any impairment losses on amounts receivables from related parties for the year ended December 31, 2017, three months ended December 31, 2016 and for the year ended September 30, 2016. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel by benefit type follows:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Short-term employee benefits	**₱863,112,728**	₱258,657,149	₱893,618,174
Post-employment benefits	**55,303,477**	10,962,639	43,859,770
	₱918,416,205	₱269,619,788	₱937,477,944

21. Revenue

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Real Estate Operations			
Rental income (Notes 11, 20 and 34)	**₱11,581,560,401**	₱2,718,339,596	₱10,556,125,587
Real estate sale	**5,973,248,023**	1,472,300,349	7,193,970,995
Amusement income	**1,802,643,181**	431,783,166	1,694,021,661
Others	**1,266,492,267**	575,454,463	1,259,845,366
	20,623,943,872	5,197,877,574	20,703,963,609
Hotel Operations			
Rooms	**1,210,221,728**	303,155,640	1,155,513,678
Food and beverage	**621,883,904**	181,681,478	605,142,982
Others	**60,768,126**	12,055,096	46,941,932
	1,892,873,758	496,892,214	1,807,598,592
	₱22,516,817,630	₱5,694,769,788	₱22,511,562,201

Real estate sales include interest income from installment contract receivable amounting to ₱1,715 million, ₱168 million and ₱308 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

Other revenue under real estate operations are receipts of penalties from real estate buyers and tenants, forfeitures of payments from sales cancellations and reservations and receipts of association dues.

Other revenue under hotel operations includes transport, laundry, valet and other services.

22. **Costs**

	December 31, 2017 (One year)	December 31, 2016 (Three months)	September 30, 2016 (One year)
Real Estate Operations			
Cost of Rental Services			
Depreciation (Note 24)	**₱3,732,988,642**	₱962,971,811	₱3,401,913,954
Property operations and maintenance costs (Note 11)	**710,458,514**	184,083,433	504,336,451
Accretion of security deposit (Note 15)	**56,147,861**	21,327,753	66,820,441
	4,499,595,017	1,168,382,997	3,973,070,846
Cost of Real Estate Sales (Note 9)	**3,143,037,387**	1,072,837,533	3,982,243,972
Cost of Amusement Services			
Film rentals expense	**820,824,802**	195,593,971	764,711,495
Others			
Contracted services	**162,374,681**	32,508,845	177,015,756
Others	**650,042,384**	79,178,093	442,935,438
	812,417,065	111,686,938	619,951,194
	9,275,874,271	2,548,501,439	9,339,977,507
Hotel Operations			
Cost of Room Services			
Property operations and maintenance costs	**386,759,727**	48,267,241	195,381,543
Depreciation (Note 24)	**181,125,459**	47,049,114	169,358,044
	567,885,186	95,316,355	364,739,587
Cost of Food and Beverage	**353,667,814**	99,516,430	348,427,973
Others			
Salaries and wages (Note 25)	**60,005,353**	48,551,120	186,966,096
Contracted services	**69,033,445**	31,856,217	141,404,383
Management fee	**64,430,314**	18,583,900	64,807,264
Supplies	**21,336,897**	14,480,280	53,473,803
Commission	**8,709,538**	9,428,004	37,475,779
Others	**205,443,822**	15,590,833	119,574,744
	428,959,369	138,490,354	603,702,069
	1,350,512,369	333,323,139	1,316,869,629
	₱10,626,386,640	₱2,881,824,578	₱10,656,847,136

Others under costs of real estate operations and hotel operations include expenses for utilities, and other overhead expenses.

23. **General and Administrative Expenses**

	December 31, 2017 (One year)	December 31, 2016 (Three months)	September 30, 2016 (One year)
Salaries and wages (Notes 20, 25 and 29)	**₱858,410,852**	₱221,068,668	₱750,511,848
Taxes and licenses	**688,653,834**	72,327,507	633,092,857
Commission	**588,617,839**	132,465,128	612,492,978
Advertising and promotions	**520,144,547**	169,868,301	657,442,372
Insurance	**140,294,103**	9,852,203	129,602,624
Supplies	**133,003,519**	30,349,451	131,166,417
Association dues	**105,739,200**	29,696,574	68,893,800
Light, water and communication	**105,103,790**	21,619,899	110,359,156
Travel and transportation	**69,776,197**	12,630,360	61,654,134
Rent (Note 34)	**52,014,409**	43,593,841	179,966,892
Entertainment, amusement and recreation	**21,153,204**	13,504,404	14,173,544
Others	**45,105,053**	37,088,416	53,362,967
	₱3,328,016,547	₱794,064,752	₱3,402,719,589

24. Depreciation

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
Real estate (Notes 11, 12 and 22)	**₱3,732,988,642**	₱962,971,811	₱3,401,913,954
Hotel operations (Notes 11, 12 and 22)	**181,125,459**	47,049,114	169,358,044
	₱3,914,114,101	₱1,010,020,925	₱3,571,271,998

25. Personnel Expenses

Personnel expenses consist of (see Notes 22 and 23):

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
Salaries, wages and other staff costs	**₱811,588,387**	₱243,588,858	₱849,535,817
Pension expense (Note 29)	**55,303,477**	10,962,639	43,859,770
SSS contributions, PAG-IBIG contributions, premiums and others	**51,524,341**	15,068,291	44,082,357
	₱918,416,205	₱269,619,788	₱937,477,944

The above amounts are distributed as follows:

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
General and administrative (Note 23)	**₱858,410,852**	₱221,068,668	₱750,511,848
Hotel operations (Note 22)	**60,005,353**	48,551,120	186,966,096
	₱918,416,205	₱269,619,788	₱937,477,944

26. Other Income (Losses)

Interest expense consists of (see Notes 15 and 16):

	December 31, 2017 (One year)	2016 (Three months)	September 30, 2016 (One year)
Loans payable (Notes 15 and 16)	**₱778,194,869**	₱237,171,367	₱571,626,129
Finance charges (Note 16)	**–**	146,968,284	–
	₱778,194,869	₱384,139,651	₱571,626,129

Capitalized borrowing costs for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016 are discussed in Notes 9 and 11.

Interest income pertains to the Group's interest received from cash and cash equivalents.

For the year ended September 30, 2016, the Group recorded ₱209 million gain from insurance claim due to receipt of final insurance settlement for the typhoon Yolanda and other minor insurance claims.

27. **Income Tax**

The Group's provision for income tax includes the regular corporate income tax (RCIT), minimum corporate income tax (MCIT) and final tax paid at the rate of 20% for peso deposits and 7.50% for foreign currency deposits which are final withholding tax on gross interest income. Details follow:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Current			
RCIT	**₱1,771,169,116**	₱444,558,754	₱1,597,959,378
Final tax	**6,460,001**	365,067	2,132,358
MCIT	**315,448**	251,922	179,419
	1,777,944,565	445,175,743	1,600,271,155
Deferred	**173,025,316**	(59,422,873)	433,375,874
	₱1,950,969,881	₱385,752,870	₱2,033,647,029

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.01)**	(0.01)	(0.01)
Tax exempt real estate sales	**(0.11)**	(0.16)	(0.13)
Income subjected to BOI, PEZA and lower tax	**(4.98)**	(6.32)	(5.02)
Effective income tax rate	**24.90%**	23.51%	24.84%

Deferred taxes as of December 31, 2017 and 2016 relate to the tax effects of the following:

	2017	2016
Deferred tax assets:		
Accrued rent expense	**₱474,822,924**	₱486,334,093
Accrued interest expense	**220,795,887**	203,951,528
Pension liabilities	**106,170,155**	101,613,296
Allowance for impairment loss	**14,302,980**	14,302,980
MCIT	**2,168,956**	2,168,956
	818,260,902	808,370,853
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(1,878,456,323)**	(1,691,225,615)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(1,277,103,559)**	(1,354,844,498)
Accrued rent income	**(330,627,337)**	(263,859,374)
Unamortized debt issuance cost	**(53,556,058)**	(44,322,288)
Prepaid rent (Note 13)	**(143,707,812)**	(147,569,124)
	(3,683,451,089)	(3,501,820,899)
Net deferred tax liabilities	**(₱2,865,190,187)**	(₱2,693,450,046)

Provision for deferred tax relating to remeasurements of defined benefit liability recognized directly in equity amounted to (₱29) million, ₱6 million and ₱17 million for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively.

The Group has deductible temporary difference that is available for offset against taxable income or tax payable for which deferred tax asset has not been recognized. This deductible temporary difference with no deferred tax assets recognized in the consolidated financial statements pertains to NOLCO of subsidiaries amounting to ₱3 million as of December 31, 2017 and 2016, respectively. The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱1 million as of December 31, 2017 and 2016 and September 30, 2016.

The carryforward benefits of NOLCO, which can be claimed as a deduction by the Group against future taxable income for the next three (3) years from the year of incurrence, are as follows:

Period of recognition	Amount	Period of expiration
NOLCO		
December 31, 2017	₱517,845	December 31, 2020
December 31, 2016	540,064	December 31, 2019
September 30, 2016	1,796,845	September 30, 2019
	₱2,854,754	

Period of recognition	Amount	Period of expiration
MCIT		
December 31, 2017	₱315,448	December 31, 2020
December 31, 2016	63,272	December 31, 2019
September 30, 2016	227,828	September 30, 2019
	₱606,548	

28. Basic/Diluted Earnings Per Share

Earnings per share amounts were computed as follows:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
a. Net income attributable to equity holders of Parent Company	**₱5,881,150,728**	₱1,254,917,783	₱6,154,532,055
b. Weighted average number of common shares outstanding adjusted (Note 19)	**4,093,830,685**	4,093,830,685	4,093,830,685
c. Earnings per share (a/b)	**₱1.44**	₱0.31	₱1.50

There were no potential dilutive shares for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016.

29. Employee Benefits

Pension Plans

The Group has funded, noncontributory, defined benefit pension plans covering all of its regular employees.

It provides benefits based on a number of month's salary for every year of service. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with Robinsons Bank Corporation (RBC) as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Group, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions.

The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. RBC manages the plan assets based on the mandate as defined in the trust agreement.

The components of pension expense (included in "Personnel expenses" under "Costs and General and administrative expenses" in the consolidated statements of comprehensive income) follow:

	December 31,		September 30,
	2017	2016	2016
	(One year)	(Three months)	(One year)
Service cost	**₱42,269,949**	₱8,074,069	₱32,296,274
Net interest cost	**13,033,528**	2,888,570	11,563,496
Pension expense	**₱55,303,477**	₱10,962,639	₱43,859,770

There are no plan amendments, curtailments or settlements for the year ended December 31, 2017, for the three months ended December 31, 2016 and for the year ended September 30, 2016.

The amounts recognized as pension liabilities included under "Deposit and other noncurrent liabilities" in the consolidated statements of financial position follow:

	2017	2016
Present value of defined benefit obligation	**₱470,681,322**	₱510,599,931
Fair value of plan assets	**(146,133,669)**	(157,465,185)
Pension liabilities	**₱324,547,653**	₱353,134,746

Changes in net defined benefit liability of funded funds follow:

	December 31, 2017 (One Year)		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Balance at January 1, 2017	**₱510,599,931**	**₱157,465,185**	**₱353,134,746**
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	**42,269,949**	**–**	**42,269,949**
Net interest cost	**19,296,205**	**6,262,677**	**13,033,528**
Subtotal	**61,566,154**	**6,262,677**	**55,303,477**
Benefits paid	**(6,537,538)**	**(4,285,569)**	**(2,251,969)**

(Forward)

	December 31, 2017 (One Year)		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	**(₱3,493,005)**	**₱–**	**(₱3,493,005)**
Actuarial changes arising from changes in financial/demographic assumptions	**(91,454,220)**	**–**	**(91,454,220)**
Return on plan assets	**–**	**1,586,115**	**(1,586,115)**
Subtotal	**(94,947,225)**	**1,586,115**	**(96,533,340)**
Others	**–**	**(14,894,739)**	**14,894,739**
Balance at December 31, 2017	**₱470,681,322**	**₱146,133,669**	**₱324,547,653**

	December 31, 2016 (Three Months)		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at October 1, 2016	₱479,132,556	₱151,524,900	₱327,607,656
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	8,074,069	–	8,074,069
Net interest cost	4,033,638	1,145,068	2,888,570
Subtotal	12,107,707	1,145,068	10,962,639
Contributions	–	6,241,908	(6,241,908)
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience adjustments	16,299,125	–	16,299,125
Actuarial changes arising from changes in financial/demographic assumptions	3,060,543	–	3,060,543
Return on plan assets	–	(1,446,691)	1,446,691
Subtotal	19,359,668	(1,446,691)	20,806,359
Balance at December 31, 2016	₱510,599,931	₱157,465,185	₱353,134,746

The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

	2017	2016
Cash and cash equivalents		
Special deposit account	**₱–**	₱82,798,266
Savings deposit account	**38,313,660**	26,628,261
Other securities	**22,606,464**	1,669,001
	60,920,124	111,095,528
Investment in debt instruments		
Fixed rate bonds	**72,214,780**	20,670,200
Other debt instruments	**140,807**	8,062,357
	72,355,587	28,732,557
Accrued interest receivable	**595,215**	274,773
Other assets	**12,274,270**	17,371,783
Accrued trust and management fee payable	**(11,527)**	(9,456)
	₱146,133,669	₱157,465,185

The composition of the fair value of the Fund includes:

- *Cash and cash equivalents* - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas.

- *Investment in debt instruments* - include investment in long-term debt notes and retail bonds issued by locally listed entities.

- *Accrued interest receivable and other receivable* - include interest earned from investments and receivable from affiliated companies.

- *Accrued trust and management fee payable* - pertains mainly to charges of trust or in the management of the plan.

The fund has no investment in the Parent Company as of December 31, 2017 and 2016.

The plan assets have diverse investments and do not have any concentration risk.

The management performs an asset-liability matching strategy annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The overall expected rates of return on assets are based on the market expectations prevailing as at the reporting date, applicable to the period over which the obligation is settled.

The Group expects to contribute ₱59 million to the defined benefit pension plans in 2018.

The average duration of the defined benefit obligation of the Group as of December 31, 2017 and 2016 is 15 years.

The principal assumptions used to determine the pension benefits of the Group follow:

	December 31, 2017 (One Year)	December 31, 2016 (Three months)
Discount rate	**5.71% to 4.35%**	3.93% to 4.85%
Rate of salary increase	**5.50%**	5.00%

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of December 31, 2017 and 2016, assuming if all other assumptions were held constant.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The balances below show the addition/reduction in pension obligation assuming assumptions are changed:

		Increase (decrease) on pension liabilities	
		December 31, 2017	December 31, 2016
Discount rates	+1.00%	**(₱435,084,092)**	(₱41,523,152)
	-1.00%	**511,246,772**	48,094,773
Salary increase rates	+1.00%	**₱514,060,694**	₱44,969,563
	-1.00%	**(431,994,139)**	(39,848,946)

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

	December 31, 2017	December 31, 2016
Less than 1 year	**₱33,835,830**	₱19,106,049
More than 1 years to 5 years	**166,775,205**	105,208,719
More than 5 years to 10 years	**335,554,425**	276,911,978
More than 10 years to 15 years	**423,658,912**	409,155,857
More than 15 years to 20 years	**311,502,005**	308,379,053
More than 20 years	**600,038,794**	379,998,070

30. Interest in Joint Venture and Joint Operations

The Group has entered into joint venture agreements with various landowners and other companies with various percentage interests in these joint operations depending on the value of the land or investment against the estimated development costs. These joint venture agreements entered into by the Group relate to the development and sale of subdivision land, condominium and residential units, with certain level of allocation of condominium unites/lots to be sold to buyers with provisions for sharing in the cash collection on the sale of allocated developed unites.

The Group's joint venture agreements typically require the joint venture partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all the cost related to the land development and the construction of subdivision land, condominium and residential units, including the facilities.

Sales and marketing costs are allocated to both the Group and the joint operations partner.
The projects covering the joint venture agreement are expected to be completed within two to three years. Each joint operations party has committed to contribute capital based on the terms of the joint venture agreement.

Interest in joint projects with Horizon Land Property & Development Corporation, formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (Jointly Controlled Operations)

On February 7, 2011, the Parent Company entered into a joint venture agreement with Horizon Land Property & Development Corporation (HLPDC), formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (FLI) to develop Axis Residences (the Project) located along Pioneer Street in Mandaluyong City. The construction of the planned 2-phase residential condominium has commenced in March 2012. One tower of first phase was completed on September 2015.

The agreed contributions of the parties follow:

a. The Parent Company: Road lot valued at ₱89 million and development costs amounting ₱1,390 million
b. FLI: Development costs amounting ₱739 million
c. HLPDC, an affiliate of FLI: Four (4) adjoining parcels of land valued at ₱739 million located along Pioneer St., Mandaluyong City, 21,109 sqm

Further, the sharing of saleable units (inventories) of real estate revenue, cost of real estate sales and any common expenses incurred, are as follows: the Parent Company-50% and FLI-50%. Based on the foregoing, the Parent Company accounted for the joint arrangement as a jointly controlled operations and accordingly, recognized its share in the assets, revenue and expenses of the joint operations.

On December 6, 2017, the Parent Company executed an addendum agreement with HLPDC and FLI to discontinue the development of Phase II.

The following were the agreements included in the addendum:

a. The development of the Project shall be limited to Phase 1;
b. The discontinuance shall be without fault on either of the Parties. Accordingly, HLPDC and FLI shall reimburse RLC the amount of ₱193 million representing the non-development of four (4) towers of Phase II;
c. Ownership and right of possession of the parcels of land corresponding to Phase II shall remain to be with HLPDC and shall be excluded from the provisions of the JVA.
d. The perpetual right to use RLC's land contribution is limited to Phase I and to the adjacent properties owned by HLPDC, FLI or its affiliates.

Joint Venture with Shang Properties, Inc.
On November 13, 2017, the Parent Company's BOD approved the agreement with Shang Properties, Inc. (SPI) to form a joint venture corporation (JVC). Both RLC and SPI shall each own 50% of the outstanding shares in the JVC to be formed.

RLC and SPI, through the JVC, shall build and develop a property situated at McKinley Parkway corner 5th Avenue and 21st Drive at Bonifacio Global City, Taguig, Metro Manila. The project is intended to be a mixed-use development and may include residential condominium units, serviced apartments and commercial retail outlets. The JVC also plans to pursue other development projects. The joint venture agreement between RLC and SPI is subject to approval by the Philippine Competition Commission ("PCC"). RLC received official notice of such approval by the PCC on March 22, 2018.

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, comprise of loans payable, deposit from lessees, receivables from affiliated companies, payables to affiliated companies, utilities deposits, receivables and cash and cash equivalents. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks currently arising from the Group's financial instruments are foreign currency market risk, liquidity risk, interest rate risk and credit risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below, together with the related risk management structure.

Risk Management Structure

The Group's risk management structure is closely aligned with that of the Parent Company. The BOD of the Parent Company and the respective BODs of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks.

The risk management framework encompasses environmental scanning, the identification and assessment of business risks, development of risk management strategies, design and implementation of risk management capabilities and appropriate responses, monitoring risks and risk management performance, and identification of areas and opportunities for improvement in the risk management process.

Each BOD has created the board-level Audit Committee (AC) to spearhead the managing and monitoring of risks.

Audit Committee

The AC shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.

The AC also aims to ensure that:

a. financial reports comply with established internal policies and procedures, pertinent accounting and audit standards and other regulatory requirements;
b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management;
c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and
d. the Group's BOD is properly assisted in the development of policies that would enhance the risk management and control systems.

Enterprise Risk Management Group (ERMG)

To systematize the risk management within the Group, the ERMG was created to be primarily responsible for the execution of the enterprise risk management framework. The ERMG's main concerns include:

a. recommending risk policies, strategies, principles, framework and limits;
b. managing fundamental risk issues and monitoring of relevant risk decisions;
c. providing support to management in implementing the risk policies and strategies; and
d. developing a risk awareness program.

Support groups have likewise been created to explicitly manage on a day-to-day basis specific types of risks like trade receivables, supplier management, etc.

Compliance with the principles of good corporate governance is also one of the objectives of the BOD. To assist the BOD in achieving this purpose, the BOD has designated a Compliance Officer who shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

Risk Management Policies
The main risks arising from the use of financial instruments are foreign currency risk, liquidity risk, interest rate risk and credit risk. The Group's policies for managing the aforementioned risks are summarized below.

Market risk
Foreign Currency Risk
Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from financial instruments that are denominated in United States Dollar (USD) which result primarily from movement of the Philippine Peso (PHP) against the USD.

The Group does not have any foreign currency hedging arrangements.

The table below summarizes the Group's exposure to foreign currency risk:

	December 31, 2017		December 31, 2016	
Assets				
Cash and cash equivalents	**$1,204,233**	**₱60,115,324**	$9,636,066	₱479,105,183
Liabilities				
Accounts payable and accrued expenses	**442,277**	**22,078,499**	359,358	17,867,294
Net foreign currency-denominated assets	**$761,956**	**₱38,036,825**	$9,276,708	₱461,237,889

	December 31, 2017		December 31, 2016	
Assets				
Cash and cash equivalents	**RMB88,379,546**	**₱675,219,731**	RMB48,014,509	₱343,783,884
Liabilities				
Accounts payable and accrued expenses	**33,926,080**	**259,195,249**	568,069	4,067,374
Loans payable	**110,000,000**	**840,263,710**	–	–
Net foreign currency-denominated assets	**(RMB55,546,534)**	**(₱424,239,228)**	RMB47,446,440	₱339,716,510

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of December 31, 2017 and 2016 follow:

	December 31, 2017	December 31, 2016
US Dollar - Philippine Peso exchange rate	**₱49.92 to US$1.00**	₱49.72 to US$1.00

	December 31, 2017	December 31, 2016
Chinese Yuan - Philippine Peso exchange rate	**₱7.64 to RMB1.00**	₱7.15 to RMB1.00

The following table sets forth the impact of the range of reasonably possible changes in the USD-PHP exchange rate on the Group's income before income tax for the year ended December 31, 2017 and for the three months ended December 31, 2016.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2017 (One year)	
2.0% PHP appreciation	**(₱760,737)**
2.0% PHP depreciation	**760,737**
December 31, 2016 (Three months)	
2.0% PHP appreciation	(₱9,224,758)
2.0% PHP depreciation	9,224,758

Reasonably Possible Changes in RMB-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2017 (One year)	
2.0% PHP appreciation	**(₱8,487,510)**
2.0% PHP depreciation	**8,487,510**
December 31, 2016 (Three months)	
2.0% PHP appreciation	(₱6,772,268)
2.0% PHP depreciation	6,772,268

Sensitivity to foreign exchange rates is calculated on the Group's foreign currency denominated assets and liabilities, assuming a more likely scenario of foreign exchange rate of USD-PHP that can happen within 12 months after reporting date using the same balances of financial assets and liabilities as of reporting date.

The Group does not expect the impact of the volatility on other currencies to be material.

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2017 and 2016, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant.

	December 31, 2017					
	On Demand	**1 to 3 months**	**4 to 12 months**	**More than 1 year but less than 5 years**	**5 years or more**	**Total**
Loans and receivables						
Cash and cash equivalents	**₱1,379,275,821**	**₱696,178,702**	**₱–**	**₱–**	**₱–**	**₱2,075,454,523**
Receivables						
Trade	**1,074,906,493**	**2,579,540,392**	**1,659,828,584**	**2,577,739,263**	**1,198,209,309**	**9,090,224,041**
Affiliated companies	**23,419,773**	–	–	–	–	**23,419,773**
Others	**24,330,885**	**140,654,800**	**62,377,344**	–	–	**227,363,029**
Other assets						
Utility deposits	**9,989,072**	–	–	**635,179,895**	**239,165,897**	**884,334,864**
Total financial assets	**₱2,511,922,044**	**₱3,416,373,894**	**₱1,722,205,928**	**₱3,212,919,158**	**₱1,437,375,206**	**₱12,300,796,230**
Accounts payable and accrued expenses	**₱2,359,183,403**	**₱4,629,264,792**	**₱4,784,396,768**	**₱2,814,683,963**	**₱1,505,456,413**	**₱16,092,985,339**
Payables to affiliated companies and others (included under Deposits and other current liabilities)	**222,937,926**	–	–	–	–	**222,937,926**
Deposits from lessees	**892,315,691**	**208,108,544**	**1,255,817,284**	**1,454,412,903**	**887,155,680**	**4,697,810,102**
Loans payable and future interest payment	–	**16,237,677,001**	**1,030,191,134**	**11,229,814,365**	**13,479,678,832**	**41,977,361,332**
Other financial liabilities	**₱3,474,437,020**	**₱21,075,050,337**	**₱7,070,405,186**	**₱15,498,911,231**	**₱15,872,290,925**	**₱62,991,094,699**

	December 31, 2016					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Loans and receivables						
Cash and cash equivalents	₱982,439,669	₱453,770,908	₱–	₱–	₱–	₱1,436,210,577
Receivables						
Trade	2,763,718,680	2,806,819,601	1,289,425,923	2,048,122,496	344,263,941	9,252,350,641
Affiliated companies	18,143,162	–	–	–	–	18,143,162
Others	148,109,835	84,334,816	55,545,210	–	–	287,989,861
Other assets						
Utility deposits	8,379,918	–	21,511	237,528,358	378,279,896	624,209,683
Total financial assets	₱3,920,791,264	₱3,344,925,325	₱1,344,992,644	₱2,285,650,854	₱722,543,837	₱11,618,903,924
Accounts payable and accrued expenses	₱4,996,738,689	₱1,230,134,186	₱2,033,161,058	₱363,206,540	₱1,911,646,826	₱10,534,887,299
Payables to affiliated companies and others (included under Deposits and other current liabilities)	169,067,194	–	–	–	–	169,067,194
Deposits from lessees	525,132,237	248,624,698	1,066,733,806	1,476,918,169	716,049,056	4,033,457,966
Loans payable and future interest payment	–	1,018,927,843	1,887,748,048	16,932,854,290	16,926,883,572	36,766,413,753
Other financial liabilities	₱5,690,938,120	₱2,497,686,727	₱4,987,642,912	₱18,772,978,999	₱19,554,579,454	₱51,503,826,212

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both onshore and offshore.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligation with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts, whenever it's advantageous to the Group. As of December 31, 2016 and September 30, 2016, 100% of the Group's loans payable are at a fixed rate of interest.

The Group has no financial instruments with variable interest rates exposed to interest rate risk as of December 31, 2017 and 2016.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.
In addition, receivable balances are monitored on an ongoing basis. These measures result in the Group's exposure to impairment loss as not significant.

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2017 and 2016 without considering the effects of collaterals and other credit risk mitigation techniques:

	2017	2016
Cash and cash equivalents (net of cash on hand)	**₱2,049,551,271**	₱1,409,762,215
Receivables - net		
Trade receivables		
Installment contract receivable	**7,253,408,707**	7,826,804,227
Rental receivables	**780,058,256**	531,053,637
Accrued rent receivable	**886,325,031**	695,135,421
Hotel operations	**170,432,047**	199,357,356
Affiliated companies	**23,419,773**	18,143,162
Other receivables	**227,363,029**	287,989,861
Other assets		
Utility deposits	**884,334,864**	624,209,683
	₱12,274,892,978	₱11,592,455,562

The credit risk on installment contracts receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risks.

c. Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as of December 31, 2017 and 2016, gross of allowance for credit and impairment losses:

	December 31, 2017				
	Neither Past Due Nor Impaired			Past Due or	
	High Grade	Standard Grade	Substandard Grade	Individually Impaired	Total
Loans and receivables					
Cash and cash equivalents	**₱2,049,551,271**	**₱–**	**₱–**	**₱–**	**₱2,049,551,271**
Receivables:					
Trade receivables					
Installment contract receivables	**6,855,942,934**	**–**	**–**	**416,465,773**	**7,272,408,707**
Rental receivables	**197,449,461**	**–**	**–**	**596,513,822**	**793,963,283**
Accrued rent receivables	**886,325,031**	**–**	**–**	**–**	**886,325,031**
Hotel operations	**75,600,122**	**–**	**–**	**109,603,499**	**185,203,621**
Affiliated companies	**23,419,773**	**–**	**–**	**–**	**23,419,773**
Other receivables	**227,363,029**	**–**	**–**	**–**	**227,363,029**
Other assets					
Utility deposits	**884,334,864**	**–**	**–**	**–**	**884,334,864**
	₱11,199,986,485	**₱–**	**₱–**	**₱1,122,583,094**	**₱12,322,569,579**

	December 31, 2016				
	Neither Past Due Nor Impaired			Past Due or	
	High Grade	Standard Grade	Substandard Grade	Individually Impaired	Total
Loans and receivables					
Cash and cash equivalents	₱1,409,762,215	₱–	₱–	₱–	₱1,409,762,215
Receivables:					
Trade receivables					
Installment contract receivables	5,546,424,970	–	–	2,299,379,257	7,845,804,227
Rental receivables	163,210,174	–	–	381,748,490	544,958,664
Accrued rent receivables	695,135,421	–	–	–	695,135,421
Hotel operations	37,018,334	–	–	177,110,596	214,128,930
Affiliated companies	18,143,162	–	–	–	18,143,162
Other receivables	287,989,861	–	–	–	287,989,861
Other assets					
Utility deposits	624,209,683	–	–	–	624,209,683
	₱8,781,893,820	₱–	₱–	₱2,858,238,343	₱11,640,132,163

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in foreign and local banks belonging to the top ten (10) banks, including an affiliate bank, in the Philippines in terms of resources, profitability and credit standing.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Receivable from installment contract receivables are considered high grade as title of the real estate property of the subject receivable passes to the buyer once fully paid. Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up actions and extended payment terms.

d. Impairment assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors, either singly or in tandem with other factors, constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The two methodologies applied by the Group in assessing and measuring impairment include: (1) specific/individual assessment and (2) collective assessment.

Under specific/individual assessment, the Group assesses each individually significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Group when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and (f) the existing realizable value of collateral. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent evidence or not yet objective of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment.

32. Financial Instruments

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, utility deposits, receivable and payable to affiliated companies and accounts payable and accrued expenses are approximately equal to their fair value due to the short-term nature of the transaction.

Set out below is a comparison of carrying amounts and fair values of installment contracts receivables, deposits from lessees and loans payable that are carried in the consolidated financial statements.

	December 31, 2017		December 31, 2016	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable	**₱7,253,408,707**	**₱6,693,558,292**	₱7,826,804,227	₱7,503,592,251
Deposits from lessees	**4,697,810,102**	**4,272,486,127**	4,033,457,966	3,695,852,197
Loans payable	**51,354,562,154**	**41,977,361,332**	39,371,477,678	52,776,413,753

The fair values of installment contract receivables, customers' deposits and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date. The discount rates used range from 3.0% to 4.7% as of December 31, 2017 and 2.5% to 4.7% as of December 31, 2016.

Fair Value Hierarchy
The Group uses the following hierarchy for determining the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of installment contracts receivables, deposits from lessees and loans payable disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy. There has been no reclassification from Level 1 to Level 2 or 3 category.

33. Registration with the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA)

Certain operations of the Group are registered with the BOI and PEZA as preferred pioneer and non-pioneer activities. As registered enterprises, these consolidated subsidiaries are subject to some requirements and are entitled to certain tax and non-tax incentives which are considered in the computation of the provision for income tax.

Go Hotel, Dumaguete
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Dumaguete)" on a Non-Pioneer status at a capacity of one hundred two (102) rooms, under Certificate of Registration No. 2012-020 dated February 1, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Bacolod
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Bacolod)" on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-039 dated March 13, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to July 2016.

Go Hotel, Palawan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Palawan)" on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-017 dated January 25, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel- Go Hotel, Tacloban)" on a Non-Pioneer status at a capacity of ninety eight (98) rooms, under Certificate of Registration No. 2011-250 dated November 23, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2012 to April 2016.

Go Hotel, Iloilo
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iloilo)” on a Non-Pioneer status at a capacity of one hundred sixty seven (167) rooms, under Certificate of Registration No. 2014-016 dated January 29, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from January 2014 to December 2017.

Go Hotel, Butuan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Butuan)” on a Non-Pioneer status at a capacity of one hundred four (104) rooms, under Certificate of Registration No. 2014-214 dated December 5, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2015 to December 2019.

Azalea Place, Gorordo Avenue,Cebu City
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of three hundred eight (308) units, under Certificate of Registration No. 2011-203 dated September 15, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to June 2016.

The Pearl Place - Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of six hundred twenty five (625) units, under Certificate of Registration No. 2012-008 dated January 11, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2013 to September 2016.

Escalades East Tower
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of two hundred twenty six (226) units, under Certificate of Registration No. 2014-197 dated November 6, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 6, 2014 to November 5, 2017.

Axis Residences (Phase 1)-Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of four hundred fifty six (456) units, under Certificate of Registration No. 2015-048 dated February 26, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from February 27, 2015 to February 26, 2018.

The Pearl Place - Tower B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of four hundred forty six (446) units, under Certificate of Registration No. 2016-159 dated August 3, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2016 to October 2019.

Go Hotels Davao, Inc.
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Go Hotels Lanang - Davao City)" on a Non-Pioneer status at a capacity of one hundred eighty three (183) rooms, under Certificate of Registration No. 2015-266 dated December 3, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2016 to December 2019.

Summit Hotel Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Summit Hotel Tacloban)" on a Non-Pioneer status at a capacity of one hundred thirty eight (138) rooms, under Certificate of Registration No. 2017-236 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

Go Hotel, Iligan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iligan)" on a Non-Pioneer status at a capacity of one hundred (100) rooms, under Certificate of Registration No. 2017-235 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

Robinsons Cyberpark
The Group is also registered with PEZA (beginning October 1, 2004) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 68,596 square meters of land located at EDSA corner Pioneer Street, Mandaluyong City as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Center
The Group is also registered with PEZA (beginning February 8, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 11,125 square meters of land located at Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental as an IT Park to be known as The Robinsons Cybergate Center. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Place Lipa
The Group is also registered with PEZA (beginning November 3, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 65,399 square meters of land located at JP Laurel Highway, Mataas na Lupa, Lipa City, Batangas as an IT Park to be known as The Robinsons Place Lipa. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Big Supercenter Cainta Junction
The Group is also registered with PEZA (beginning October 28, 2005) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 19,522 square meters of land located at Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Luisita
The Group is also registered with PEZA (beginning January 5, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 16-694 dated December 9, 2016, for the construction of an additional floor area of 6,306 square meters, more or less, for annexation to the existing Robinsons Luisita IT Center located along McArthur Highway, San Miguel, Tarlac City. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Naga
The Group is also registered with PEZA (beginning May 12, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 15-715 dated December 17, 2015, for creating and designating a building, which stands on a 24,807-square meter, more or less, lot located at Naga Diversion Road corner Almeda Highway, Brangay Triangulo, Naga City as an IT Center, to be known as Robinsons Cybergate Naga. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cyberpark Davao
The Group is also registered with PEZA (beginning October 3, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 16-377 dated June 28, 2016, for creating and designating 12,022 square meters, more or less, of land located along J.P. Laurel Avenue, Davao City as an IT Park, to be known as Robinsons Cyberpark Davao. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

34. **Commitments and Contingencies**

Operating Lease Commitments - Group as Lessee
The Group entered into long-term operating leases of land with lease terms ranging from 25 to 50 years. Total rent expense amounted to ₱52 million, ₱44 million and ₱180 million for the year ended December 31, 2017, three months ended December 31, 2016 and for the year ended September 30, 2016, respectively. There is no contingent rent. Future minimum rentals payable under noncancellable operating leases are as follows:

	December 31	
	2017	2016
Within one (1) year	**₱92,616,575**	₱90,562,798
After one (1) year but not more than five (5) years	**414,556,934**	409,341,139
After more than five (5) years	**5,823,064,725**	6,361,372,798
	₱6,330,238,234	₱6,861,276,735

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. These noncancellable leases have remaining noncancellable lease terms of between 1 and 10 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent, which is a certain percentage of actual monthly sales or minimum monthly gross sales, whichever is higher. Total rent income amounted to ₱11,582 million, ₱2,718 million and ₱10,556 million for the three months ended December 31, 2016 and for the year ended September 30, 2016, respectively. Total percentage rent recognized as income for the year ended December 31, 2017, three months ended December 31, 2016 and for the year ended September 30, 2016 amounted to ₱3,067 million, ₱751 million and ₱2,786 million, respectively.

Future minimum rentals receivable under noncancellable operating leases follows:

	December 31	
	2017	2016
Within one (1) year	**₱6,263,952,404**	₱4,891,806,395
After one (1) year but not more than five (5) years	**8,250,489,462**	8,787,588,215
After more than five (5) years	**923,369,939**	972,507,337
	₱15,437,811,805	₱14,651,901,947

Finance Lease Commitments - Group as Lessor
The Group has significantly entered into residential property leases on its residential condominium unit's portfolio. These leases have lease period of 5 to 10 years and the lessee is given the right to purchase the property anytime within the lease period provided that the lessee any arrears in rental payment, condominium dues and other charges.

Future minimum lease payments under finance lease with the present value of future minimum lease payment as of December 31, 2017 and 2016 follow:

	December 31, 2017	
	Minimum Lease Payments	**Present Value of Minimum Lease Payments**
Within one (1) year	**₱311,429,745**	**₱302,265,068**
After one (1) year but not more than five (5) years	**270,312,270**	**238,254,749**
After more than five (5) years	**72,498,624**	**57,502,961**
Total minimum lease payments	**₱654,240,639**	**₱598,022,778**

	December 31, 2016	
	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one (1) year	₱1,760,245,659	₱1,718,117,420
After one (1) year but not more than five (5) years	536,379,175	483,544,977
After more than five (5) years	6,878,911	5,456,359
Total minimum lease payments	₱2,303,503,745	₱2,207,118,756

Capital Commitments
The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱15,742 million and ₱12,706 million as of December 31, 2017 and 2016, respectively. Moreover, the Group has contractual obligations amounting to ₱1,411 million and ₱979 million as of December 31, 2017 and 2016, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies
The Group has various collection cases or claims against or from its customers and certain tax assessments, arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The Group does not believe that such assessments will have a material effect on its operating results and financial condition. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments.

35. Notes to the Consolidated Statements of Cash Flows

Noncash investing activities pertain to the following:

- Transfers from subdivision land, condominium and residential units for sale to investment properties amounting to ₱1,017 million for the year ended December 31, 2017;
- Transfers from other current assets to investment properties amounting to ₱758 million and ₱110 million or the year ended December 31, 2017 and 2016, respectively;
- Transfers from other current assets to property and equipment amounting to ₱532 million for the three months ended December 31, 2016;
- Transfers from subdivision land, condominium and residential units for sale to property and equipment amounting to ₱38 million ₱50 million for the years ended December 31, 2017 and 2016, respectively.
- Transfers from investment properties to property and equipment amounting to ₱43 million for the year ended December 31, 2016;

- Transfers from investment properties to subdivision land, condominium and residential units for sale amounting to ₱113 million for the year ended December 31, 2016.

Details of the movement in cash flows from financing activities follow:

			Non-cash Changes			
	January 1, 2017	Cash flows	Foreign exchange movement	Changes on fair values	Other	December 31, 2017
Loans payable	₱23,361,477,678	₱12,272,763,710	₱–	₱–	₱26,920,766	₱35,661,162,154
Short term loans	16,010,000,000	(316,600,000)	–	–	–	15,693,400,000
Advances for marketing and promotional fund and others	448,744,666	(2,929,317)	–	–	–	445,815,349
Accrued interest payable	356,881,319	(764,240,887)	–	–	778,194,869	370,835,301
Payables to affiliated companies and others	169,067,194	53,870,732	–	–	–	222,937,926
Dividends payable	16,021,302	(1,448,810,138)	–	–	1,473,779,046	40,990,210
Total liabilities from financing activities	₱40,362,192,159	₱9,794,054,100	₱–	₱–	₱2,278,894,681	₱52,435,140,940

Other includes amortization of debt issue cost, declaration of dividends and accrual of interest expense on loans.

36. Events After the Reporting Period

Approval of cash dividends
The Board of Directors (BOD) of the Company approved on April 6, 2018 the declaration of a cash dividend in the amount of Thirty Six Centavos (P0.36) per share from the unrestricted earnings of the Company as of December 31, 2017, to all stockholders of record as of April 26, 2018 and payable on May 23, 2018.

Subsequent payment of accounts payable to JGSHI
In March 2018, in accordance with the terms of payment per Amendments to Section 3 of the Deed of Absolute Sale between JG Summit Holdings, Inc. and RLC, RLC made a payment to JGSHI amounting to ₱2.6 billion for the land purchased from JGSHI.

Stock rights offering
On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the Offer to finance the acquisition of land located in various parts of the country for all its business segments.

The Company has obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the offer was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date – January 24, 2018
- Ex-date – January 26, 2018
- Record date – January 31, 2018
- Offer period – February 2 to 8, 2018
- Listing date – February 15, 2018

The Company has successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

SGV
Building a better working world

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BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at December 31, 2017 and 2016 and for the year ended December 31, 2017, three months ended December 31, 2016 and year ended September 30, 2016 and have issued our report thereon dated April 6, 2018. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-3 (Group A),
March 16, 2017, valid until March 15, 2020
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-73-2018,
February 26, 2018, valid until February 25, 2021
PTR No. 6621321, January 9, 2018, Makati City

April 6, 2018

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

DECEMBER 31, 2017

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

The Group does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as of December 31, 2017.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

The Group does not have Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties) above ₱100,000 as of December 31, 2017.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2017:

	Volume of Transactions		Receivable	Terms
Robinsons Properties Marketing and Management Corporation (RPMMC)	Share in expenses	₱130,056,004	₱213,111,879	Non-interest bearing and to be settled within one year
Altus Angeles, Inc. (AAI)	Advances	(7,521)	55,583,238	Non-interest bearing and to be settled within one year
Altus San Nicolas Corp (ASNC)	Share in expenses	12,788,039	23,790,258	Non-interest bearing and to be settled within one year
	Purchase of investment property	855,097,668	309,890,410	Non-interest bearing and to be settled within one year
Lingkod Pinoy Bus Liner, Inc. (LPBL)	Share in expenses	(2,912,762)	49,727,238	Non-interest bearing and to be settled within one year
GoHotels Davao, Inc. (GHDI)	Share in expenses	(10,114,317)	467,859	Non-interest bearing and to be settled within one year
Robinsons Realty and Management Corporation (RRMC)	Share in Expenses	17,089	606,182	Non-interest bearing and to be settled within one year
RLC Resources Limited (RLCRL)	Advances	–	1,126,732	Non-interest bearing and to be settled within one year
		₱984,924,200	₱654,303,796	

	Balance at beginning of period	Additions	Collections	Balance at end of period
RPMMC	₱83,055,875	₱130,056,004	₱–	₱213,111,879
AAI	55,590,759	–	(7,521)	55,583,238
ASNC	353,227,212	–	(19,546,544)	333,680,668
LPBL	52,640,000	–	(2,912,762)	49,727,238
GHDI	10,582,176	–	(10,114,317)	467,859
RRMC	589,093	17,089	–	606,182
RLCRL	1,126,732	–	–	1,126,732
	₱556,811,847	₱130,073,093	(₱32,581,144)	₱654,303,796

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses, marketing fees and advances for cost of equipment. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

Related Party Transactions
Due from related parties
Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of December 31, 2017:

	Relationship	Nature	Balance at end of period
Robinsons Recreation Corporation	Under common control	B	₱11,334,271
Universal Robina Corporation	Under common control	A	2,608,075
JG Summit Capital Markets Corporation	Under common control	A	1,520,227
Robinsons Savings Bank	Under common control	A	4,523,038
Express Holdings, Inc.	Under common control	A	973,513
Oriental Petroleum & Mining Corp.	Under common control	A	754,095
Robinsons Pharmacies, Inc.	Under common control	A	586,618
Others	Under common control	A, B	1,119,936
			₱23,419,773

Other receivables from affiliates account consist primarily of receivables from Robinsons Handyman, Inc., Cebu Pacific and other affiliates.
Nature of intercompany transactions
The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group’s related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements.

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2017.

Schedule D. Intangible Assets
The Group does not have intangible assets as of December 31, 2017.

Schedule E. Long-term debt

Below is the schedule of long-term debt of the Group as of December 31, 2017:

	Amount	Current	Noncurrent
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	₱10,635,500,000	₱–	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears.	7,000,000,000	–	7,000,000,000
Five-year term bonds from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	6,500,000,000	–	6,500,000,000
Seven-year term bonds from BPI maturing on August 10, 2023. Principal payable upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	4,990,000,000	–	4,990,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears.	4,500,000,000	–	4,500,000,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	1,364,500,000	–	1,364,500,000
Five-year loan maturing in August 2022. Principal of RMB60 million payable upon maturity, with fixed rate at 4.7500%.	458,325,660	–	458,325,660
Three-year loan maturing in December 2019. Principal of RMB50 million payable upon maturity, with fixed rate at 4.7500%.	381,938,050	–	381,938,050
	₱35,830,263,710	₱–	₱35,830,263,710

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)

Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of December 31, 2017:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Westpoint Industrial Mills	Under common control	A	₱22,753,985	₱22,753,985
JG Summit Holdings, Inc.	Parent	A, C	103,525,283	4,998,331,125
Others	Under common control	A, B	2,933,017	7,434,103
			₱129,212,285	₱5,028,519,213

Others consist primarily of payables to Robinsons, Inc. and Robinsons Appliances.

Due to JG Summit Holdings, Inc. mainly due to the advances made during the period for purchase of investment properties.

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.

(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements

(c) Management and marketing fee

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2017.

Schedule G. Guarantees of Securities of Other Issuers

The Group does not have guarantees of securities of other issuers as of December 31, 2017.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption*	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	8,200,000,000	4,093,830,685	–	2,496,114,787	17,884,982	1,579,830,916

**Note: Exclusive of 17,698,000 treasury shares*

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

RECONCILIATION OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2017

Unappropriated Retained Earnings, beginning	**₱21,495,099,516**
Adjustments:	
Other unrealized expense as a result of transactions accounted for under PFRS:	
Straight line adjustment for rental expense (PAS 17)	1,577,720,784
Discounting effect on installment contract receivable (PAS 39)	618,910,869
Straight line adjustment rental income (PAS 17)	(692,363,819)
Discounting effect on security deposits (PAS 39)	2,688,235
Unappropriated Retained Earnings as adjusted, beginning	23,002,055,585
Net income actually earned/realized during the year	
Net income during the year closed to Retained Earnings	5,443,306,988
Less: Non-actual/unrealized income, net of tax	
Equity in net income of associate/joint venture	
Unrealized foreign exchange gain - net	
Unrealized actuarial gain	
Fair value adjustment (M2M gains)	
Fair value adjustment of Investment Property resulting to gain	
Adjustment due to deviation from PFRS/GAAP - gain	
Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	
Straight line adjustment for rental expense (PAS 17)	(38,370,562)
Discounting effect on installment contract receivable (PAS 39)	252,157,429
Straight line adjustment rental income (PAS 17)	(190,891,173)
Discounting effect on security deposits (PAS 39)	(3,457,571)
Add: Non-actual losses	
Movements in deferred tax assets	
Depreciation on revaluation increment (after tax)	
Adjustment due to deviation from PFRS/GAAP - loss	
Loss on fair value adjustment of investment property (after tax)	
	5,462,745,111
Less: Cash dividend declaration during the year	(1,473,779,046)
Reversal of appropriation	16,000,000,000
Additional appropriation during the year	(24,500,000,000)
Total Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2017	**₱18,491,021,650**

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS DECEMBER 31, 2017

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional schedule requirements for large entities showing a list of all effective standards and interpretations under Philippine Financial Reporting Standards (PFRS).

Below is the list of all effective PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of December 31, 2017:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of December 31, 2017**		**Adopted**	**Not Adopted**	**Not Applicable**
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics				
PFRSs Practice Statement Management Commentary				
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			
	Amendments to PFRS 1: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			
	Amendments to PFRS 1: Government Loans			
	Amendments to PFRS 1:Borrowing Cost			
	Amendments to PFRS 1:Meaning of “Effective PFRS”			
PFRS 2	Share-based Payment			
	Amendments to PFRS 2: Vesting Conditions and Cancellations			
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			
	Definition of Vesting Condition			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PFRS 3	Business Combinations			
	Accounting for Contingent Consideration in a Business Combination			
	Scope Exceptions for Joint Arrangements			
PFRS 4	Insurance Contracts			
	Amendments to PFRS 4: Financial Guarantee Contracts			
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			
	Changes in Methods of Disposal			
PFRS 6	Exploration for and Evaluation of Mineral Resources			
PFRS 7	Financial Instruments: Disclosures			
	Servicing Contracts			
	Amendments to PFRS 7: Reclassification of Financial Assets			
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments			
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			
	Amendments to PFRS 7: Hedge Accounting (2013 version)			
PFRS 8	Operating Segments			
	Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			
PFRS 9	Financial Instruments			
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures			
	Financial Instruments: Classification and Measurement (2010 version)			
	Amendments to PFRS 9: Hedge Accounting (2013 version)			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PFRS 10	Consolidated Financial Statements			
	Amendments to PFRS 10: Investment Entities			
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			
PFRS 11	Joint Arrangements			
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			
PFRS 12	Disclosure of Interests in Other Entities			
	Amendments to PFRS 12: Investment Entities			
PFRS 13	Fair Value Measurement			
	Amendments to PFRS 13:Short Term Receivable and Payable			
	Portfolio Exception			
PFRS 14	Regulatory Deferral Accounts			
PFRS 16	Leases			
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements			
	Amendment to PAS 1: Capital Disclosures			
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income			
	Amendments to PAS 1:Clarification of the Requirements for Comparative Information			
	Amendments to PAS 1: Presentation of financial statements - disclosure initiative			
PAS 2	Inventories			
PAS 7	Statement of Cash Flows			
	Amendments to PAS 7: Disclosure Initiative			
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors			
PAS 10	Events after the Reporting Date			
PAS 11	Construction Contracts			
PAS 12	Income Taxes			
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			
	Amendment to PAS 12 - Recognition of Deferred Tax			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
	Assets for Unrealized Losses			
PAS 16	Property, Plant and Equipment			
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization			
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization			
	Amendments to PAS 16: Bearer Plants			
PAS 17	Leases			
PAS 18	Revenue			
PAS 19	Employee Benefits			
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			
	Regional Market Issue Regarding Discount Rate			
	Amendments to PAS 19:Defined Benefit Plan: Employee Contributions			
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			
PAS 21	The Effects of Changes in Foreign Exchange Rates			
	Amendment: Net Investment in a Foreign Operation			
PAS 23 (Revised)	Borrowing Costs			
PAS 24	Related Party Disclosures - Key Management Personnel			
	Related Party Disclosures - Key Management Personnel (Amended)			
PAS 26	Accounting and Reporting by Retirement Benefit Plans			
PAS 27	Separate Financial Statements			
	Amendments to PAS 27: Equity Method in Separate Financial Statements			
	Amendments to PAS 27: Investment Entities			
	Amendments to PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			
	Amendments to PAS 27: Equity Method in Separate Financial Statements			
PAS 28	Investments in Associates and Joint Ventures			
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			
	Amendments to PAS 28: Investment Entities			
PAS 29	Financial Reporting in Hyperinflationary Economies			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Disclosure and Presentation			
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			
	Amendment to PAS 32: Classification of Rights Issues			
	Amendment to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			
PAS 33	Earnings per Share			
PAS 34	Interim Financial Reporting			
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities			
	Disclosure of Information 'Elsewhere in the Interim Financial Report'			
PAS 36	Impairment of Assets			
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets			
PAS 37	Provisions, Contingent Liabilities and Contingent Assets			
PAS 38	Intangible Assets			
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization			
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			
PAS 39	Financial Instruments: Recognition and Measurement			
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			
	Amendments to PAS 39: The Fair Value Option			
	Amendments to PAS 39: Financial Guarantee Contracts			
	Amendments to PAS 39: Reclassification of Financial Assets			
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition			
	Amendments to PAS 39: Embedded Derivatives			
	Amendment to PAS 39: Eligible Hedged Items			
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of September 30, 2016**		**Adopted**	**Not Adopted**	**Not Applicable**
PAS 40	Investment Property			
	Amendments to PAS 40: Clarification on Ancillary Services			
PAS 41	Agriculture			
	Amendments to PAS 41: Bearer Plants			
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*			
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			·
IFRIC 8	*Scope of PFRS 2*			·
IFRIC 9	Reassessment of Embedded Derivatives			·
	Amendments to Philippine Interpretation IFRIC 9: Embedded Derivatives			·
IFRIC 10	*Interim Financial Reporting and Impairment*			·
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			·
IFRIC 12	Service Concession Arrangements			·
IFRIC 13	Customer Loyalty Programmes			·
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			
	Amendments to Philippine Interpretations IFRIC 14, Prepayments of a Minimum Funding Requirement			
IFRIC 15	Agreements for the Construction of Real Estate			
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			
IFRIC 17	Distributions of Non-cash Assets to Owners			
IFRIC 18	Transfers of Assets from Customers			
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			
IFRIC 21	Levies			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
SIC-10	Government Assistance - No Specific Relation to Operating Activities			
SIC-12	Consolidation - Special Purpose Entities			
	Amendment to SIC - 12: Scope of SIC 12			
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			
SIC-15	Operating Leases - Incentives			
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			
SIC-29	Service Concession Arrangements: Disclosures.			
SIC-31	Revenue - Barter Transactions Involving Advertising Services			
SIC-32	Intangible Assets - Web Site Costs			

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers* (effective January 1, 2018)

Standards tagged as “Not Applicable” have been adopted by the Group but have no significant covered transactions for the year ended December 31, 2017.

Standards tagged as “Not adopted” are standards issued but not yet effective as of December 31, 2017. The Group will adopt the Standards and Interpretations when these become effective.

Financial Soundness Indicator

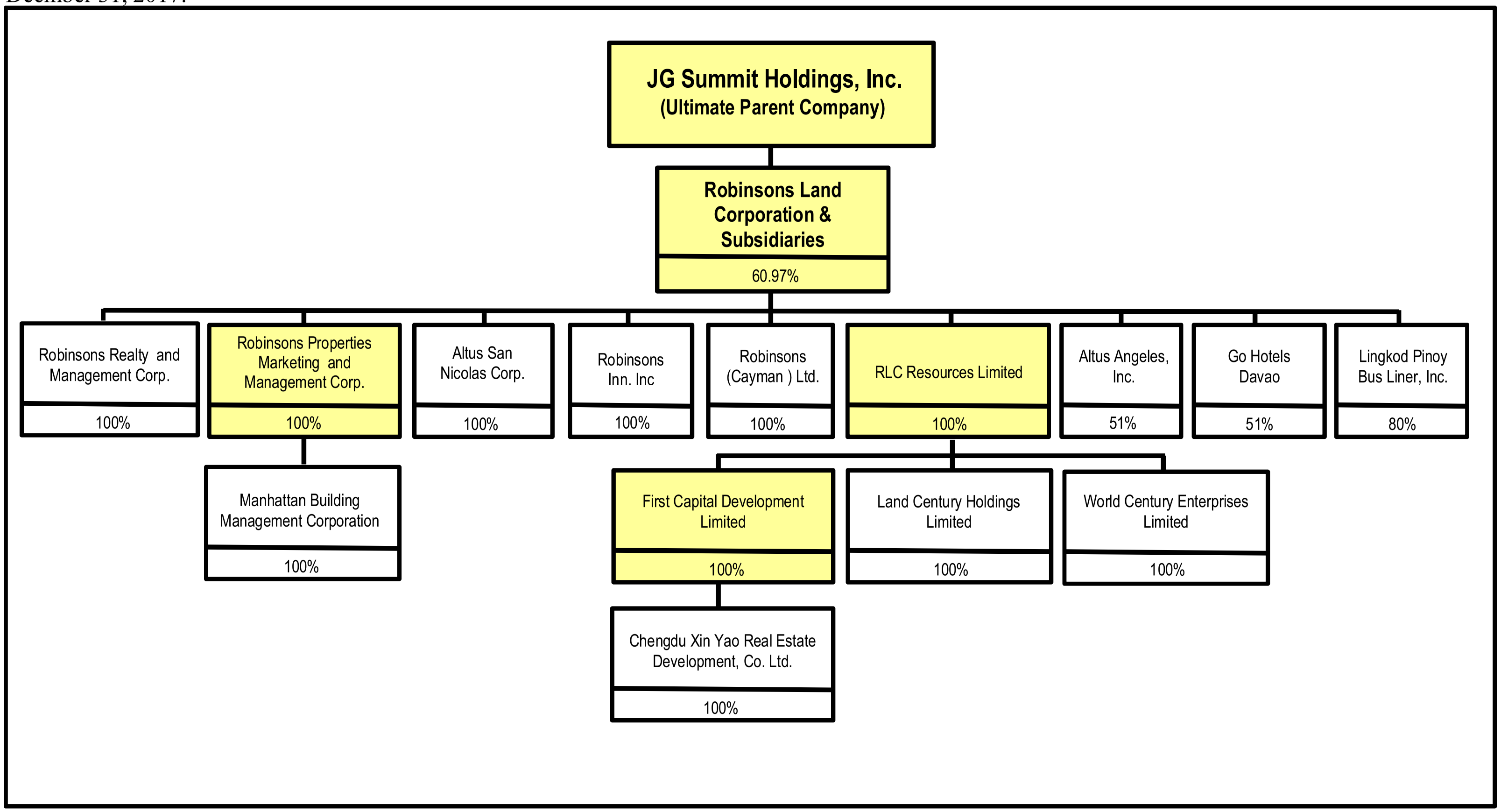
Below are the financial ratios that are relevant to the Group for the year ended December 31, 2017 and 2016:

Financial ratios		2017	2016
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	16.39	15.29
Current ratio	Total Current Assets / Total Current Liabilities	1.21	1.34
Debt to equity ratio	Total Loans Payable / Total Equity attributable to equity holders of the Parent Company	0.77	0.63
Asset to equity ratio	Total Assets / Total Equity	2.20	1.98

Financial ratios		2017 (One Year)	December 31, 2016 (Three Months)	September 30, 2016 (One Year)
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	1.44	0.31	1.50
Interest coverage ratio	EBIT / Interest expense	4.72	5.41	6.06
Operating margin ratio	Operating income (EBIT) / Revenue	0.38	0.35	0.38

Map of the Relationships of the Company within the Group

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of Decmber 31, 2017:



INDEX TO EXHIBITS

Form 17-A

∗ These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has nine subsidiaries as of December 31, 2017:

SUBSIDIARY	BUSINESS	% OWNERSHIP DIRECT	% OWNERSHIP EFFECTIVE	COUNTRY OF INC. OR RESIDENCE
Robinson's Inn, Inc. [1]	Apartelle Operation	100	-	Philippines
Robinsons Realty and Management Corporation	Property development	100	-	Philippines
Robinsons (Cayman) Limited .	Property development	100	-	Cayman Islands
Robinsons Properties Marketing and Management Corporation	Marketing of office and residential units	100	-	Philippines
Altus Angeles, Inc.	Property management	51	-	Philippines
Altus San Nicolas Corp.	Property management	100	-	Philippines
GoHotels Davao, Inc.	Hotel Operation	51	-	Philippines
RLC Resources Ltd.	Property management	100	-	British Virgin Islands
Lingkod Pinoy Bus Liner, Inc.	Land Transportation	80	-	Philippines

[1] *Closed operations effective August 31, 2007*

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9	3	2	6	9	-	A				

Company Name

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town/Province)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
N/A	**397-1888**	**N/A**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,086	**Second Wednesday of March**	**9/30**

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Cecilia M. Pascual	**cecille.pascual@robinsonsland.com**	**397-1888**	**N/A**

Contact Person's Address

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

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

SEC Number 93269-A
File Number ____________

ROBINSONS LAND CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue,
Quezon City, Metro Manila

(Company's Address)

3971-888

(Telephone Number)

SEPTEMBER 30

(Fiscal Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

Amendment Designation (if applicable)

September 30, 2016

Period Ended Date

CN 000452-R-Listed

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended : **September 30, 2016**

2. SEC Identification Number : **93269-A**

3. BIR Tax Identification No. **000-361-376-000**

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

SEC
Electronic Records Management Division
ICTD
JAN 13 2017
BY:
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

5. **Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila**
   Address of principal office — Postal Code

8. **3971-888**
   Issuer's telephone number, including area code

9. **N.A** ....
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	4,093,830,685 shares
Registered bonds payable	₱ 12,000,000,000.00

11. Are any or all of these securities listed on a Stock Exchange.

    Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱40,606,152,041.20**

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines and has six wholly-owned consolidated subsidiaries and two 51%-owned companies.

The Company's principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The Group has 2,069 and 1,898 employees as of September 30, 2016 and 2015, respectively.

RLC is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls and hotels, and the development of mixed-use properties, office and residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an "investment" component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings and hotels) and a "development" component, in which RLC develops residential real estate projects for sale (principally residential condominiums, upper-middle to high-end residential developments and low-and-middle-cost lots and houses in its subdivision developments).

RLC's operations are divided into its four business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of September 30, 2016, RLC operated 44 shopping malls, comprising nine (9) malls in Metro Manila and thirty five (35) malls in other urban areas throughout the Philippines, and had another seven (7) new malls and three (3) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of September 30, 2016, RLC's Residential Division had completed 79 residential condominium buildings/towers/housing projects, 27 ongoing, of which two (2) projects are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of September 30, 2016, this division has completed thirteen (13) office developments, located in Metro Manila, Cebu City and Ilocos. These office projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels Division owns and operates hotels in Metro Manila and other urban areas throughout the Philippines. RLC's Hotels Division currently has a portfolio of fifteen (15) hotel properties under the three (3) brand segments, namely Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria both managed by the InterContinental Hotels Group, Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay and Summit Hotel Magnolia which are under the Summit brand, and a network of ten (10) Go Hotels all over the Philippines. Go Hotels is present in Mandaluyong-Manila, Tacloban, Dumaguete, Bacolod, Puerto Princesa, Otis-Manila, Iloilo, Ortigas Center-Manila, Butuan and Lanang-Davao.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.3 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of fiscal year 2016.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into 8,200,000,000 commons shares, with a par value of one peso (₱1) per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

b) Business

RLC has four business divisions – Commercial Centers, Residential, Office Buildings, and Hotels.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱9.96 billion or 45% of RLC's revenues and ₱6.65 billion or 55% of RLC's EBITDA in fiscal year 2016 and ₱9.10 billion or 46% of RLC's revenues and ₱6.13 billion or 57% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱60.03 billion.

During fiscal year 2016, the Commercial Centers Division opened four (4) new malls and expanded one (1) mall, increasing its gross floor area by 17.6%. It currently operates 44 shopping malls, comprising nine (9) malls in Metro Manila and thirty five (35) malls in other urban areas throughout the Philippines, with a gross floor area of approximately 2.397 million square meters.

As of September 30, 2016, RLC had a portfolio of 44 shopping malls:

Name, Location		Fiscal Year opened	Approximate gross floor area
			(in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1991	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1998	241
Robinsons Nova Market	Quirino Highway, Novaliches, Quezon City	2001	66
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2002	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2005	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2008	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2014	17
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2015	59
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	54
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1999	65
Robinsons Place Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2002	79
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa Market	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2003	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96

Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2003	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2004	59
Robinsons Place Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2005	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2009	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2009	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	40
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete	Calindagan Business Park, Dumaguete City	2010	38
Robinsons Ilocos Norte	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2010	20
Robinsons Cybergate Cebu	Don Gil Garcia St., Capitol, Cebu City	2010	20
Robinsons Place Pangasinan	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2014	42
Robinsons Place Malolos	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2014	68
Robinsons Place Roxas	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Robinsons Place Antique	Brgy. Maybato, San Jose, Antique	2015	10
Robinsons Galleria Cebu	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2016	139
Robinsons Place Tagum	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Total			2,397

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be the driver for the Company's growth in the future.

As of fiscal year 2016, the Company had seven (7) new shopping malls and three (3) expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,181 million, ₱1,877 million, and ₱1,630 million in 2016, 2015 and 2014, respectively.

ii. Residential Division

The Residential Division focuses on the construction of residential condominium and subdivision projects. The Division accounted for ₱7.83 billion or 34% of RLC's revenues and ₱2.08 billion or 17% of RLC's EBITDA in fiscal year 2016, and ₱6.62 billion or 34% of RLC's revenues and ₱1.83 billion or 17% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱43.47 billion.

Percentage of realized revenues from foreign sales to total revenues for fiscal years 2016, 2015 and 2014 are 0.24%, 0.59% and 0.63%, respectively. While percentage of realized revenues from foreign sales to net income for fiscal years 2016, 2015 and 2014 are 0.88%, 2.04% and 2.26%, respectively.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

Robinsons Luxuria builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. Currently, there are nine (9) residential condominium buildings/towers under the Luxuria portfolio, of which seven (7) have been completed and two (2) projects are under various stages of development.

Key details of the Company's Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
The Residences at The Westin Manila Sonata Place [1]...........	50	344
Signa Designer Residences Tower 2....................................	28	351
Completed Projects		

Galleria Regency [1] [2]	13	107
AmiSa Private Residences Tower A [1]	14	131
AmiSa Private Residences Tower B [1]	18	155
AmiSa Private Residences Tower C [1]	18	189
Signa Designer Residences Tower 1	29	306
Sonata Private Residences – Building 1 [1]	29	270
Sonata Private Residences – Building 2 [1]	30	271

The Robinsons Luxuria projects are detailed as follows:

1. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

2. ***AmiSa Private Residences Towers A, B and C*** are the first 3 of 6 mid-rise residential condominiums within a mixed-use resort development in Mactan, Cebu.

3. ***Sonata Private Residences – Buildings 1 and 2*** are part of a mixed-use Sonata Place community in Ortigas Center that has been masterplanned to consist of three residential condominiums, and one hotel. RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project in 2016.

4. ***The Residences at The Westin Manila Sonata Place (legal name Sonata Premier)*** is the first Westin-branded Residences in Southeast Asia and the final residential tower in the Sonata Place mixed-use community.

5. ***Signa Designer Residences Towers 1 and 2*** is a joint venture project between Robinsons Land Corporation and Security Land Corporation in Makati CBD. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Residential Condominium in the Philippines.

The Company's Business Plan for its Luxuria Brand is to continue to acquire and launch properties in key central and strategic locations within Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive features and amenities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the Luxuria segment as of September 30, 2016:

[1] *Part of a mixed-used development*
[2] *Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel*

Location	Acquisition Date	Approximate gross land area [3]
		(in hectares)
Fort Bonifacio, Taguig City	March 2007	1.0
Total		1.0

2) ROBINSONS RESIDENCES

Robinsons Residences offers the perfect urban home for professionals and urbanites, combining prime locations with contemporary designs, efficiently designed living spaces, stress-busting amenities and lifestyle perks and privileges.

As of September 30, 2016, Robinsons Residences segment had a portfolio of twenty nine (29) residential condominium buildings/towers, of which twenty two (22) had been completed and seven (7) are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 (1)..	21	270
The Trion Towers – Building 3 ……………………….………..	50	626
The Magnolia Residences Tower C (1)	38	433
The Sapphire Bloc West Tower	38	416
Azalea Place Cebu	25	408
The Radiance Manila Bay North Tower ……………….…….	36	538
The Radiance Manila Bay South Tower ………………….….	36	527
Completed Projects		
Robinsons Place Residences 1 (1)	38	388
Robinsons Place Residences 2 (1)	38	388
One Gateway Place (1)	28	436
Gateway Garden Heights (1)	32	549
One Adriatico Place (1)	38	601
Two Adriatico Place (1)	38	548
Three Adriatico Place (1)..	38	537
Fifth Avenue Place	38	612
Otis 888 Residences (1)	3	179
McKinley Park Residences..	44	391
East of Galleria	44	693
The Fort Residences	31	242

[3] *"Gross Land Area" means the total area of land acquired by the Company*

Vimana Verde Residences Tower A	6	20
Vimana Verde Residences Tower B	6	20
Vimana Verde Residences Tower C	7	45
The Trion Towers - Building 1	49	694
The Trion Towers - Building 2	50	725
Gateway Regency [1]	31	463
The Magnolia Residences Tower A [1]	36	378
The Magnolia Residences Tower B [1]	38	419
The Sapphire Bloc North Tower	38	412
Woodsville Residences	2	185

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the mixed-use development located on the corner of EDSA and Pioneer Street, which includes Gateway Garden Ridge, the Robinsons Forum mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go Hotels Mandaluyong.

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of a mixed-use development in Paco, Manila, which includes Robinsons Otis mall and Go Hotels Otis.

4. ***The Magnolia Residences Towers A, B and C*** are part of a mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines.

5. ***Fifth Avenue Place*** is a 38-storey development in Bonifacio Global City. Composed of 612 units, it is the first completed project of RLC in the area.

6. ***McKinley Park Residences*** is a 44-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units—flat and loft type.

8. ***The Trion Towers 1, 2 and 3*** compose the three-tower development

[1] *Part of a mixed-use development*

in Bonifacio Global City. In 2015, RLC was recognized by FIABCI as the Outstanding Developer in the Philippines for this Residential-Vertical project.

9. ***East of Galleria*** is a one tower development located along Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mall.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North and West Towers*** are part of a four-tower development that features a lifestyle retail podium. It is located on a property bounded by Sapphire, Onyx and Garnet Streets, at the Ortigas Center, conveniently near RLC's Robinsons Galleria mixed-use complex. This project was recognized in the 2015 Philippine Property Awards and 2016 Asia Pacific Awards, as the Best Mid-Range Condo Development and Best Residential High-Rise Development in the country, respectively.

12. ***Vimana Verde Residences Buildings A, B and C*** is a three mid-rise building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City.

14. ***The Radiance Manila Bay Nort and South Towers*** is a two-tower development that features a lifestyle retail wing. It is located along Roxas Boulevard in Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Tower 1*** is part of a three-tower residential component of the Robinsons Galleria Cebu Complex which will consist of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City.

The Company's Business Plan for its Robinsons Residences is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of September 30, 2016:

Location	Acquisition Date	Approximate land area
		(in hectares)
Maxilom Avenue, Cebu City	September 2008	0.4
Merville, Paranaque City	March 2006	3.3
E. Rodriguez Jr. Ave., Quezon City..................	2011	3.9
Ortigas Center, Pasig City………………………..	September 2015	0.3
Total		7.9

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. Robinsons Communities provides convenient community living through its affordable quality condominiums that offer open spaces, fun and functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are strategically located near major gateways, highly developed cities and central business districts to provide easy access to schools, work places and vital institutions.

As of September 30, 2016, Robinsons Communities had completed twenty five (25) residential condominium buildings/towers and two (2) subdivision projects. It has five (5) on-going projects in different stages that are scheduled for completion over the next five years.

Robinsons Communities is currently focusing on the development of both Mid-rise and High-rise residential condominium projects that primarily offer compact units with an average price levels below ₱3.0 million. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	NUMBER OF RESIDENTIAL FLOORS	NUMBER OF RESIDENTIAL UNITS
Current Projects		
Escalades North Tower …………………...	17	397
Axis Residences - Building B ……………..	37	792
Acacia Escalades - Building B ……………	13	414
The Pearl Place - Tower B	34	640
Chimes Greenhills....................................	24	372
Completed Projects		

Acacia Escalades - Building A ……………	11	383
Axis Residences - Tower A ………………..	37	913
Escalades East Tower …………………….	11	269
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	33	653
Wellington Courtyard - Bldg A	5	34
Wellington Courtyard - Bldg B	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E	5	38
Gateway Garden Ridge...........................	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches		461
Centennial Place		50

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is a mixed-use development located in Paranaque. It includes a village mall and a cluster of residential mid-rise buildings.

2. ***Escalades at 20th Avenue Towers 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of twelve (12) storeys composed of ten (10) residential floors, ground amenity floor and basement parking. While Building 2 to 6 are composed of ten (10) residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, this is another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. These project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs), with 192 units.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed-use development in Mandaluyong which includes Robinsons Forum mall, four office buildings, Go Hotels Mandaluyong and several other residential buildings.

5. ***Escalades South Metro*** is a residential development located in Sucat, Muntinlupa. Comprising initially of tow (2) out of six (6) mid-rise residential buildings, it boasts of generous open spaces allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families, inventors, retirees and young/urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains amenities at the 6th floor and 40th floor (Tower A), and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two mid-rise buildings with commercial component.

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan.

10. ***Escalades East Tower*** is a 14-storey residential development located along 20th Ave., Cubao, QC and is part of the Escalades-Cubao complex.

11. ***Escalades North Tower*** is the final tower to complete the Escalades-Cubao complex. The 21-storey mid-rise residential condominium with commercial component is located along Aurora Blvd, Cubao, QC.

12. ***Bloomfields Novaliches*** is a horizontal residential development situated behind the Robinsons Place Novaliches mall.

13. ***Centennial Place*** - This is a half-hectare townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) townhouses, with lots ranging from 65 to 70 square meters.

The Company's Business Plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. It plans to acquire additional properties through purchase or joint venture.

The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of September 30, 2016:

Location	Acquisition Date	Approximate land area
		(in hectares)
Sucat, Muntinlupa [1]..	2002	1.4
Las Pinas City [1]...	2011	2.0
Total		3.4

4) ROBINSONS HOMES

Robinsons Homes is one of the four residential brands of RLC. It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of September 30, 2016, Robinsons Homes has thirty six (36) projects in its portfolio. Thirteen (13) of these projects are on-going construction, two of which are awating for the receipt of License to Sell (LS) to launch. Among the thirty six (36) projects, twenty five (25) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of fiscal year 2016 are set forth in the table below:

Name	Location	Started [2]	Approximate Gross Land Area [3]	Number of Lots/Units
			(in hectares)	
Robinsons Homes East..................	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard.......................	Cavite	May 1996	71.8	2,899
South Square Village	Cavite	August 1998	26.7	3,896
San Lorenzo Homes	Antipolo City	September 1999	2.8	372
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place............................	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´......	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates...........................	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes....................	Pampanga	November 2005	14.5	654
Rosewood Parkhomes...................	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104

1 *This property is part of a mixed-use development of RLC, and represents the unused residential portion only.*
2 *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
3 *"Gross Land Area" means the total area of land acquired by the Company*

Name	Location	Started (2)	Approximate Gross Land Area (3)	Number of Lots/Units
			(in hectares)	
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights...............................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences.................	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra..................................	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag............................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos……….	General Santos City	May 2014	33.0	755
Brighton Bacolod……………………	Negros Island	February 2016	22.4	735
Brighton Puerto Princesa…………..	Palawan	August 2016	13.1	377
Monte Del Sol……………………….	Misamis Oriental	-	3.3	256
Springdale at Pueblo Angono……	Angono, Rizal	-	3.8	197

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East***. A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring fourteen (14) shop house units at 190sqm/unit and eight commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard***. A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village***. This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot.

The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes***. This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.

5. ***Robinsons Highlands***. This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.

6. ***Grosvenor Place***. This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.

7. ***Robinsons Hillsborough Pointé***. This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four phases, which have been fully completed. The lots have an average size of 150 square meters.

8. ***Forest Parkhomes***. An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC's first housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.

9. ***San Jose Estates***. This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.

10. ***Robinsons Residenza Milano***. Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes' first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.

11. ***Fernwood Parkhomes***. This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282 lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is

located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is aA 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 365-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 79 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview.*** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates.*** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades.*** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra.*** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive

lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

33. ***Brighton Baliwag.*** A 15.7 hectare residential development located in Brgy. Sta. Barbara, Baliwag, Bulacan. This Mediterranean themed subdivision offers 524 residential lots with a predominant lot cut of 180 square meters.

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

35. ***Brighton Puerto Princesa.*** This mediterranean-themed subdivision offers 377 residential lots in a 13.1-hectare development catered to locals and tourists. Average lot area is 180 square meters which is complemented by amenities such as clubhouse, multi-purpose court and swimming pool.

36. ***Springdale at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 3.8 hectares of land. This subdivision offers 197 units with a predominant area of 100 square meters.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of September 30, 2016, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Brighton Bacolod, Brighton Puerto Princesa and Monte Del Sol.

The Company's Business Plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of September 30, 2016, it was in various stages of negotiations for the acquisition of approximately 85 hectares of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱2.91 billion or 13% of RLC's revenues and ₱2.63 billion or 22% of RLC's EBITDA in fiscal year 2016, and ₱2.24 billion or 11% of RLC's revenues and ₱2.11 billion or 20% of RLC's EBITDA in fiscal year 2015. As of September 30, 2016, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱12.67 billion.

RLC engages outside architects and engineers for the design of its office buildings developments. One recent trend affecting the Company's office tower design is the increasing presence of customer call centers and BPOs in the Philippines. The Company has secured a number of major customer call centers and BPOs as long-term tenants in its office building space and has focused on attracting their business, including custom-designing its office space with call center and BPO design requirements in mind. The Company believes, based on its own market research, that it is a leading provider of office space to BPOs in the Philippines.

As of September 30, 2016, the Office Buildings Division has completed thirteen (13) office developments with the completion of Tera Tower, Galleria Cebu Office and Robinsons Place Ilocos Office, and is building six more office building projects in Metro Manila and non-Metro Manila areas. The Company's completed office building projects are described below.

Name,	Location	Size & Designation
Galleria Corporate Center	Along EDSA corner Ortigas Avenue, Quezon City	30-storey
Robinsons-Equitable Tower	Corner of ADB and Poveda Streets, Pasig City	45-storey
Robinsons Summit Center	Ayala Avenue, Makati City	37-storey
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18-storey
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27-storey
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12-storey
Robinsons Cybergate Cebu	Fuente Osmena, Bo. Capitol, Cebu City	3-storey
Cyberscape Alpha	Sapphire and Garnet Roads, Pasig City	26-storey
Cyberscape Beta	Ruby and Topaz Roads, Pasig City	37-storey
Tera Tower	Bridgetowne, C5 Road, Quezon City	20-storey
Robinsons Galleria Cebu Office	Gen. Maxilom Avenue, Cebu City	4-storey
Robinsons Place Ilocos Office	San Nicolas, Ilocos Norte	4-storey

The Company's completed office buildings are described as follows:

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an

approximate net floor area (comprising only leasable space) of 25,000 square meters. As of September 30, 2016, approximately 83% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 92.1% occupancy rate.

2. ***Robinsons-Equitable Tower.*** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of September 30, 2016, RLC had sold approximately 76% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 99.1% occupancy rate as of September 30, 2016.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 96.5% occupancy rate as of September 30, 2016.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of September 30, 2016.

5. ***Robinsons Cybergate Center Tower 2.*** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of September 30, 2016.

6. ***Robinsons Cybergate Center Tower 3.*** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 99.6% occupancy rate as of September 30, 2016.

7. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 99.9% occupancy rate as of September 30, 2016.

8. ***Robinsons Cybergate Cebu.*** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of September 30, 2016, the office floors had an occupancy rate of 100%.

9. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5^{th} to the 26^{th} levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 100% occupancy rate as of September 30, 2016.

10. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the Ground and Mezzanine levels. The office floors are located from the 9^{th} to the 37^{th} levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 99.9% occupancy rate as of September 30, 2016.

11. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6^{th} to 20^{th} floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 99.7% occupancy rate as of September 30, 2016.

12. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had just been completed in September 2016.

13. ***Robinsons Place Ilocos Office.*** This office development is integrated with the mall expansion. The office development has a gross leasable area of 7,500 square meters and it is 100% owned by RLC. It was just recently completed in September 2016.

iv. Hotels

RLC's hotels division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. For this fiscal year, RLC opened its second Go Hotels in the Mindanao region at Lanang, Davao City, a joint venture with Udenna Development Corporation. Go Hotels Lanang-Davao is the first franchise of gohotels.ph to open. RLC's hotels division currently has a portfolio of fifteen (15) hotel properties. As of September 30, 2016, the Company's Hotels Division had assets, valued on a historical cost less depreciation basis, of ₱3.87 billion.

The hotels division accounted for ₱1.81 billion or 8% of RLC's revenues and ₱0.66 billion or 6% of RLC's EBITDA in fiscal year 2016, and ₱1.75 billion or

9% of RLC’s revenues and ₱0.62 billion or 6% of RLC’s EBITDA in fiscal year 2015.

Although the hotels division is an important part of RLC’s business, the Company considers its primary value to be as a complement to its other developments. Over the next years, we will see more Go Hotels and Summit Hotels in major cities of the country.

Serving over 1.8 million guests to date, Go Hotels has steadily increased its presence in the Philippines with ten (10) operational branches, offering a total of more than 1,300 rooms, in strategic cities across the country. Its thrust is to build in locations with high market demand. To support expansion of the brand, Go Hotels has also opened its business to franchising.

The table below sets out certain key details of RLC's hotel portfolio as of September 30, 2016:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF ROOMS
Crowne Plaza Manila Galleria ….	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria…………………………...	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel) ……………	Fuente Osmena, Bo. Capitol, Cebu City	Standard	210
Summit Ridge Tagaytay ………...	Aguinaldo Highway, Tagaytay City	De Luxe	108
Summit Hotel Magnolia…………	Dona Hemady cor. Aurora Boulevard, Quezon City	-	82
Go Hotel …………………………..	EDSA, Mandaluyong City	Economy	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	Economy	108
Go Hotel …………………………..	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel …………………………..	Tacloban City, Leyte	Tourist Inn	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	Economy	108
Go Hotel …………………………..	Paco, Manila	Economy	118
Go Hotel …………………………..	Iloilo City	Economy	167
Go Hotel …………………………..	Ortigas Center, Pasig City	Economy	198
Go Hotel…………………………....	Butuan City	Economy	104
Go Hotel…………………………....	Lanang, Davao City	Economy	183
Total			2,357

As of September 30, 2016, the Company's Hotels Division has an average occupancy rate of 68%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has an initial term of ten years. On June 2015, the contract was extended for another 3 years and is extendible further upon mutual agreement between RLC and InterContinental. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It must also carry out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Summit Ridge Tagaytay, Summit Hotel Magnolia and the ten (10) Go Hotels directly.

In fiscal year 2016, the Company had one new Go Hotel branch in Lanang-Davao. There are additional Summit and Go Hotels in the pipeline slated to open in the next two years.

Roxaco-Vanguard Hotels Corporation (RVHC), a franchise of Go Hotels, also opened their first Go Hotel branch in Manila Airport Road. The Franchisee has four (4) more Go Hotels in Metro Manila under construction which will open in the coming months.

c) Significant Subsidiaries

As of September 30, 2016, RLC has six wholly-owned subsidiaries, one 80%-owned subsidiary and two 51%-owned subsidiaries, all of which are consolidated with the Company's financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RCL, RPMMC, AAI, ASN, GHDI, RLCRL and LPBLI.

Key details of each of RLC's subsidiary companies are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by RLC. RII's principal business is to engage in the development and operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. The company acts as a real estate agent on the international market, among others, for the Residential Division.

4. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's residential division. RPMMC manages the marketing of the portfolio of residential and office units that are available for sale through the residential division's Robinsons Communities, Robinsons Residences, and Luxuria Brands. RPMMC's primary purpose is to acquire, own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on

March 28, 2007, has a registered share capital of 40,000,000 and is 100%-owned by the Parent Company starting March 2013. Prior to the buy out, ASNC is 80% owned by the Parent Company. ASNC's principal business is to establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations, without engaging in retail business.

7. ***GoHotels Davao, Inc.*** GoHotels Davao, Inc. (GHDI) was incorporated on March 13, 2013, has a registered share capital of 100,000,000 and is 51%-owned by the Parent Company. GHDI is a joint venture within the Company's Hotels Division and Udenna Development Corporation (UDEVCO). GHDI's principal business is to establish, acquire, own, develop, operate and manage hotels and/or transient guest lodging services under the "gohotels.ph" mark and other similar and ancillary facilities and services related to the hospitality and allied industries, offer such services and merchandise to the public in connection with the operation of hotels and/or transient guest lodging services, and to make and enter into all kinds of contracts, agreements and obligations with any person, partnership, corporation or association for the leasing of commercial space or the disposition, sale, acquisition of goods, wares, merchandise, and services of all kinds and to do and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by applicable laws, rules and regulations.

8. ***RLC Resources, Ltd.*** RLC Resources, Ltd. (RLCRL) was incorporated on September 10, 2001 in the British Virgin Islands as an International Business Company, has an initial registered share capital of 50,000, which was increased to 500,000 in fiscal year 2016 and is 100%-owned by the Parent Company. RLC Resources, Ltd.'s principal business is to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into arrangements with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organize, manage, supervise and control any corporation, company, fund, trust, business or institution; to purchase or otherwise acquire and hold, in any manner and upon any terms, and to underwrite, invest and deal in shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities and enter into any interest rate exchange contracts, forward contracts, futures contracts and enforce all rights and powers incidental to the Company's interest therein.

9. ***Lingkod Pinoy Bus Liner, Inc.*** Lingkod Pinoy Bus Liner, Inc. (LPBLI) was incorporated on April 7, 2016 to engage in land transportation for the transportation and carriage of passengers, goods, and merchandise within any place in the Philippines.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its commercial centers division—SM Prime Holdings, Inc. (SM) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SM's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of September 30, 2016, the mall segment of SM has ₱302.4 billion and ₱129.2 billion while the mall segment of ALI has ₱93.8 billion and ₱22.3 billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

ii. Residential Division

1. ***Robinsons Luxuria***

The Robinsons Luxuria brand continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land (Rockwell), Century Properties and Megaworld Corporation (Megaworld) to its developments. Rockwell's total assets and equity accounts as of September 30, 2016 amounted to ₱39.8 billion and ₱15.1 billion, respectively; Century Properties' total assets and equity accounts as of September 30, 2016 amounted to ₱40.8 billion and ₱15.1 billion, respectively, while Megaworld's total assets and equity accounts as of September 30, 2016 amounted to ₱266.47 billion and ₱141.4 billion, respectively.

2. ***Robinsons Residences***

RLC's competitors (Alveo Land, Megaworld, Filinvest, and Ortigas & Co.) under this segment targets the same market and offers similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remains one of the top of mind developments as a result of growing experienced sales and distribution network and convenient locations. Projects are found within Central Business Districts or a RLC mixed-use development.

3. ***Robinsons Communities***

RLC Robinsons Communities in particular, has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), Filinvest Land (FL), SM Development Corporation (SMDC) and DMCI Homes. As of September 30, 2016, total assets and equity accounts amounted to ₱125.5 billion and ₱57.7 billion, respectively, for FL while total assets and equity accounts of SM Prime Holdings Inc. (SMDC was ultimately merged with SM Prime Holdings thru SM Land in 2013) as of September 30, 2016 amounted to ₱457.2 billion and ₱227.4 billion, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. ***Robinsons Homes***

Recognizing the growing housing market in the Philippines, RLC continues to embark on building subdivisions through its Robinsons Homes brand. For families aspiring to own their first home or upgrade to a better abode and neighborhood, Robinsons Homes provides them themed, master planned, secure and gated horizontal subdivisions in key urbanized cities nationwide ideal to start the good life. In order to cater to varying market profiles, Robinsons Homes launched its four sub-brands namely: *Happy Homes* for socialized housing, *Springdale* for our affordable market segment, *Brighton* for our mid-cost development and *Bloomfields* for our high-end market.

It stands in close competition with ALI, FL and Vista Land (VL). Total assets and equity accounts of VL as of September 30, 2016 amounted to ₱172.8 billion and ₱74.91 billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is creating not just subdivisions but is forming nurturing communities with lifestyle amenities and support developments in response to the changing lifestyle of Filipinos.

The Company believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success.

iii. Office Buildings Division

The Company believes that competition for office space is principally on the basis of location, availability of space and quality of office space. The biggest competitors of the Company under this segment are ALI, Megaworld and SM. The Company competes in this market on the basis of the strategic locations of its buildings, including their proximity to the Company's malls and residences as part of mixed-use developments, and has also began to design its office space with BPO- and call center-specific requirements in mind, in order to better serve that market and make its office buildings more attractive to those potential tenants. The Company also believes that its established reputation for completing projects on time andtrue to its deliverables and commitment resulted to becoming one of the preferred choices or first in mind of call centers, BPO as well as local and multinational companies. a The Company is committed in providing an excellent customer experience and satisfaction by developing office projects of high quality and reliability, meeting the evolving needs of its customers.

iv. Hotels Division

Philippine Tourism is highly influenced by general political and economic conditions within the country. The Philippines is a preferred destination in the global tourism industry because of its competitiveness in terms of pricing hotel rooms and airline ticket, natural resources and eco-tourism.

The 8 point agenda of the new administration has not been fully implemented, the focus being more oriented towards “war against drugs and corruption” in the country.

New administration budget proposal for 2017 provides a higher allocation to implement an infrastructure program which would cover both government funded and PPP projects within the next 2-3 years.

The Permanent Court of Arbitration (PCA) under UNCLOS has issued a sweeping verdict in favor of the Philippines in its case against China's territorial claims in the South China Sea. China has strongly condemned the verdict and tensions still continue over the Scarborough Shoal.

President Duterte agenda includes abolition of current practice of “ENDO” or end of contract for non-regular employees. Current labor practice is being blamed for preventing employees from gaining regular employment and receiving full benefits allowed by law.

However, concerns on safety and security/travel advisories, infrastructure and health and hygiene must be addressed. The hotel business has seen a continued stabilized situation due to remittances from Filipino overseas workers, the continued booming of business outsource processing & IT infrastructure projects in the Philippines, and the continuous drive of the local tour operators in developing affordable tour packages.

The tourism outlook in the Philippines seems optimistic, driven by the presence of low cost carriers and with several hotels opening in Makati, Ortigas, and Fort Bonifacio CBD. With total expected supply of 8,500 rooms from year 2016-2017, the DOT continues to attract in bound tourism by an aggressive global marketing campaign and brand awareness. The Word Economic Forum (WEF), in its “Travel & Tourism Competiveness Report 2013”, ranked the Philippines 12 places higher than in 2012 at 82nd overall and 16th regionally – the largest improvement of any country within the Asia-Pacific Region.

Thanks to an aggressive and highly successful global marketing campaign, under previous government, brand awareness is on the rise. Momentum looks to continue as current government too seems set to carry the baton with confirmation of Miss Universe Pageant at Manila in January 2017.

Taking advantage of the increasing inbound and outbound travels looking for accommodation, a number of local and foreign competitors have entered or signified interest to enter the country. These chains, considered competitors of the Company’s Go Hotels, include Red Planet, Fave Hotels of Indonesia, Microtel by Wyndham and the local Islands Stay Hotels. Other hotel chains which have also been growing geographically include Park Inn by Radisson, Novotel, Seda Hotels by Ayala, and Remington Hotel. These hotel chains cater to the mid-scale market and are thus considered competitors of the Company’s Summit Hotel brand. In the Ortigas Central Business District, new players such as Marco Polo, Citadines, Accor, Exchange Regency and Oakwood compete with the Company’s two IHG-managed hotels.

Crowne Plaza Manila Galleria has celebrated its 10th year of service in 2015, with this new service experience are yet to be expected to ensure Travelling for Success --- Sleep Advantage supporting the environment expected by our high achiever and Meetings Success, assuring a unique guest experience when conducting meetings and celebrating milestones.

Holiday Inn remains to be the only international mid-market brand in Ortigas which caters of both Leisure and Corporate Transient business in the area.

e) Sources and Availability of Raw Materials and Names of Principal Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes the Company will undertake to procure the construction materials when it believes that it has an advantage in doing so. The Company typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge the Company. If the Company believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

f) Employees and Labor

As of September 30, 2016, RLC and its subsidiaries had a total of 7,789 employees, including 2,069 permanent full-time managerial and support employees and approximately 5,720 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	997	4,566	5,563
Office Buildings Division	26	292	318
Residential Division	430	279	709
Hotels Division	616	583	1,199
Total	2,069	5,720	7,789

The 2,069 permanent full-time managerial and support employees of RLC and its subsidiaries as of September 30, 2016 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	713
Administrative	965
Technical	391
Total	**2,069**

The Company foresees an increase in its manpower complement to 2,172 employees in the ensuing twelve months.

Almost all of the Company's hotels division employees are covered by a collective bargaining agreement. Holiday Inn Manila Galleria hotel's collective bargaining agreement will mature on September 30, 2019 while Summit Circle Cebu (formerly Cebu Midtown Hotel) expired last September 30, 2016 with ongoing talks on renewal as date of writing. The Company's other employees are not unionized or party to collective bargaining agreements with the Company.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures.

g) Industry Risk

The Company substantially conducts its business activities in the Philippines where majority of its assets are located.

Demand for and prevailing prices of shopping mall and office leases, as well as the development of the Philippine hospitality sector are directly related to the strength of the Philippine economy and the overall levels of business activity in the Philippines.

RLC's Commercial Centers Division is directly affected by level of consumption, demographic makeup, social trends, changing spending patterns and consumer sentiment in the Philippines, which are in turn heavily influenced by economic, political and security conditions in the Philippines. The level of consumption is largely determined by the income levels of consumers which is supplemented by a large number of Overseas Filipino Workers (OFWs) and expatriate Filipinos employed in countries around the world. This exposes RLC to adjustments in the specific economies of the countries where OFWs are deployed.

As the fastest growing sector in the Philippine economy, the Information Technology-Business Process Management (IT-BPM) outsourcing industry drives office space demand which fuels the performance and profitability of RLC's Office Buildings Division. The growth of the IT-BPM sector is heavily reliant on the availability of Information and Communications Technology (ITC) hubs across the country which provide sufficient labor supply and upgraded talent ecosystem, good ITC infrastructure and service capabilities, efficient cost and overall business environment as a product of sound macroeconomic fundamentals and geopolitical climate in the country.

RLC's Hotels and Resorts Division, on the other hand, is anchored on the development of Philippine tourism which is contingent on the rate of response of the Philippine government to address infrastructure challenges across the country.

On the development side of the Company's business, RLC is engaged in both domestic and international residential property development. The property market has been cyclical where property values have been affected by confidence in the economy as well the interest rate environment.

Considerable economic and political uncertainties exist in the Philippines that could have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because majority of RLC's businesses are in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally could materially adversely affect RLC's financial performance, position and profitability.

RLC operates in a highly competitive industry. The Company's future growth and development is dependent, in large part, on the availability and affordability of large tracts of land suitable for development. As the Company and its competitors attempt to locate sites for development, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company, particularly in Metro Manila and other urban areas. To the extent that the Company is unable to acquire suitable land at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other commercial center and residential developers and real estate services companies, some with greater financial and other resources and more attractive land banks than the Company, compete with RLC in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect RLC's ability to develop and sell its properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for commercial and residential real estate.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

Over the years, the Company has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance. The Company also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them exclusive development and marketing rights.

The following are locations of the Company's properties:

Location	Use	Status
Land		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/ Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Residential/ Mall/ Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall	No encumbrances
Batangas	Mall/ Residential	No encumbrances
Cavite	Mall/ Residential/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential/Mall	No encumbrances
Isabela	Mall	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Iloilo	Mixed-use (mall/hotel)	No encumbrances
Bacolod City	Mall	No encumbrances
Cebu	Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall	No encumbrances
Roxas City	Mall	No encumbrances
Visayas area	Land bank	No encumbrances

Mindanao		
Agusan Del Norte	Mall	No encumbrances
Cagayan De Oro City	Residential	No encumbrances
Davao	Mall/Hotel	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Butuan City	Mall	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Mixed-use (mall/hotel/residential)	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Malabon City	Mall	No encumbrances
Las Pinas City	Mall	No encumbrances
Muntinlupa City	Residential	No encumbrances
Luzon		
Ilocos Norte	Mixed-use (mall/office)	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall	No encumbrances
Batangas	Mall	No encumbrances
Cavite	Mall/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall/Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Isabela	Mall	No encumbrances
Visayas		
Iloilo City	Mixed-use (mall/hotel)	No encumbrances
Bacolod City	Mall	No encumbrances
Cebu	Mixed-use (mall/hotel/office/residential)	No encumbrances
Negros Oriental	Mall	No encumbrances
Leyte	Mall	No encumbrances
Roxas City	Mall	No encumbrances
Mindanao		
Cagayan De Oro City	Mall	No encumbrances
Davao City	Mall	No encumbrances
South Cotabato	Mall	No encumbrances
Agusan Del Norte	Mall	No encumbrances

The Company owns all the land properties upon which all of its existing commercial centers are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, and (v) Robinsons Place Jaro. These five land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta and Pulilan properties are for 25 years each and commenced in December 2003 and January 2008, respectively. Renewal options for Cainta and Pulilan are available to the Company. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015. Total rent expense amounted to ₱180 million in 2016, ₱199 million in 2015 and ₱152 million in 2014.

Capital expenditure incurred for fiscal years 2016, 2015 and 2014 amounted to ₱26.7 billion, ₱16.8 billion and ₱14.1 billion, respectively, representing about 118%, 85% and 83% of revenues in those years, respectively.

The Company has allotted approximately ₱4.0 billion for capital expenditures in the Philippines for October to December 2016; wherein 65% will be spent on the construction and expansion of malls, offices and hotels, 26% for residential property developments and the balance of 9% on land acquisitions.

For calendar year 2017, the Company has budgeted approximately ₱16.0 billion for domestic capital expenditures which will be funded through internally generated cash from operations and borrowings. Approximately 53% will be allocated for the development of new and expansion of existing malls, offices and hotels, 25% is expected to be incurred for the completion of ongoing residential property developments while the remaining 22% will be spent on replenishing the landbank.

Item 3. Legal Proceedings

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Company's consolidated financial position.

Item 4. Submission of Matters to A Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the relevant local government unit in which the project is situated. The development of subdivision and condominium projects can commence only after the relevant government body has issued the development permit.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked afer a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with Presidential Decree 957, which set out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls.

Further, Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future. The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under current law, income derived by domestic corporations from the development and sale of socialized housing which currently, among other things, must have a basic selling price of no more than ₱300,000, is exempt from project related income taxes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

c) Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the "Hotel Code") in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the

Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

d) Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

e) Special Economic Zone

The Philippine Economic Zone Authority ("PEZA") is a government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Information technology ("IT") enterprises offering IT services (such as call centers, and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of fiscal year 2015, the Pioneer mixed-use complex was in a PEZA Ecozone, the Robinsons Equitable Tower and Robinsons Summit Center were PEZA-registered buildings. A number of malls are also PEZA-registered.

f) Effect of Existing or Probable Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations mentioned under "items 5a-e" as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱27.9 million in 2016, ₱20.8 million in 2015 and ₱20.4 million in 2014.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

Data on the quarterly price movement of its shares for the past three fiscal years are set forth below.

	2016			2015			2014		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	27.50	26.70	27.50	26.50	25.20	26.50	20.10	19.92	19.96
2	29.20	27.55	27.90	31.60	30.20	30.80	21.25	21.00	21.05
3	31.65	29.50	29.50	29.60	28.60	29.30	23.85	23.35	23.60
4	31.35	30.30	31.00	28.65	28.40	28.45	24.65	24.25	24.35

Additional information as of December 31, 2016 are as follows:

Market Price:	**Period**	**High**	**Low**
	Oct. to Dec. 2016	₱26.30	₱25.10

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the fiscal years 2016, 2015 and 2014.

For fiscal year 2016, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2015 to all stockholders on record as of March 29, 2016. The cash dividends were paid out on April 22, 2016.

For fiscal year 2015, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2014 to all stockholders on record as of May 14, 2015. The cash dividends were paid out on June 9, 2015.

For fiscal year 2014, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2013 to all stockholders on record as of May 29, 2014. The cash dividends were paid out on June 25, 2014.

RLC's unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱1,157 million, ₱977 million, and ₱699 million in 2016, 2015 and 2014. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the cost of shares held in treasury amounting to ₱222 million and amount appropriated for expansion totaling ₱16 billion.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty (20) shareholders and their corresponding number of shares held as of September 30, 2016:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	2,496,114,787	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,068,943,027	26.11%
3	PCD Nominee Corporation (Filipino)	494,695,282	12.08%
4	Elizabeth Yu	8,737,200	0.21%
5	John Gokongwei, Jr.	8,124,721	0.20%
6	Cebu Liberty Lumber	2,203,200	0.05%
7	James L. Go	1,685,994	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Quality Investments & Sec Corp.	904,200	0.02%
10	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
11	Frederick D. Go	500,001	0.01%
12	Elizabeth Yu Gokongwei	499,500	0.01%
13	Robina Y. Gokongwei-Pe	360,000	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.01%
17	Lisa Yu Gokongwei	180,000	0.00%
18	FEBTC #103-00507	156,240	0.00%
19	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	8,076,737	0.20%
	Total	**4,093,830,685**	**100.00%**

Item 9. Management Discussion and Analysis of Financial Condition and Results of Operation

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 92% of the Company's total revenues and are derived from the lease of commercial spaces in the various Robinsons malls, the lease and sale of space from RLC's office buildings, and the sale of residential units from the Company's various housing projects. Approximately 8% of total revenues are derived from hotel operations.

i. Year ended September 30, 2016 versus same period in 2015

RLC generated total gross revenues of ₱22.51 billion for fiscal year 2016, an increase of 14.2% from ₱19.71 billion total gross revenues for fiscal year 2015. EBIT grew 12.2% to ₱8.45 billion while EBITDA posted a 12.5% growth to ₱12.02 billion. Net income stood at ₱6.15 billion, up by 7.9% compared to last year.

The Commercial Centers Division accounted for ₱9.96 billion of the real estate revenues for the year versus ₱9.10 billion last year or a 9.4% increase. Rental revenues increased due to opening of new malls in Cebu City, Tagum (Davao), General Trias (Cavite) and Jaro (Iloilo). Also, the full year impact of Robinsons Place Antique and the expansion of Robinsons Novaliches, as well as the expansion of Robinsons Ilocos this year, contributed to the growth. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 5.2% and 8.5%, respectively.

Revenues of Office Buildings Division grew by 30% to ₱2.91 billion from ₱2.24 billion over the same period last year. Revenue growth was mainly attributable to the contribution from new office developments completed in 2014 and 2015 namely Cyberscape Alpha, Cyberscape Beta and Tera Tower. System-wide occupancy rate ended at 96% as of September 30, 2016. The Division's EBIT and EBITDA showed positive variances of 27.9% and 25.0%, respectively.

The Residential Division realized revenues rose to ₱7.83 billion for the year versus ₱6.62 billion last year, an increase of 18.2%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 13.8% and 13.5 %, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.81 billion as against last year's ₱1.75 billion.

The 3.5% increase in hotel revenues principally came from the relatively new hotels namely Go Hotels Iloilo, Go Hotels Ortigas Center, Go Hotels Butuan, and Summit Hotels Magnolia. The hotel average occupancy rate is 68% in 2016. Hotels Division EBIT and EBITDA grew by 8.3% and 6.7%, respectively.

Interest income decreased to ₱18.1 million from ₱39.3 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2016 resulting from higher level of capital expenditures and operating expenses.

Real estate cost and expenses went up by 19% to ₱9.34 billion from ₱7.84 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱330 million or 14% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱87 million or 16%. In addition, the higher level of realized sales of residential units brought cost of real estate sales to increase by ₱775.0 million or 24%. Furthermore, cinema expense rose by 10% or ₱ 69.8 million as a result of increase in cinema revenues.

General and administrative expenses went up by 11% to ₱3.40 billion due to higher taxes and licenses, salaries, insurance, donations, advertising and promotions and supplies expense, among others.

Interest expense significantly increased to ₱571.6 million due to higher level of short-term and long-term borrowings.

Total assets of the Company stood at ₱120.04 billion, a growth of 21% from ₱99.07 billion in 2015. Receivables (current and noncurrent net) increased by 30% or ₱2.29 billion to ₱10.02 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale increased by 67% to ₱25.85 billion due to purchase of land rights located in Chengdu Province, China, and higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment Properties and Property and Equipment both increased by 12% to ₱71.90 billion and 27% to ₱4.46 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Maxilom-Cebu, Tagum, Jaro-Iloilo, Ilocos (expansion), General Trias-Cavite, redevelopment of Robinsons Galleria and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons Iligan, Naga and Pavia-Iloilo contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Other current assets increased by 13% to ₱4.45 billion due to increase in advances to suppliers and contractors for mall, office buildings and residential constructions. On the other hand, other noncurrent assets decreased by 31% to ₱2.21 billion mainly due to return of bid deposit for land use rights amounting to ₱1.4 billion.

Accounts payable and accrued expenses went up by 34% to ₱7.94 billion due to higher level of capital expenditures and operating expenses this year.

Loans Payable (current and noncurrent) increased by 50% to ₱37.34 billion due to availment of additional term loans totaling ₱11.5 billion and short-term loans totaling ₱0.99 billion in 2016. Deposits (current and noncurrent) and Other liabilities went up by 16% to ₱9.83 billion due to higher level of deposits from from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2016 stood at ₱61.34 billion, up by 8% from ₱56.66 billion last year due to the earnings during the year of ₱6.15 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2016	2015
Gross revenues	₱22.51 billion	₱19.71 billion
EBIT	8.45 billion	7.54 billion
EBITDA	12.02 billion	10.69 billion
Net income	6.15 billion	5.70 billion
Earnings per share	1.50	1.39
Net book value per share	14.98	13.84
Current ratio	2.25:1	1.98:1
Debt-to-equity ratio	0.61:1	0.44:1
Interest coverage ratio	6.06:1	7.91:1
Asset to equity ratio	1.95:1	1.74:1
Operating margin ratio	0.38:1	0.38:1

Capital expenditures for the fiscal year ended September 30, 2016 amounted to ₱26.7 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

ii. Year ended September 30, 2015 versus same period in 2014

RLC generated total gross revenues of ₱19.71 billion for fiscal year 2015, an increase of 15.6% from ₱17.05 billion total gross revenues for fiscal year 2014. EBIT grew 21% to ₱7.54 billion while EBITDA posted a 19.2% growth to ₱10.69 billion. Net income stood at ₱5.70 billion, up by 20.4% compared to last year.

The Commercial Centers Division accounted for ₱9.10 billion of the real estate revenues for the year versus ₱8.10 billion last year or a 12.3% increase. The newly opened malls in 2014 and 2015 namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Antipolo and

Robinsons Las Pinas contributed to the increase in revenues. In addition, the reopening of Robinsons Tacloban in June 2014 contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 9.2% and 11.3%, respectively.

The Residential Division realized revenues rose to ₱6.62 billion for the year versus ₱5.86 billion last year, an increase of 12.9%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 25.5% and 25.3 %, respectively.

Revenues of Office Buildings Division grew by 45.2% to ₱2.24 billion from ₱1.54 billion over the same period last year. This increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, both with occupancy rates of 100% as of September 30, 2015, respectively. The Division's EBIT and EBITDA showed positive variances of 50.1% and 42.6%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.75 billion as against last year's ₱1.53 billion. The 13.8% increase in hotel revenues was principally due to the opening of new Go Hotels Iloilo and Go Hotels Ortigas Center in January 2014 and August 2014, respectively, and the reopening of Go Hotels Tacloban in May 2014. The hotel average occupancy rate is 69% in 2015. Hotels Division EBIT and EBITDA grew by 26.0% and 17.6%, respectively.

Interest income increased to ₱39.3 million from ₱14.6 million last year due to higher average balance of cash and cash equivalents during the fiscal year 2015 resulting from the proceeds of fixed rate bonds.

Real estate cost and expenses went up by 11% to ₱7.84 billion from ₱7.06 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱310 million or 15% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱104 million or 24%. Furthermore, cinema expense rose by 21% or ₱120 million due to the operation of new cinemas in new malls.

Hotel expenses rose by 10% to ₱1.29 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened and re-opened Go Hotels branches.

General and administrative expenses went up by 19% to ₱3.05 billion due to higher commission expense, salaries, advertising and promotions and rent expense, among others.

Total assets of the Company stood at ₱99.07 billion, a growth of 16% from ₱85.37 billion in 2014. Receivables (current and noncurrent net) increased by 15% or ₱1.03 billion to ₱7.73 billion due substantially to higher level of installment contracts receivables.

Investment Properties and Property and Equipment both increased by 17% to ₱64.02 billion and 12% to ₱3.51 billion, respectively, due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Las Pinas, Robinsons Novaliches expansion and Robinsons Antique during the fiscal year and ongoing mall constructions at Robinsons Maxilom, Robinsons Tagum, Robinsons General Trias and Robinsons Jaro Iloilo contributed to the increase. Other current and noncurrent assets increased by 25% to ₱3.95 billion and 145% to ₱3.2 billion, respectively, due to increase in advances to suppliers and contractors for mall and office buildings constructions and utility deposits.

Loans Payable (current and noncurrent) increased by 38% to ₱24.88 billion due to issuance of ₱12 billion fixed rate bonds in 2015. Deposits (current and noncurrent) and Other liabilities went up by 22% to ₱8.45 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2015 stood at ₱56.66 billion, up by 8% from ₱52.44 billion last year due to the earnings during the year of ₱5.70 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2015	2014
Gross revenues	₱19.71 billion	₱17.05 billion
EBIT	7.54 billion	6.24 billion
EBITDA	10.69 billion	8.97 billion
Net income	5.70 billion	4.73 billion
Earnings per share	1.39	1.16
Net book value per share	13.84	12.81
Current ratio	1.98:1	1.41:1
Debt-to-equity ratio	0.44:1	0.34:1
Interest coverage ratio	7.91:1	6.96:1
Asset to equity ratio	1.74:1	1.62:1
Operating margin ratio	0.38:1	0.37:1

Capital expenditures for the fiscal year ended September 30, 2015 amounted to ₱16.8 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

iii. Year ended September 30, 2014 versus same period in 2013

RLC generated total gross revenues of ₱17.05 billion for fiscal year 2014, an increase of 7% from ₱15.90 billion total gross revenues for fiscal year 2013. EBIT grew 4% to ₱6.24 billion while EBITDA posted a 6.3% growth to ₱8.97 billion. Net income stood at ₱4.73 billion, up by 5.8% compared to last year.

The Commercial Centers Division accounted for ₱8.10 billion of the real estate revenues for the year versus ₱7.39 billion last year or a 9.7% increase. The newly opened malls namely, Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas and Robinsons Malabon contributed to the increase in revenues. In addition, Robinsons Magnolia, Robinsons Palawan and Robinsons Iloilo contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 5.8% and 8.5%, respectively.

The Residential Division realized revenues rose to ₱5.86 billion for the year versus ₱5.58 billion last year, an increase of 5%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 0.9% and 0.6%, respectively.

Revenues of Office Buildings Division grew by 7% to ₱1.54 billion from ₱1.44 billion over the same period last year. This 7% increase in lease income was due to new office buildings Cyberscape Alpha and Cyberscape Beta, with occupancy rates of 46% and 68% as of September 30, 2014, respectively. The Division's EBIT and EBITDA showed positive variances of 3.7% and 6.5%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.53 billion as against last year's ₱1.50 billion. The 2.5% increase in hotel revenues was principally due to additional new Go Hotels Iloilo and Go Hotels Ortigas Center which opened in fiscal year 2014. The hotel average occupancy rate is 68% in 2014. Hotels Division EBIT grew by 5.6%, while EBITDA is flat at ₱527 million in 2014 and 2013.

Interest income decreased to ₱14.6 million from ₱113.4 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2014.

Real estate cost and expenses went up by 8% to ₱7.06 billion from ₱6.56 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers by ₱245 million or 13% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱53 million or 14%. Furthermore, cinema expense rose by 19% or ₱90 million due to higher level of cinema operations which in turn resulted to higher cinema revenues.

Hotel expenses rose by 1.5% to ₱1.17 billion due substantially to higher level of cost of food and beverage, salaries and wages and contracted services among others, which were all due to higher level of operations brought about by the newly opened Go Hotels branches.

General and administrative expenses went up by 17% due to higher salaries, advertising and promotions and insurance expense, among others.

Total assets of the Company stood at ₱85.37 billion, a growth of 14% from

₱74.89 billion in 2013. Receivables (current and noncurrent net) increased by 33% or ₱1.65 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale grew by 26% due to the reclassification of land from Investment Properties amounting to ₱1.76 billion as of September 30, 2014.

Investment Properties and Property and Equipment both increased by 9% due to acquisition of several land properties both for residential and commercial development. The completion of construction of Robinsons Malolos, Robinsons Butuan, Robinsons Santiago, Robinsons Roxas, Robinsons Malabon and Robinsons Antipolo during the fiscal year and ongoing mall constructions at Robinsons Maxilom and Robinsons Las Pinas contributed to the increase. While other noncurrent assets increased by 104% due to increase in utility deposits, and prepaid rental as a result of ASNC's (wholly-owned subsidiary of RLC) assignment to RLC of all its rights, interests and obligations under a long-term contract of lease of land located in Taguig City.

Loans Payable (current and noncurrent) increased by 42% due to availment of ₱10 billion term loans and additional short-term loans of ₱8 billion offset by payment of ₱10 billion bonds payable that matured in 2014. Accounts payable and accrued expenses increased by 17% due to higher level of capital and operational expenditures. Deposits (current and noncurrent) and Other liabilities went up by 12% to ₱6.92 billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2014 stood at ₱52.44 billion, up by 6.6% from ₱49.17 billion last year due to the earnings during the year of ₱4.74 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2014	2013
Gross revenues	₱17.05 billion	₱15.90 billion
EBIT	6.24 billion	5.98 billion
EBITDA	8.97 billion	8.44 billion
Net income	4.73 billion	4.48 billion
Earnings per share	1.16	1.09
Net book value per share	12.81	12.01
Current ratio	1.41:1	0.95:1
Debt-to-equity ratio	0.34:1	0.26:1
Interest coverage ratio	6.96:1	6.15:1
Asset to equity ratio	1.62:1	1.52:1
Operating margin ratio	0.37:1	0.38:1

Capital expenditures for the fiscal year ended September 30, 2014 amounted to ₱14.1 billion. Funding for the capital expenditures was sourced from proceeds of short-term and long-term loans and internally generated funds.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

a.) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material effect on revenues or income from continuing operations.

The Company currently derives substantially all of its revenues and income from its property investment and development businesses in the Philippines. Their performance and profitability are anchored on the strength of the Philippine economy that is largely driven by private consumption, remittances from OFWs, growth of the IT-BPM sector, flourishing tourism industry, and a low interest rate environment.

b.) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 74) are filed as part of this Form 17-A (pages 78 to 169).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by Sycip, Gorres Velayo & Co. :

Name	2016	2015
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱3,908,261**	₱3,657,498
All Other Fees..	**770,000**	2,967,000
TOTAL	**₱4,678,261**	₱6,624,498

No other service was provided by external auditors to the Company for the fiscal years 2016 and 2015.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 13. Security Ownership of Certain Record and Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners

As of September 30, 2016, the Corporation knows no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	2,496,114,787	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,068,943,027	26.11%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	494,695,282	12.08%

Notes:

1 The Chairman and the President of JG Summit Holdings Inc. (JGSHI) are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President and Chief Operating Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

2 PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. Out of the PCD Nominee Corporation account, "Deutsche Bank Manila-Clients" and "The Hongkong and Shanghai Banking Corp. Ltd.- Clients Account" - (Non-Filipino) holds for various trust accounts the following shares of the Corporation as of September 30, 2016:

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	534,272,166	13.05%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	394,582,102	9.64%

The securities are voted by the trustee's designated officers who are not known to the Corporation.

b) Security Ownership Of Management as of September 30, 2016

Title of Class	Name of beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. John L. Gokongwei, Jr.	Director, Chairman Emeritus	14,119,081 (see note 2)	Filipino	0.35%
Common	2. James L. Go	Director, Chairman	1,685,994	Filipino	0.04%
Common	3. Lance Y. Gokongwei	Director, Vice Chairman and Chief Executive Officer	804,001	Filipino	0.02%
Common	4. Frederick D. Go	Director, President & COO	500,001	Filipino	0.01%
Common	5. Arlene G. Magtibay	General Manager	0		*
	Sub-Total		17,109,077		0.42%
B. Other Directors, Executive Officers and Nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	540,000	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	50,001	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Subtotal		600,905		0.01%
C. All directors and executive officers as a group unnamed			17,709,982		0.43%

Notes:

[1] As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of September 30, 2016.

[2] Sum of shares in the name of "John Gokongwei, Jr." for 8,124,721, "John L. Gokongwei, Jr." for 300,000 and "Elizabeth Y. Gokongwei and/or John Gokongwei" for 988,000 and shares equivalent to 4,706,360 which were subscribed and paid for under the rights offering of the Corporation and are currently lodged under PDTC.

* less than 0.01%

c) Voting Trust Holder of 5% or more - as of September 30, 2016

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

d) Changes in Control

There has been no change in control of the Company since September 30, 2016.

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company's executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of ten members, of which three are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of September 30, 2016:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.	90	Director, Chairman Emeritus	Filipino
James L. Go............................	77	Director, Chairman	Filipino
Lance Y. Gokongwei................	49	Director, Vice Chairman & Chief Executive Officer	Filipino
Frederick D. Go.......................	47	Director, President & Chief Operating Officer	Filipino
Patrick Henry C. Go	46	Director	Filipino
Johnson Robert G. Go, Jr.	51	Director	Filipino
Robina Y. Gokongwei-Pe..........	55	Director	Filipino
Artemio V. Panganiban............	79	Director (Independent)	Filipino
Roberto F. de Ocampo.	70	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr............	80	Director (Independent)	Filipino
Omar Byron T. Mier……………	72	Director (Independent)	Filipino
Faraday D. Go…………………..	40	General Manager	Filipino
Arlene G. Magtibay..................	54	General Manager	Filipino
Corazon L. Ang Ley…………..…	49	General Manager	Filipino

Name	Age	Position	Citizenship
Elizabeth Kristine D. Gregorio..	44	General Manager	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	43	Senior Vice President	Filipino
Constante T. Santos…………..	68	Senior Vice President	Filipino
Bach Johann M. Sebastian……	55	Senior Vice President	Filipino
Cecilia M. Pascual ………….....	58	Vice President	Filipino
Emmanuel G. Arce……………..	58	Vice President	Filipino
Constantino C. Felipe…………	53	Vice President	Filipino
Kerwin Max S. Tan	46	Chief Financial Officer	Filipino
Mary Maylanie L. Precilla.........	42	Vice President	Filipino
Honorio Almeida, Jr.................	58	Vice President	Filipino
Catalina M. Sanchez…………..	37	Vice President	Filipino
Anna Kathrina B. Cipriano…….	40	Vice President	Filipino
Sylvia B. Hernandez…………..	53	Vice President – Treasurer	Filipino
Rosalinda F. Rivera	46	Corporate Secretary	Filipino

The above directors and officers have served their respective offices since March 9, 2016. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 90, founded RLC in 1980 and has been the Chairman Emeritus of RLC effective January 1, 2002. He continues to be a member of RLC's Board and is the Chairman Emeritus of JG Summit Holdings, Inc. and certain of its subsidiaries. He also continues to be a member of the Executive Committee of JG Summit Holdings, Inc. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., Deputy Chairman and Director of United Industrial Corporation Limited and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Masters degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 77, is the Chairman of RLC. He is the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He is the Chairman of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Cebu Air, Inc., Marina Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA. Mr. James L. Go is a brother of Mr. John L. Gokongwei, Jr.

Lance Y. Gokongwei, 49, is the Vice-Chairman and Chief Executive Officer of RLC. He is the President and Chief Operating Officer of JG Summit Holdings, Inc., He is the Chairman and Chief Executive Officer of Robinsons Retail Holdings, Inc. He is the President and Chief Executive Officer of Universal Robina Corporation, Cebu Air, Inc. He is the Chief Executive Officer of JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Chairman of Robinsons Bank Corporation, and a director of Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is a director and Vice Chairman of Manila Electric Company. He is also a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania. Mr. Lance Y. Gokongwei is the son of Mr. John L. Gokongwei, Jr.

Frederick D. Go, 47, is the President and Chief Operating Officer of RLC. He has been a director of the Company since May 6, 1999 and was elected President and Chief Operating Officer effective August 28, 2006. He is also the President and Chief Operating Officer of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank Corporation, JG Summit Petrochemical Corporation, and Cebu Light Industrial Park. He is also a Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 46, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC and is the President and Chief Operating Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 51, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 55**,** was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., Robinsons Bank Corporation. She is currently the President and Chief Operating Officer of Robinsons Retail Holdings, Inc. She is a Trustee of the Gokongwei Brothers Foundation Inc. and Immaculate Conception Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 79**,** was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He was formerly the Chief Justice of the Philippines and concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored over ten (10) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6^{th} in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 70, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of

Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 80, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, CFC Corporation, and JG Summit Petrochemical Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. prior to joining the Group in 1962.

Omar Byron T. Mier, 71, was appointed as an Indpendent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Faraday D. Go, 40, was appointed as Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective 01 February 2014. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in

Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 54, is the General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 26 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Masters in Business Management, with distinction, from the Asian Institute of Management.

Corazon L. Ang Ley, 49, She's been with the group over 20 years and has been assigned to various functions and offices within the RLC, including a three-year stint in China. She is currently the BU-GM for Robinsons Homes. She's a graduate of Tourism from University of the Philippines - Asian Institute of Tourism in 1987.

Elizabeth Kristine D. Gregorio, 44, was appointed as General Manager of Robinsons Hotels and Resorts on January 1, 2014. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Ma. Soccorro Isabelle V. Aragon-Gobio, 43, was appointed as Senior Vice President for Robinsons Luxuria, Residences, Communities and Right Homes effective January 1, 2014. She has been with RLC for 22 years and is concurrently director of Manhattan Building Management Corporation and the Chairman of various condominium corporations of the Company's projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University.

Constante T. Santos, 68, is the Senior Vice President in charge of Corporate Tax Advisory Services and Tax Administration Department. Prior to joining RLC in 1986, he practiced public accounting with SyCip, Gorres, Velayo & Co. in the Philippines and Ernst & Whinney in the United States. He is a member of the Philippine Institute of Certified Public Accountants. Mr. Santos received his Bachelor of Science degree in Business Administration from the University of the East and attended the Management Development Program at the Asian Institute of Management.

Bach Johann M. Sebastian, 55, is Senior Vice President and Chief Strategy Officer of RLC. He is also the Senior Vice President and Chief Strategy Officer of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business

Administration degree from the Asian Institute of Management in 1986.

Cecilia M. Pascual*,* 58, is the Vice President – Group Controller of RLC. Concurrently, she handles Altus San Nicolas Corp., Altus Angeles, Inc., and Manhattan Building Management Corp.. Prior to joining RLC, she held head positions in audit and finance in Robinsons Retail Group, CFC-Keebler, Inc. and Wenphil Corp. among others. A Certified Public Accountant, Ms. Pascual practiced public accounting with SGV & Co.

Emmanuel G. Arce, 58, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 53, is the Vice President/Group Head for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Kerwin Max S. Tan, 46, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President-Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Mary Maylanie L. Precilla*,* 42, is the Vice President for Sales and Marketing for Robinsons Residences and Luxuria effective November 1, 2011. Prior to joining RLC in April 2011, she was with SM Land Inc. where she was Vice President, Sales and Marketing Head of Costa Hamilo Inc. and Highlands Prime Inc. and Marketing Head of the Commercial Properties Group. She graduated cum laude and received a Bachelor of Arts major in Communication Arts from the University of Sto. Tomas.

Honorio Almeida, Jr., 58**,** is the Vice President of Construction Planning and Projects Department for Robinsons Homes of RLC effective October 2010. He was formerly the Assistant Vice President for Construction Department. He started his professional career with the Local Water Utilities Administration (LWUA) as Resident Engineer supervising the construction of various Water Supply System Projects for different Water Districts nationwide. Prior to working in RLC, he was the Executive Vice President of MRI Construction Inc., a subsidiary of the Moldex Group of Companies. He received a degree in Bachelor of Science in Civil Engineering from the University of Sto. Tomas.

Catalina Mallari-Sanchez, 37, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She has over 15 years of experience in the real estate industry particularly in the residential and office segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Anna Kathrina B. Cipriano, 40, was appointed as Vice President, Business Development for Robinsons Luxuria effective January 1, 2014. She concurrently heads Business Development for the Robinsons Residences brand and serves as Director and Vice President of various condominium corporations of RLC projects. She has been with the Company for 8 years out of her 13 year career with the JG Summit Group, having also held roles in JG Summit Holdings, Inc. and Sun Cellular. She received a Bachelor of Science degree in Management from the Ateneo de Manila University and her Masters in Business Management from the Asian Institute of Management.

Sylvia B. Hernandez, 53, was appointed as Vice President-Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc., Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Robinsons Equitable Tower Condo Corp., and Robinsons Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP-Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in Accountancy. She is a Certified Public Accountant.

Rosalinda F. Rivera, 46, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

b) Involvement In Certain Legal Proceedings of Directors and Executive Officers

None of the members of RLC's Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years.

c) Family Relationships

James L. Go is the brother of John Gokongwei, Jr.
Lance Y. Gokongwei is the son of John Gokongwei, Jr.
Frederick D. Go is the nephew of John Gokongwei, Jr.
Patrick Henry C. Go is the nephew of John Gokongwei, Jr.
Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.
Faraday D. Go, Jr. is the nephew of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

The following table identify RLC's Chief Executive Officer and the four most highly compensated executive officers and summarizes their aggregate compensation for the two most recent fiscal years.

		Fiscal Year 2016			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 35,347,444	P 1,700,000	P 539,250	P 37,586,694
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D. Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 73,786,398	P 2,975,000	P 839,250	P 77,600,648

		Fiscal Year 2015			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 33,226,450	P 2,000,000	P 307,500	P 35,533,950
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D. Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 69,479,474	P 3,000,000	P 405,000	P 72,884,474

** Per diem*

The following table lists the name of the Company's Chief Executive Officer and the four most highly compensated executive officers and summarized their aggregate compensation for the ensuing year:

		Estimated Year 2017			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four (4) most highly compensated executive officers		P 37,304,805	P 1,700,000	P 539,250	P 39,544,055
Name	*Position*				
1. Lance Y. Gokongwei	Director, Vice Chairman & Chief Executive Officer				
2. James L. Go	Director, Chairman				
3. Frederick D.Go	Director, President & Chief Operating Officer				
4. John L. Gokongwei, Jr.	Director, Chairman Emeritus				
5. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
B. All other officers and directors as a group unnamed		P 75,348,514	P 2,975,000	P 839,250	P 79,162,764 **

** Per diem*
*** Estimated*

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed fiscal year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

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

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of September 30, 2016, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

RLC and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the JG Summit Group and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in RLC's shopping malls as well as substantial intercompany loans. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱2.181 billion, ₱1.877 billion and ₱1.630 billion for fiscal years 2016, 2015 and 2014, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank (formerly Robinsons Savings Bank), an affiliated local commercial bank. These balances amounted to ₱105 million, ₱692 million and ₱617 million as of September 30, 2016, 2015 and 2014, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 20 to the Company's financial statements as of and for the fiscal years ended September 30, 2016, 2015 and 2014.

PART IV. CORPORATE GOVERNANCE

Adherence to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, has been reinforced by continuous improvement by the Company in order to implement good governance and management practices.

The Board of Directors has approved its Corporate Governance Compliance Evaluation System in late 2003 in order to monitor and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and actions to be taken. One of the System's output is the Annual Corporate Governance Compliance Evaluation Form submitted to the SEC and PSE on or before January 30 of every year. RLC began making such submission of the Annual Corporate Governance Compliance Evaluation Form covering the previous calendar year to the SEC and PSE in 2004.

Likewise, RLC has consistently striven to raise its level of reporting to adopt and implement prescribed International Accounting Standards (IAS).

PART V - EXHIBITS AND SCHEDULES

Item 17. Exhibits And Reports On SEC Form 17-C

(A) Exhibits-See Accompanying Index To Exhibits (Page 170)

The following exhibit is filed as a separate section of this report:

(Exhibit 18) Subsidiaries Of The Registrant (page 171)

The other exhibits, as indicated in the Index to exhibits are either not applicable to the Company or does not require an answer.

(B) Reports on SEC Form 17-C (Current Report)

Following is a list of corporate disclosures of RLC filed under SEC Form 17-C for the period from April 1, 2016 to September 30, 2016:

Date of Disclosure	Subject Matter
May 12, 2016	Approval by the Board of Directors of RLC of the amendments to the By-Laws
May 12, 2016	Approval by the Board of Directors of RLC on the change in fiscal year to first day of January and ends on the last day of December of the same year
July 25, 2016	Approval by Securities and Exchange Commission of the amendment to the By-Laws of RLC

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on January 6, 2017.

By:

Lance Y. Gokongwei
Vice Chairman & Chief Executive Officer
(Acts as Principal Financial Officer)
1/6/17

Frederick D. Go
President & Chief Operating Officer
1/6/17

Kerwin Max S. Tan
Chief Financial Officer
1/6/17

Cecilia M. Pascual
VP - Group Controller/
Principal Accounting Officer
1/6/17

Rosalinda F. Rivera
Corporate Secretary
1/6/17

SUBSCRIBED AND SWORN to before me this JAN 12 2017 day of __________ 2015, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Lance Y. Gokongwei	16679360	Jan. 26, 2016	Pasig City
Frederick D. Go	21814552	Jan. 6, 2016	Quezon City
Kerwin Max S. Tan	P0352145A	Sept. 23, 2016 - Sept. 22, 2021	Manila
Cecilia M. Pascual	EC2296901	Oct. 3, 2014 - Oct. 2, 2019	Manila
Rosalinda F. Rivera	SSS No. 33-2484959-1		

ATTY. LUIS M. DE VERA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2017
PTR NO. 3802427-1/3/2017-Q.C.
IBP NO. 1054756-12/19/2016-Q.C
ROLL NO. 20761
ADM. MATTER NO. NP-160(2016-2017)
ADDRESS NO 2 CONGRESSIONAL AVE. COR. EDSA Q.C.
MCLE NO. V-0009642

Doc No. 455;
Page No. 92;
Book No. 8;
Series of 2017

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

ROBINSONS LAND
CORPORATION

LEVEL 2, GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY, PHILIPPINES
TELEPHONE NUMBER: +63.2.3971888 FAX NUMBER: +63.2.3970152.FAX

January 6, 2017

Securities and Exchange Commission
Ground Flr - North Wing, PICC Secretariat Building,
Philippine International Convention Center (PICC) Complex,
Roxas Boulevard, Pasay City.

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended September 30, 2016, 2015 and 2014, including the additional components attached herein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders or members.

Sycip, Gorres, Velayo and Co. (SGV), the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

James L. Go
Chairman

Lance Y. Gokongwei
Vice Chairman and Chief Executive Officer

Frederick D. Go
President and Chief Operating Officer

Kerwin Max S. Tan
Chief Financial Officer

Signed this JAN 12 2017 day of ____.

Doc. No. 302;
Page No. 61;
Book No. 9;
Series of 2017

SUBSCRIBED AND SWORN to before me this day JAN 12 2017 at Q.C.

ATTY. LUIS M. DE VERA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2017
FTR NO. 3802427-1/3/2017-Q.C.
IBP NO. 1054756-12/19/2016-Q.C
ROLL NO. 20761
ADM. MATTER NO. N-160(2016-2017)
ADDRESS NO. 2 CONGRESSIONAL AVE. COR. EDSA Q.C.
MCLE NO. V-0009642

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited the accompanying consolidated financial statements of Robinsons Land Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at September 30, 2016 and 2015 and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended September 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Building a better working world

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Robinsons Land Corporation and its subsidiaries as at September 30, 2016 and 2015 and their financial performance and their cash flows for each of the three years in the period ended September 30, 2016, in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
SEC Accreditation No. 1229-AR-1 (Group A),
May 12, 2015, valid until May 11, 2018
Tax Identification No. 162-410-623
BIR Accreditation No. 08-001998-74-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5908770, January 3, 2017, Makati City

January 6, 2017

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30	
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20, 31 and 32)	**₱1,149,164,948**	₱1,192,954,018
Receivables (Notes 5, 8, 20, 31 and 32)	**7,054,003,658**	5,020,966,811
Subdivision land, condominium and residential units for sale (Notes 5 and 9)	**25,849,498,584**	15,474,711,341
Other current assets (Notes 5, 10, 30, 31 and 32)	**4,447,437,200**	3,947,155,835
Total Current Assets	**38,500,104,390**	25,635,788,005
Noncurrent Assets		
Noncurrent receivables (Notes 5, 8, 20, 31 and 32)	**2,968,073,536**	2,708,934,759
Investment properties (Notes 5 and 11)	**71,902,208,855**	64,015,563,680
Property and equipment (Notes 5 and 12)	**4,459,615,952**	3,507,217,416
Other noncurrent assets (Notes 5, 13, 30, 31 and 32)	**2,210,189,816**	3,200,637,142
Total Noncurrent Assets	**81,540,088,159**	73,432,352,997
	₱120,040,192,549	₱99,068,141,002

LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 16, 31 and 32)	**₱4,039,100,000**	₱3,048,897,460
Accounts payable and accrued expenses (Notes 14, 31 and 32)	**7,935,993,181**	5,904,742,249
Income tax payable	**701,170,234**	695,427,560
Deposits and other current liabilities (Notes 15, 20, 31 and 32)	**4,422,899,495**	3,310,858,559
Total Current Liabilities	**17,099,162,910**	12,959,925,828
Noncurrent Liabilities		
Loans payable (Notes 16, 31 and 32)	**33,305,405,604**	21,833,056,539
Deferred tax liabilities - net (Note 27)	**2,752,332,855**	2,336,240,033
Deposits and other noncurrent liabilities (Notes 17, 29, 31 and 32)	**5,410,258,883**	5,144,338,426
Total Noncurrent Liabilities	**41,467,997,342**	29,313,634,998
Total Liabilities	**58,567,160,252**	42,273,560,826
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 19)	**4,111,528,685**	4,111,528,685
Additional paid-in capital (Note 19)	**20,392,532,781**	20,392,532,781
Other equity reserve (Note 19)	**(87,597,873)**	(87,597,873)
Other comprehensive income		
Remeasurements of net defined benefit liability - net of tax (Note 29)	**(116,728,484)**	(76,401,362)
Cumulative translation adjustment	**42,079,768**	–
Retained earnings (Note 18)		
Unappropriated	**21,222,732,343**	15,541,979,334
Appropriated	**16,000,000,000**	17,000,000,000
Treasury stock (Note 19)	**(221,834,657)**	(221,834,657)
	61,342,712,563	56,660,206,908
Non-controlling interest	**130,319,734**	134,373,268
	61,473,032,297	56,794,580,176
	₱120,040,192,549	₱99,068,141,002

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended September 30		
	2016	2015	2014
REVENUE (Notes 6 and 21)			
Real Estate Operations			
Rental income (Notes 11 and 20)	**₱10,556,125,587**	₱9,287,978,214	₱7,956,129,097
Real estate sales	**7,193,970,995**	6,313,458,917	5,646,638,459
Amusement income	**1,694,021,661**	1,531,671,101	1,259,795,201
Others	**1,259,845,366**	835,331,229	651,412,090
	20,703,963,609	17,968,439,461	15,513,974,847
Hotel Operations	**1,807,598,592**	1,745,849,675	1,533,748,393
	22,511,562,201	19,714,289,136	17,047,723,240
COSTS (Notes 6 and 22)			
Real Estate Operations			
Cost of rental services (Note 26)	**3,973,070,846**	3,444,107,903	3,013,142,880
Cost of real estate sales (Note 9)	**3,982,243,972**	3,207,254,788	3,071,340,402
Cost of amusement services	**764,711,495**	694,919,851	575,239,755
Others	**619,951,194**	489,023,816	403,144,880
	9,339,977,507	7,835,306,358	7,062,867,917
Hotel Operations	**1,316,869,629**	1,292,572,691	1,174,094,303
	10,656,847,136	9,127,879,049	8,236,962,220
	11,854,715,065	10,586,410,087	8,810,761,020
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6 and 23)	**3,402,719,589**	3,050,178,736	2,572,474,729
OPERATING INCOME	**8,451,995,476**	7,536,231,351	6,238,286,291
OTHER INCOME (LOSSES)			
Gain from insurance claims (Note 26)	**208,583,885**	20,410,473	–
Gain (loss) on foreign exchange	**69,815,448**	(2,152,610)	3,451,988
Interest income (Note 26)	**18,075,015**	39,347,029	14,634,631
Gain on sale of investment property	**7,281,855**	–	–
Interest expense (Notes 16 and 26)	**(571,626,129)**	(5,288,926)	–
	(267,869,926)	52,315,966	18,086,619
INCOME BEFORE INCOME TAX	**8,184,125,550**	7,588,547,317	6,256,372,910
PROVISION FOR INCOME TAX (Note 27)	**2,033,647,029**	1,887,514,489	1,521,473,093
NET INCOME	**6,150,478,521**	5,701,032,828	4,734,899,817
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Cumulative translation adjustment	**42,079,768**	–	–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability (Note 29)	**(57,610,174)**	(3,963,850)	7,159,184
Income tax effect (Note 27)	**17,283,052**	1,189,155	(2,147,755)
	(40,327,122)	(2,774,695)	5,011,429
Total Other Comprehensive Income	**1,752,646**	(2,774,695)	5,011,429
TOTAL COMPREHENSIVE INCOME	**₱6,152,231,167**	₱5,698,258,133	₱4,739,911,246

(Forward)

	Years Ended September 30		
	2016	2015	2014
Net Income Attributable to:			
Equity holders of Parent Company	**₱6,154,532,055**	₱5,699,709,532	₱4,737,013,328
Non-controlling interest in consolidated subsidiaries	**(4,053,534)**	1,323,296	(2,113,511)
	₱6,150,478,521	₱5,701,032,828	₱4,734,899,817
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱6,156,284,701**	₱5,696,934,837	₱4,742,024,757
Non-controlling interest in consolidated subsidiaries	**(4,053,534)**	1,323,296	(2,113,511)
	₱6,152,231,167	₱5,698,258,133	₱4,739,911,246
Basic/Diluted Earnings Per Share (Note 28)	**₱1.50**	₱1.39	₱1.16

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended September 30, 2016

	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurement of Net Defined Benefit Liability (Note 29)	Cumulative Translation Adjustment	Unappropriated Retained Earnings (Note 18)	Appropriated Retained Earnings (Note 18)	Attributable to Non-controlling Interest in Consolidated Subsidiaries	Total Equity
	Attributable to Equity Holders of the Parent Company									
Balances at beginning of year	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱76,401,362)**	**₱–**	**₱15,541,979,334**	**₱17,000,000,000**	**₱134,373,268**	**₱56,794,580,176**
Comprehensive income	–	–	–	–	–	–	–	–	–	–
Net income	–	–	–	–	–	–	**6,154,532,055**	–	**(4,053,534)**	**6,150,478,521**
Other comprehensive income	–	–	–	–	**(40,327,122)**	**42,079,768**	–	–	–	**1,752,646**
Total comprehensive income	–	–	–	–	**(40,327,122)**	**42,079,768**	**6,154,532,055**	–	**(4,053,534)**	**6,152,231,167**
Reversal of appropriation (Note 18)	–	–	–	–	–	–	**17,000,000,000**	**(17,000,000,000)**	–	–
Appropriation (Note 18)	–	–	–	–	–	–	**(16,000,000,000)**	**16,000,000,000**	–	–
Cash dividends (Note 18)	–	–	–	–	–	–	**(1,473,779,046)**	–	–	**(1,473,779,046)**
Balances at end of year	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱116,728,484)**	**₱42,079,768**	**₱21,222,732,343**	**₱16,000,000,000**	**₱130,319,734**	**₱61,473,032,297**

For the Year Ended September 30, 2015

	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurement of Net Defined Benefit Liability (Note 29)	Cumulative Translation Adjustment	Unappropriated Retained Earnings (Notes 18)	Appropriated Retained Earnings (Note 18)	Attributable to Non-controlling Interest in Consolidated Subsidiaries	Total Equity
	Attributable to Equity Holders of the Parent Company									
Balances at beginning of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱73,626,667)	₱–	₱11,316,048,848	₱17,000,000,000	₱133,049,972	₱52,570,101,089
Comprehensive income										
Net income	–	–	–	–	–	–	5,699,709,532	–	1,323,296	5,701,032,828
Other comprehensive income	–	–	–	–	(2,774,695)	–	–	–	–	(2,774,695)
Total comprehensive income	–	–	–	–	(2,774,695)	–	5,699,709,532	–	1,323,296	5,698,258,133
Reversal of appropriation (Note 18)	–	–	–	–	–	–	17,000,000,000	(17,000,000,000)	–	–
Appropriation (Note 18)	–	–	–	–	–	–	(17,000,000,000)	17,000,000,000	–	–
Cash dividends (Note 18)	–	–	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at end of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱76,401,362)	₱–	₱15,541,979,334	₱17,000,000,000	₱134,373,268	₱56,794,580,176

	For the Year Ended September 30, 2014								
	Attributable to Equity Holders of the Parent Company							Attributable to Non-controlling Interest in Consolidated Subsidiaries	Total Equity
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Other Equity Reserve (Note 19)	Remeasurement of Net Defined Benefit Liability (Note 29)	Unappropriated Retained Earnings (Note 18)	Appropriated Retained Earnings (Note 18)		
Balances at beginning of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱78,638,096)	₱13,852,814,566	₱11,200,000,000	₱135,163,483	₱49,303,968,889
Comprehensive income									
Net income	–	–	–	–	–	4,737,013,328	–	(2,113,511)	4,734,899,817
Other comprehensive income	–	–	–	–	5,011,429	–	–	–	5,011,429
Total comprehensive income	–	–	–	–	5,011,429	4,737,013,328	–	(2,113,511)	4,739,911,246
Reversal of appropriation (Note 18)	–	–	–	–	–	11,200,000,000	(11,200,000,000)	–	–
Appropriation (Note 18)	–	–	–	–	–	(17,000,000,000)	17,000,000,000	–	–
Cash dividends (Note 18)	–	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at end of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱73,626,667)	₱11,316,048,848	₱17,000,000,000	₱133,049,972	₱52,570,101,089

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱8,184,125,550**	₱7,588,547,317	₱6,256,372,910
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 22, and 24)	**3,571,271,998**	3,150,437,260	2,731,972,693
Interest expense on loans payable excluding capitalized borrowing cost (Note 26)	**571,626,129**	5,288,926	–
Accretion expense on security deposits (Notes 15 and 26)	**66,820,441**	63,905,363	78,279,804
Provision for impairment losses (Note 8)	**1,634,384**	–	–
Loss on retirement of investment properties and property and equipment (Note 12)	**–**	12,750	324,018,712
Gain on sale of investment property (Note 11)	**(7,281,855)**	–	–
Interest income (Notes 7, 21 and 26)	**(326,362,956)**	(580,755,622)	(513,959,506)
Operating income before working capital changes	**12,061,833,691**	10,227,435,994	8,876,684,613
Decrease (increase) in:			
Receivables - trade	**(2,298,872,947)**	(1,029,716,677)	(1,647,765,560)
Subdivision land, condominium and residential units for sale (inclusive of capitalized borrowing cost)	**(10,269,088,882)**	(773,883,181)	(1,393,081,568)
Prepaid expenses and value-added input tax	**(154,214,318)**	(133,404,192)	(636,849,482)
Other current assets	**95,475,649**	(37,935,575)	729,821,292
Increase in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**1,442,405,192**	1,110,913,927	985,452,905
Net pension liabilities	**34,516,561**	36,669,861	34,833,887
Customers' deposits	**1,244,567,497**	685,769,144	389,238,067
Cash generated from operations	**2,156,622,443**	10,085,849,301	7,338,334,154
Interest received from installment contract receivables (Notes 21 and 26)	**308,287,941**	541,408,593	499,324,875
Income tax paid	**(1,611,811,533)**	(1,052,182,108)	(1,246,860,762)
Net cash flows provided by operating activities	**853,098,851**	9,575,075,786	6,590,798,267
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from cash and short-term investments	**18,221,298**	39,275,826	14,617,135
Decrease (increase) in:			
Receivables from affiliated companies (Notes 8 and 20)	**4,916,656**	(815,502)	(272,007)
Advances to suppliers and contractors (Notes 10 and 13)	**(881,320,355)**	(1,517,400,009)	(494,045,948)
Other noncurrent assets	**1,298,516,855**	(1,539,044,096)	(95,339,495)
Advances to lot owners	**51,490,204**	475,054,329	(395,611,155)
Additions to:			
Investment properties (inclusive of capitalized borrowing cost) (Notes 11 and 35)	**(10,408,209,367)**	(11,902,649,055)	(9,045,673,756)
Property and equipment (Notes 12 and 35)	**(1,452,986,001)**	(635,124,068)	(587,097,540)
Proceeds from sale of investment property	**33,610,500**	–	–
Net cash flows used in investing activities	**(11,335,760,210)**	(15,080,702,575)	(10,603,422,766)

(Forward)

	Years Ended September 30		
	2016	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans payable (Note 16)	**₱11,500,000,000**	₱12,000,000,000	₱10,000,000,000
Availment of short-term loans (Note 16)	**4,039,100,000**	3,048,897,460	8,101,450,000
Increase (decrease) in payable to affiliated companies and other liabilities (Note 15)	**(3,980,173)**	211,582,612	147,680,169
Interest paid	**(517,222,768)**	69,038,405	(34,074,420)
Payments of loans payable (Note 16)	–	–	(10,000,000,000)
Payments of debt issue cost (Note 16)	**(57,500,000)**	(111,924,327)	(79,698,532)
Payments of cash dividends (Notes 14 and 18)	**(1,472,627,310)**	(1,472,518,532)	(1,470,911,440)
Payments of short-term loans (Note 16)	**(3,048,897,460)**	(8,101,450,000)	(2,678,400,000)
Net cash flows provided by financing activities	**10,438,872,289**	5,643,625,618	3,986,045,777
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(43,789,070)**	137,998,829	(26,578,722)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,192,954,018**	1,054,955,189	1,081,533,911
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱1,149,164,948**	₱1,192,954,018	₱1,054,955,189

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines. The Parent Company and its subsidiaries are collectively referred herein as “the Group”.

The Group is engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, shopping malls, commercial centers and housing projects, hotels and other variants and mixed-used property projects. The Group is 60.97% owned by JG Summit Holdings, Inc. (JGSHI or the Ultimate Parent Company). JGSHI is one of the country’s largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation and financial services.

The Parent Company’s shares of stock are listed and currently traded at the Philippine Stock Exchange (PSE).

The Parent Company’s principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

The consolidated financial statements as of September 30, 2016 and 2015 and for each of the three years in the period ended September 30, 2016 were authorized for issue by the Parent Company’s Board of Directors (BOD) on January 6, 2017.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis and are presented in Philippine Peso (₱), the Parent Company’s functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of September 30, 2016 and 2015, and for each of the three years in the period ended September 30, 2016.

The consolidated financial statements are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

An investee is included in the consolidation at the point when controls is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not owned by the Group and are presented separately in consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests, including preferred shares and options under share-based transactions, if any.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as of September 30:

	Country of Incorporation	Effective Percentage of Ownership 2016	2015
Robinson's Inn Inc.	Philippines	**100%**	100%
Robinsons Realty and Management Corp.	Philippines	**100%**	100%
Robinsons Properties Marketing and Management Corp.	Philippines	**100%**	100%
Manhattan Buildings and Management Corp.	Philippines	**100%**	100%
Robinson's Land (Cayman), Ltd.	Cayman Islands	**100%**	100%
Altus San Nicolas Corporation (ASNC)	Philippines	**100%**	100%
Altus Angeles, Inc. (AAI)	Philippines	**51%**	51%
GoHotels Davao, Inc.	Philippines	**51%**	51%
Lingkod Pinoy Bus Liner, Inc.	Philippines	**80%**	–
RLC Resources Ltd.	British Virgin Island	**100%**	100%
Kingdom Pacific Ltd. (Kingdom Pacific)	Hong Kong	**–**	100%
Land Century Holdings Ltd.	Hong Kong	**100%**	100%
World Century Enterprise Ltd.	Hong Kong	**100%**	100%
Crown Harbour Holdings Ltd. (Crown Harbour)	Hong Kong	**–**	100%
First Capital Development Ltd. (First Capital)	Hong Kong	**100%**	100%
Chengdu Xin Yao Real Estate Development, Co. Ltd. (Chengdu Xin Yao)	China	**100%**	–

On October 19, 2015, Chengdu Xin Yao, subsidiary of First Capital, was incorporated to engage in the business of real estate development of Wuhou District of Chengdu Province in China (see Note 9).

On April 7, 2016, Lingkod Pinoy Bus Liner, Inc. was incorporated to engage in land transportation for transportation of carriage of passengers, goods, and merchandise within any place in the Philippines.

On June 20, 2016, the Directors of RLC Resources Limited approved the sale of 100% of its investment in Crown Harbor Holdings, Limited and Kingdom Pacific Limited. On July 12, 2016, the investment in Crown Harbour and Kingdom Pacific, were sold to Paramount Ventures Group Limited.

As of September 30, 2016, 2015 and 2014, the Group has no subsidiary with material non-controlling interest that would require additional disclosures.

3. Changes in Accounting Policies

Standards Issued But Not Yet Effective

The Group has not applied the following PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations which are not yet effective as of September 30, 2016. This list consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Unless otherwise indicated, adoption of these standards and interpretations are not expected to have any significant impact on the consolidated financial statements.

Effective January 1, 2016

- PFRS 10, *Consolidated Financial Statements,* PFRS 12, *Disclosure of Interests in Other Entities,* and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (Amendments)*
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests (Amendments)*
- PFRS 14, *Regulatory Deferral Accounts*
- PAS 1, *Presentation of Financial Statements - Disclosure Initiative (Amendments)*
- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*
- Annual Improvements to PFRSs (2012-2014 cycle)
    - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
    - PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
    - PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
    - PAS 19, *Employee Benefits - Regional Market Issue regarding Discount Rate*
    - PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

Effective January 1, 2017

- PAS 7, *Cash Flow Statement*s - *Disclosure Initiative (Amendments)*
- PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)*

Effective January 1, 2018

- PFRS 9, *Financial Instruments*
  In July 2014, the International Accounting Standards Board (IASB) issued the final version of International Financial Reporting Standards (IFRS) 9, *Financial Instruments*. The new standard (renamed as PFRS 9) reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Early application of previous versions of PFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Group did not early adopt PFRS 9.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The Group is currently assessing the impact of adopting this standard.

Effective January 1, 2019

- PFRS 16, *Leases*
  On January 13, 2016, the IASB issued its new standard, PFRS 16, *Leases*, which replaces PAS 17, the current leases standard, and the related Interpretations.

  Under the new standard (renamed as PFRS 16), lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statements of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

  The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

  The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is not permitted until the FRSC has adopted the new revenue recognition standard. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Group plans to adopt the new standard on the required effective date. It is currently assessing the impact of the new standard and expects it to significantly impact its lease arrangements wherein the Group is a lessee as it will already recognize the related assets and liabilities in its statements of financial position.

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principals in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

  The Group is engaged in selling activities of real estate projects while construction is in progress or even before it has started. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

4. **Summary of Significant Accounting Policies**

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

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

Real estate sales
Revenue from sales of real estate and cost from completed projects is accounted for using the percentage of completion (POC). In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1, the POC is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold the equitable interest has been transferred to buyer and the costs incurred or to be incurred can be measured reliably. Under the POC method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of project.

Revenue recognition commences when the construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the required buyer's equity is met. Buyer's equity represents the percentage of collection over the total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group.

If any of the criteria under the percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits from real estate buyers" account which is shown as part of the "Deposits and other liabilities" account in the liabilities section of the consolidated statement of financial position.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

Amusement income
Revenue is recognized upon rendering of services.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when the events take place. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Gains
Gains represent other items that meet the definition of income and may, or may not, arise in the course of the ordinary activities of the Group. Gains represent increases in economic benefits and have the same nature as revenue. These are recognized as income when cash is realized.

Costs Recognition
Cost of Real Estate Sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision lots and housing units and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

General and Administrative Expense
Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:
- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Commission Expense
The Group recognizes commission expense when services are rendered by the broker and agent. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current and Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Financial Instruments - Initial Recognition and Subsequent Recognition
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability.

In cases where variables used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Assets
Initial recognition and measurement
Financial assets are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investment, available for sale(AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge as appropriate. All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at FVPL, transaction costs that are directly attributable to the acquisition of financial assets.

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

The Group's financial assets are of the nature of loans and receivables as of September 30, 2016 and 2015.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

The Group's loans and receivables include cash and cash equivalents, receivables and refundable utility deposits included under "Other Current and Noncurrent Assets".

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or,
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

Impairment of Financial Assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it

includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liablities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include other financial liabilities as of September 30, 2016 and 2015.

Other Financial Liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

The Group's other financial liabilities consists of accounts payable and accrued expenses, short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under "Deposit and other liabilities".

Derecognition

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

Debt Issue Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Customers' Deposits
Deposits from lessees
Deposits from lessees are measured initially at fair value. After initial recognition, customers' deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the "Deposits and other liabilities" in the consolidated statement of financial position) and amortized using the straight-line method.

Deposits from real estate buyers
Deposits from real estate buyers represent mainly reservation fees and advance payments. These deposits will be recognized as revenues in the profit or loss as the related obligations are fulfilled to the real estate buyers. The deposits are recorded as "Deposits from real estate buyers" and reported under the "Deposits and other liabilities" account in the consolidated statement of financial position.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Subdivision Land, Condominium and Residential Units for Sale
Subdivision land, condominium and residential units for sale in the ordinary course of business are carried at the lower of cost and net realizable value (NRV). Cost includes land costs, costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, contractor's fees and other professional fees, property transfer taxes, construction overheads and other related costs) and borrowing costs on loans directly attributable to the projects which were capitalized during construction.

NRV is the estimated selling price in the ordinary course of business less cost of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Prepaid expenses
Prepaid expenses pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Value-added Tax (VAT)
Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except when the VAT incurred on a purchase of assets or services is not recoverable from the taxation

authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item is applicable.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statements of financial position.

Investment Properties

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the companies consolidated into the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Investment properties are depreciated and amortized using the straight-line method over their estimated useful lives (EUL) as follows:

	Years
Buildings	20
Building improvements	10
Land improvements	10

The useful life and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the profit and loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition. Cost also includes interest and other charges on borrowed funds used to finance the construction of property and equipment to the extent incurred during the period of construction and installation.

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

Depreciation and amortization commences once the assets are available for use and is calculated on a straight-line basis over the estimated useful life of over the EUL as follow:

	Years
Buildings	20
Building improvements	10
Land improvements	5
Theater furniture and equipment	5
Other equipment	2.5

Assets under construction are transferred to a specific category of property and equipment when the construction and other related activities necessary to prepare the property and equipment for their intended use are completed and the property and equipment are available for service.

Other equipment includes china, glassware, silver and linen on stock used in hotel operations.

The useful life and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that the Group's investment properties and property and equipment may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

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

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the consolidated statement of comprehensive income.

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

Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs (included in "Subdivision Land, Condominium and Residential Units for Sale", "Properties and Equipment" and "Investment Properties" accounts in the Group's consolidated statement of financial position). Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings.

All other borrowing costs are expensed in the period they occur and is recorded under "Interest expense."

Equity
Capital stock is measured at par value for all shares issued. When the Group issues more than one capital stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend distribution when they are declared by the subsidiaries as approved by their respective BOD.

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

Other equity reserve
Other equity reserve pertains to the difference between the consideration paid and the carrying value of the non-controlling interest acquired.

Income Taxes
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are earned at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered. The Group does not recognize deferred income tax assets and deferred tax liabilities that will reverse during the income tax holiday (ITH).

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension Expense
The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:
- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related liabilities). If the fair value of the plan assets is higher than the present value of the defined benefit liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

<u>Leases</u>
The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for any of the scenarios above, and at the date of renewal or extension period for the second scenario.

Group as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss on a straight-line basis over the lease term. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based on the terms of the leased contract.

Group as a lessor
Leases where the Group retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. Indirect costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as the lease income.

Leases where the Group transfers substantially all the risk and benefits of ownership of the assets are classified as finance leases. The Group recognizes assets held under a finance lease in their consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. The lease payments received from the lessee are treated as repayments of principal and finance income. Initial direct costs may include commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging the lease. They are included in the measurement of the net investment in the lease at inception and reflected in the calculation of the implicit interest rate. The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Joint Operation
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Foreign currencies
The Group's consolidated financial statements are presented in Philippine Peso, which is also the Parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation for consolidation
On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in the cumulative translation adjustment (CTA) in the statement of comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss when the standard permits.

Earnings Per Share (EPS)
Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to equity holder of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares.

Operating Segment
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

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

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

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

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

Revenue and cost recognition on real estate sales
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgment based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group.

Operating leases commitments - Group as lessee
The Group has entered into lease contracts to develop commercial or office properties on the leased land premises. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased land are not transferred to the Group.

Operating lease commitments - Group as lessor
The Group has entered into commercial and office property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee.

Finance lease commitments - Group as lessor
The Group has entered into property leases on some of its real estate condominium unit property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the bargain purchase option and minimum lease payments, that the Group has transferred all the significant risks and rewards of ownership of these properties to the lessee and accounts for them as finance leases.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property is not occupied substantially for use by, or in operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. Owner-occupied properties are attributable not only to the main property but also to the other assets used in the supply process.

Some properties are held to earn rentals or for capital appreciation and other properties are held for use in rendering of services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in providing services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Distinction between subdivision land (inventory) and land and land improvements (investment property)
The Group determines whether a property will be classified as “Subdivision land” or “Land and land improvements”. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (Subdivision land) or whether it will be retained as part of the Group’s strategic land banking activities for future development or sale which are yet to be finalized by the Group (Investment property).

Contingencies
The Group is currently involved in various legal proceedings and tax assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the internal and external counsel handling the defense on these matters and is based upon an analysis and judgment of potential results by the management. The Group currently does not believe these proceedings will have a material effect on the Group’s financial position. It is possible, that future results of operations could be materially affected by changes in the judgement or in the effectiveness of the strategies relating to these proceedings (see Note 34).

Estimates
The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue and cost recognition
The Group’s revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group’s revenue and cost from real estate is recognized based on the percentage of completion measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of the project. For the year ended September 30, 2016, 2015 and 2014, the real estate sales amounted to ₱7,194 million, ₱6,313 million and ₱5,647 million, respectively while cost of sales amounted to ₱3,982 million, ₱3,207 million and ₱3,071 million, respectively.

Allowance for impairment losses
The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management based on the factors that affect the collectability of the accounts. For rental activities, these factors include, but are not limited to, the length of the Group’s relationship with the tenant, the tenant’s payment behavior and other known market factors. For real estate sales activities, these factors include the fact that title of the real estate properties will only transfer to the buyer if the receivables are fully settled and paid. The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures.

The related balances follow (see Note 8):

	2016	2015
Receivables	**₱10,069,753,795**	₱7,775,943,787
Allowance for impairment losses	**47,676,601**	46,042,217

Useful lives of investment properties and property and equipment
The Group estimates the useful lives of the depreciable investment properties and property and equipment based on the period over which the assets are expected to be available for use. The Group reviews periodically the estimated useful lives of investment properties and property and equipment based on factors that include asset utilization, internal technical evaluation,

technological changes, environmental and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of investment properties and property and equipment would increase the recorded depreciation and amortization expense and decrease the related asset accounts.

The related balances follow:

	2016	2015
Investment properties, excluding land (Note 11)		
Cost	**₱67,979,470,213**	₱58,400,974,146
Accumulated depreciation and amortization	**24,323,342,677**	21,341,700,039
Property and equipment (Note 12)		
Cost	**9,611,961,132**	8,074,510,249
Accumulated depreciation and amortization	**5,152,345,180**	4,567,292,833

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of September 30, 2016 and 2015, the Group's subdivision land, condominium and residential units for sale amounted to ₱25,849 million and ₱15,475 million, respectively (see Note 9).

Impairment of nonfinancial assets
The Group assesses the impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements.

As of September 30, 2016 and 2015, the Group's investment properties amounted to ₱71,902 million and ₱64,016 million, respectively (see Note 11). The Group's property and equipment amounted to ₱4,460 million and ₱3,507 million as of September 30, 2016 and 2015, respectively (see Note 12).

The Group has no impairment of nonfinancial assets as of September 30, 2016 and 2015.

Recognition of deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning. Deferred tax assets as of September 30, 2016 and 2015 amounted to ₱790 million and ₱716 million, respectively (see Note 27).

The Group has deductible temporary difference that is available for offset against taxable income or tax payable which deferred tax asset has not been recognized. This pertains to NOLCO of subsidiaries amounting to ₱4 million and ₱3 million as of September 30, 2016 and 2015, respectively. The related deferred tax assets amounted to ₱1 million as of September 30, 2016 and 2015 (see Note 27).

As of September 30, 2016 and 2015, the Group operates a hotel and has certain residential projects which enjoy the benefits of an ITH. As such, no deferred tax assets were set up on certain gross deductible temporary differences that are expected to reverse within the ITH period (see Note 33).

Pension cost
The determination of the obligation and cost of pension benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates (see Note 29).

The cost of defined benefit pension plan and the present value of the pension liabilities are determined using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

As of September 30, 2016 and 2015, the Group's present value of defined benefit obligations is shown in Note 29.

6. **Operating Segments**

Business Segments
The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest, income tax, depreciation and amortization and other income(losses) (EBITDA). The Group does not report its results based on geographical segments because the Group currently only has revenue generating activities in the Philippines as the real estate development in China is still in the pre-operating stage.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS except for EBITDA.

Cost and expenses exclude interest, taxes, depreciation and amortization.

The Group derives its revenue from the following reportable units:

Commercial Center Division - develops leases and manages shopping malls/commercial centers all over the Philippines.

Residential Division - develops and sells residential condominium spaces, as well as high-end horizontal residential projects.

Office Buildings Division - develops and leases out office spaces.

Hotel Division - owns and operates a chain of hotels in various locations in the Philippines.

The financial information about the operations of these business segments is summarized as follows:

	2016					
	Commercial Center Division	**Residential Division**	**Office Buildings Division**	**Hotel Division**	**Intersegment Eliminating Adjustments**	**Consolidated**
Revenue						
Segment revenue	**₱9,961,880,934**	**₱7,829,061,783**	**₱2,913,020,892**	**₱1,807,598,592**	**₱–**	**₱22,511,562,201**
Intersegment revenue	**55,590,754**	**–**	**11,198,391**	**–**	**(66,789,145)**	**–**
Total Revenue	**10,017,471,688**	**7,829,061,783**	**2,924,219,283**	**1,807,598,592**	**(66,789,145)**	**22,511,562,201**
Costs and expenses						
Segment costs and expenses	**3,309,888,773**	**5,749,694,729**	**281,199,640**	**1,147,511,585**	**–**	**10,488,294,727**
Intersegment costs and expenses	**6,825,206**	**63,035,571**	**(11,680,557)**	**8,608,925**	**(66,789,145)**	**–**
Total Costs and expenses	**3,316,713,979**	**5,812,730,300**	**269,519,083**	**1,156,120,510**	**(66,789,145)**	**10,488,294,727**
Earnings before interest, taxes and depreciation and amortization	**6,700,757,709**	**2,016,331,483**	**2,654,700,200**	**651,478,082**	**–**	**12,023,267,474**
Depreciation and amortization (Notes 22 and 24)	**2,746,396,661**	**34,309,947**	**621,207,346**	**169,358,044**	**–**	**3,571,271,998**
Operating income	**₱3,954,361,048**	**₱1,982,021,536**	**₱2,033,492,854**	**₱482,120,038**	**₱–**	**₱8,451,995,476**

(Forward)

	2016					
	Commercial Center Division	**Residential Division**	**Office Buildings Division**	**Hotel Division**	**Intersegment Eliminating Adjustments**	**Consolidated**
Assets and Liabilities						
Segment assets	**₱60,030,652,818**	**₱43,469,784,109**	**₱12,666,803,823**	**₱3,872,951,799**	**₱–**	**₱120,040,192,549**
Investment in subsidiaries - at cost	**11,009,215,946**	**–**	**–**	**25,500,000**	**(11,034,715,946)**	**–**
Total segment assets	**₱71,039,868,764**	**₱43,469,784,109**	**₱12,666,803,823**	**₱3,898,451,799**	**(₱11,034,715,946)**	**₱120,040,192,549**
Total segment liabilities	**₱48,378,933,760**	**₱6,963,124,434**	**₱2,273,902,977**	**₱951,199,081**	**₱–**	**₱58,567,160,252**
Other segment information:						
Capital expenditures (Note 11 and 12)						**₱12,390,195,956**
Additions to subdivision land, condominium and residential units for sale (Note 9)						**₱14,293,412,622**
Cash flows from:						
Operating activities	**(₱1,841,614,430)**	**₱215,869,745**	**₱1,784,291,784**	**₱694,551,752**	**₱–**	**₱853,098,851**
Investing activities	**(8,557,665,607)**	**(3,506,959)**	**(1,788,278,963)**	**(986,308,681)**	**–**	**(11,335,760,210)**
Financing activities	**10,267,456,029**	**148,752,504**	**–**	**22,663,756**	**–**	**10,438,872,289**

	2015					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱9,103,360,425	₱6,623,548,373	₱2,241,530,663	₱1,745,849,675	₱–	₱19,714,289,136
Intersegment revenue	54,830,516	–	–	–	(54,830,516)	–
Total Revenue	9,158,190,941	6,623,548,373	2,241,530,663	1,745,849,675	(54,830,516)	19,714,289,136
Costs and expenses						
Segment costs and expenses	2,973,104,567	4,791,962,979	135,618,549	1,126,934,430	–	9,027,620,525
Intersegment costs and expenses	–	54,830,516	–	–	(54,830,516)	–
Total Costs and expenses	2,973,104,567	4,846,793,495	135,618,549	1,126,934,430	(54,830,516)	9,027,620,525
Earnings before interest, taxes and depreciation and amortization	6,185,086,374	1,776,754,878	2,105,912,114	618,915,245	–	10,686,668,611
Depreciation and amortization (Notes 22 and 24)	2,416,157,268	34,380,494	534,261,237	165,638,261	–	3,150,437,260
Operating income	₱3,768,929,106	₱1,742,374,384	₱1,571,650,877	₱453,276,984	₱–	₱7,536,231,351
Assets and Liabilities						
Segment assets	₱53,811,784,260	₱30,861,305,340	₱11,172,903,565	₱3,222,147,837	₱–	₱99,068,141,002
Investment in subsidiaries - at cost	774,855,085	–	–	25,500,000	(800,355,085)	–
Total segment assets	₱54,586,639,345	₱30,861,305,340	₱11,172,903,565	₱3,247,647,837	(₱800,355,085)	₱99,068,141,002
Total segment liabilities	₱32,475,315,132	₱6,925,059,155	₱1,890,781,507	₱982,405,032	₱–	₱42,273,560,826
Other segment information:						
Capital expenditures (Note 11 and 12)						₱12,791,561,899
Additions to subdivision land, condominium and residential units for sale (Note 9)						₱3,981,137,969
Cash flows from:						
Operating activities	₱6,526,505,806	₱1,096,282,692	₱1,534,834,822	₱417,452,466	₱–	₱9,575,075,786
Investing activities	(12,226,531,210)	(1,080,550,575)	(1,554,369,471)	(219,251,319)	–	(15,080,702,575)
Financing activities	5,696,807,373	(19,054,077)	–	(34,127,678)	–	5,643,625,618

	2014					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱8,104,816,189	₱5,864,907,037	₱1,544,251,621	₱1,533,748,393	₱–	₱17,047,723,240
Intersegment revenue	46,797,332	–	–	–	(46,797,332)	–
Total Revenue	8,151,613,521	5,864,907,037	1,544,251,621	1,533,748,393	(46,797,332)	17,047,723,240
Costs and expenses						
Segment costs and expenses	2,599,217,442	4,403,340,314	67,416,885	1,007,489,615	–	8,077,464,256
Intersegment costs and expenses	–	46,797,332	–	–	(46,797,332)	–
Total Costs and expenses	2,599,217,442	4,450,137,646	67,416,885	1,007,489,615	(46,797,332)	8,077,464,256

(Forward)

	2014					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Earnings before interest, taxes and depreciation and amortization	₱5,552,396,079	₱1,414,769,391	₱1,476,834,736	₱526,258,778	₱–	₱8,970,258,984
Depreciation and amortization (Notes 22 and 24)	2,105,789,830	29,832,608	429,745,567	166,604,688	–	2,731,972,693
Operating income	₱3,446,606,249	₱1,384,936,783	₱1,047,089,169	₱359,654,090	₱–	₱6,238,286,291
Assets and Liabilities						
Segment assets	₱45,888,121,873	₱27,347,066,806	₱9,507,454,046	₱2,626,772,559	₱–	₱85,369,415,284
Investment in subsidiaries - at cost	800,287,546	–	–	–	(800,287,546)	–
Total segment assets	₱46,688,409,419	₱27,347,066,806	₱9,507,454,046	₱2,626,772,559	(₱800,287,546)	₱85,369,415,284
Total segment liabilities	₱25,562,232,757	₱5,295,651,135	₱1,212,515,943	₱728,914,360	₱–	₱32,799,314,195
Other segment information:						
Capital expenditures						₱9,632,771,296
Additions to subdivision land, condominium and residential units for sale						₱4,464,421,970
Cash flows from:						
Operating activities	₱4,214,894,724	₱859,330,586	₱1,304,693,912	₱211,879,045	₱–	₱6,590,798,267
Investing activities	(8,171,024,196)	(914,443,675)	(1,262,308,168)	(255,646,727)	–	(10,603,422,766)
Financing activities	3,787,357,629	48,734,806	–	149,953,342	–	3,986,045,777

The revenue of the Group consists mainly of sales to domestic customers. Inter-segment revenue accounted for under PFRS and on an arm's length basis arising from lease arrangements amounting ₱67 million, ₱55 million and ₱47 million in 2016, 2015 and 2014, respectively, are eliminated in consolidation.

The carrying amount of assets located outside the Philippines amounted to ₱10,098 million as of September 30, 2016.

No operating segments have been aggregated to form the above reportable segments. Capital expenditures consists of additions to property and equipment and investment properties.

Significant customers in lease arrangements under commercial center division include the affiliated entities (see Note 20). Rental income arising from the lease of commercial properties to affiliated companies which are not part of the Group and therefore not eliminated amounted to about ₱2,181 million, ₱1,877 million and ₱1,630 million in 2016, 2015 and 2014, respectively.

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	2016	2015	2014
EBITDA	**₱12,023,267,474**	₱10,686,668,611	₱8,970,258,984
Depreciation and amortization (Note 24)	**(3,571,271,998)**	(3,150,437,260)	(2,731,972,693)
Other income - net	**(267,869,926)**	52,315,966	18,086,619
Income before income tax	**₱8,184,125,550**	₱7,588,547,317	₱6,256,372,910

7. **Cash and Cash Equivalents**

	2016	2015
Cash on hand and in banks	**₱771,028,252**	₱597,003,967
Short-term investments	**378,136,696**	595,950,051
	₱1,149,164,948	₱1,192,954,018

Cash in banks earn interest at the prevailing bank deposit rates. Short-term investments are invested for varying periods of up to three months and earn interest at the prevailing short-term investment rates ranging from 0.7% to 1.4%, 0.38% to 1.25% and 1.00% to 4.63% in 2016, 2015 and 2014, respectively.

Interest earned from cash in banks and short-term investments for the years ended September 30, 2016, 2015 and 2014 amounted to ₱18 million, ₱39 million and ₱14 million, respectively (see Note 26).

8. Receivables

	2016	2015
Trade		
Installment contract receivables	**₱8,217,622,057**	₱6,216,079,304
Accrued rent receivables	**721,628,537**	518,174,550
Rental receivables (Note 20)	**665,821,326**	420,768,745
Hotel operations	**190,973,512**	206,549,903
	9,796,045,432	7,361,572,502
Affiliated companies (Note 20)	**17,561,348**	22,478,004
Others	**256,147,015**	391,893,281
	10,069,753,795	7,775,943,787
Less allowance for impairment losses	**47,676,601**	46,042,217
	10,022,077,194	7,729,901,570
Less noncurrent portion	**2,968,073,536**	2,708,934,759
	₱7,054,003,658	₱5,020,966,811

The installment contract receivables aggregating to ₱8,218 million and ₱6,216 million as of September 30, 2016 and 2015, respectively, are collectible in monthly installments over a period of one (1) to five (5) years and bear annual interest ranging from 12% to 21% computed on the diminishing balance of the principal. The noncurrent portion of installment contract receivables amounting to ₱2,325 million and ₱2,258 million as of September 30, 2016 and 2015, respectively. The title of the real estate property, which is the subject of the installment contract receivable due beyond 12 months, passes to the buyer once the receivable is fully paid.

The accrued rent receivables represent the portion of the lease as a consequence of recognizing income on a straight-line basis. As of September 30, 2016 and 2015, the noncurrent portion of accrued rent receivable amouting to ₱643 million and ₱451 million, respectively.

Rental receivables from affiliated companies included under “Rental receivables” amounted to about ₱137 million and ₱103 million as of September 30, 2016 and 2015, respectively (see Note 20).

Other receivables consist primarily of insurance claims, receivables from officers and employees, and advances to brokers. The receivables from officers and employees are advances related to conduct of business activities subject to liquidation and for personal loans which are collected through salary deduction.

Allowance for impairment losses on trade receivables as of September 30 follow:

	2016			
	Individual Assessment		**Collective Assessment**	
	Rental Receivable	Hotels Operations	Installment Contract Receivables	Total
Balances at beginning of year	₱13,905,027	₱13,137,190	₱19,000,000	₱46,042,217
Provision for impairment losses	–	1,634,384	–	1,634,384
Balances at end of year	₱13,905,027	₱14,771,574	₱19,000,000	₱47,676,601

	2015			
	Individual Assessment		Collective Assessment	
	Rental Receivable	Hotels Operations	Installment Contract Receivables	Total
Balances at beginning and end of year	₱13,905,027	₱13,137,190	₱19,000,000	₱46,042,217

No provision for impairment losses were recognized by the Group in 2015.

Aging Analysis

The aging analysis of the Group's receivables follows:

	2016						
			Past Due But Not Impaired				
	Total	**Neither Past Due nor Impaired**	**Less than 30 days**	**30 to 60 days**	**61 to 90 days**	**Over 90 days**	**Past Due and Impaired**
Trade receivables							
Installment contract receivables	**₱8,217,622,057**	**₱7,220,420,961**	**₱179,137,309**	**₱106,054,366**	**₱101,376,753**	**₱591,632,668**	**₱19,000,000**
Accrued rent receivables	**721,628,537**	**721,628,537**	–	–	–	–	–
Rental receivables	**665,821,326**	**70,465,687**	**59,164,106**	**10,066,513**	**120,180,867**	**392,039,126**	**13,905,027**
Hotel operations	**190,973,512**	**42,376,585**	**30,516,963**	**21,734,435**	**21,187,387**	**60,386,568**	**14,771,574**
Affiliated companies (Note 20)	**17,561,348**	**17,561,348**	–	–	–	–	–
Others	**256,147,015**	**256,147,015**	–	–	–	–	–
	₱10,069,753,795	**₱8,328,600,133**	**₱268,818,378**	**₱137,855,314**	**₱242,745,007**	**₱1,044,058,362**	**₱47,676,601**

	2015						
			Past Due But Not Impaired				
	Total	Neither Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Past Due and Impaired
Trade receivables							
Installment contract receivables	₱6,216,079,304	₱4,680,803,571	₱451,394,026	₱159,411,964	₱58,825,531	₱846,644,212	₱19,000,000
Accrued rent receivables	518,174,550	518,174,550	–	–	–	–	–
Rental receivables	420,768,745	134,295,019	35,194,503	91,337,698	24,456,703	121,579,795	13,905,027
Hotel operations	206,549,903	88,939,099	35,906,468	18,762,862	9,647,846	40,156,438	13,137,190
Affiliated companies (Note 20)	22,478,004	22,478,004	–	–	–	–	–
Others	391,893,281	391,893,281	–	–	–	–	–
	₱7,775,943,787	₱5,836,583,524	₱522,494,997	₱269,512,524	₱92,930,080	₱1,008,380,445	₱46,042,217

9. **Subdivision Land, Condominium and Residential Units for Sale**

	2016	2015
Land and condominium units	**₱10,150,791,260**	₱9,925,209,029
Residential units and subdivision land	**15,698,707,324**	5,549,502,312
	₱25,849,498,584	₱15,474,711,341

The subdivision land, condominium and residential units for sale are carried at cost.

A summary of the movement in inventory is set out below:

	2016	2015
Balances at beginning of year	**₱15,474,711,341**	₱15,174,707,862
Acquisition of land use right	**10,097,835,168**	−
Construction and development costs incurred	**4,195,577,454**	3,981,137,969
Transfers from (to) investment properties and property and equipment (Notes 11 and 12)	**63,618,593**	(473,879,702)
Cost of inventory sold (Note 22)	**(3,982,243,972)**	(3,207,254,788)
Balances at end of year	**₱25,849,498,584**	₱15,474,711,341

Borrowing cost capitalized amounted to ₱376 million and ₱66 million in 2016 and 2015, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2016 and 2015 is 4.45% and 4.54%, respectively. These amounts were included in the construction and development costs incurred (see Notes 11 and 16).

The amount of subdivision land, condominium and residential units for sale recognized as cost of sales in the consolidated statement of comprehensive income amounted to ₱3,982 million, ₱3,207 million and ₱3,071 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Note 22).

On September 18, 2015, the Group paid the Chinese Government bid deposit amounting to ₱1,440 million to join the bidding for the purchase of land rights located in Chengdu Province, China. The bid deposit was presented as "Deposit for land use right" as of September 30, 2015 (see Note 13). On October 20, 2015, the Contract for Assignment of the Rights to the Use of State-Owned Land was awarded to the Group.

In May 2016, the Masterplan had been completed which was submitted for approval to the Chinese government in the same month. The estimated time of approval from Chinese government will be in first quarter of 2017, and the project will take around 5 years to be completed.

Under the Contract, the Group is entitled to transfer, lease, mortgage all or part of the state-owned construction land use right to a third party. Upon receipt of the Certificate of State-owned Land Use Right Assignment, the land title will be subdivided into Individual Property Titles which will be issued to unit owners one year after completion of the development and turn-over of the units to the buyers. When all or part of the state-owned construction land use right is transferred, through sale of commercial units and high-rise condominium units to buyers, the rights and obligations specified in the Contract and in the land registration documents shall be transferred accordingly to the buyer. The use term will be the remaining years as of the date of transfer based on the original use term specified in the Contract.

When the use term under the Contract expires (residential: 70 years and commercial: 40 years) and the land user continues using the assigned land under the Contract, an application for renewal shall be submitted to the Chinese government not less than one (1) year prior to the expiration of the use term.

There are no subdivision land, condominium and residential units for sale as of September 30, 2016 and 2015 that are pledged as security to liabilities.

10. **Other Current Assets**

	2016	2015
Advances to suppliers and contractors	**₱2,314,624,584**	₱1,801,913,691
Input VAT - net	**1,373,864,383**	1,200,051,270
Advances to lot owners (Note 30)	**551,372,410**	602,862,614
Restricted cash - escrow	**61,393,143**	124,905,880
Supplies	**68,508,974**	69,463,359
Prepaid expenses	**62,536,837**	52,313,625
Utility deposits (Notes 31 and 32)	**7,131,583**	5,386,072
Others	**8,005,286**	90,259,324
	₱4,447,437,200	₱3,947,155,835

Advances to suppliers and contractors consist of advance payment which will be applied against the final billing and are expected to occur within the year.

Input VAT - net of output VAT can be applied against future output VAT.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Restricted cash - escrow pertains to cash placed in escrow funds earmarked for the acquisition of parcels of land, pursuant to the memorandum of agreement (MOA) with various sellers. Said amount shall be released to the sellers upon fulfillment of certain conditions set forth in MOA.

Supplies consist mainly of office and maintenance materials.

Prepaid expenses consist mainly of prepayments for taxes and insurance.

Utility deposits consist primarily of bid bonds and meter deposits.

Others consist primarily of refundable deposit made by the Group.

11. **Investment Properties**

	2016				
	Land	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost					
Balances at beginning of year	**₱26,956,289,573**	**₱205,327,538**	**₱52,198,272,835**	**₱5,997,373,773**	**₱85,357,263,719**
Additions	**1,380,195,603**	**12,634,165**	**3,034,907,598**	**6,509,472,589**	**10,937,209,955**
Retirement/disposal	**(26,328,645)**	**–**	**–**	**–**	**(26,328,645)**
Reclassification and transfers - net (Notes 9, 10 and 12)	**(64,075,212)**	**12,054,920**	**8,907,166,341**	**(8,897,739,546)**	**(42,593,497)**
Balances at end of year	**28,246,081,319**	**230,016,623**	**64,140,346,774**	**3,609,106,816**	**96,225,551,532**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**–**	**93,567,175**	**21,248,132,864**	**–**	**21,341,700,039**
Depreciation and amortization (Notes 22 and 24)	**–**	**17,004,609**	**2,964,638,029**	**–**	**2,981,642,638**
Balances at end of year	**–**	**110,571,784**	**24,212,770,893**	**–**	**24,323,342,677**
Net Book Value	**₱28,246,081,319**	**₱119,444,839**	**₱39,927,575,881**	**₱3,609,106,816**	**₱71,902,208,855**

	2015				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at beginning of year	₱21,031,172,772	₱186,030,981	₱46,790,968,860	₱5,626,256,327	₱73,634,428,940
Additions	4,984,141,804	17,906,700	1,076,386,107	6,078,003,220	12,156,437,831
Reclassification and transfers - net (Notes 9, 10 and 12)	940,974,997	1,389,857	4,330,917,868	(5,706,885,774)	(433,603,052)
Balances at end of year	26,956,289,573	205,327,538	52,198,272,835	5,997,373,773	85,357,263,719
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	79,651,638	18,699,309,040	–	18,778,960,678
Depreciation and amortization (Notes 22 and 24)	–	15,361,550	2,617,620,670	–	2,632,982,220
Reclassifications and transfers (Note 12)	–	(1,446,013)	(68,796,846)	–	(70,242,859)
Balances at end of year	–	93,567,175	21,248,132,864	–	21,341,700,039
Net Book Value	₱26,956,289,573	₱111,760,363	₱30,950,139,971	₱5,997,373,773	₱64,015,563,680

Investment properties consisted mainly of land held for appreciation, shopping malls/commercial centers and office buildings that are held to earn rentals.

In 2016, the Group transferred ₱113 million worth of investment properties to subdivision land, condominium and residential units for sale for the Group's residential project and in 2015, ₱1,264 million worth of subdivision land, condominium and residential units for sale were transferred to investment properties (see Note 9).

For the year ended September 30, 2016 and 2015, ₱39 million and ₱268 million net cost of investment properties were transferred to property and equipment for use in operations of the Group (see Note 12).

In 2016, the Group transferred ₱110 million worth of other current assets to investment properties.

Depreciation and amortization expense charged to operations amounted to ₱2,982 million, ₱2,633 million and ₱2,309 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Notes 22 and 24).

Borrowing costs capitalized amounted to about ₱447 million and ₱881 million in 2016 and 2015, respectively. These amounts were included in the consolidated statement of cash flows under additions to investment properties. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2016 and 2015 is 4.45% and 4.54%, respectively.

The fair value of investment properties which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

The fair value as of September 30, 2016 and 2015 amounted to ₱174,087 million and ₱163,577 million, respectively, which are based on independent third party appraisal reports, dated September 30, 2013 which are updated by the management for 2015 and 2016.

The fair value of the investment properties was arrived at using Income Approach in 2016 and 2015. The income approach, is based on the premise that the value of a property is directly related to the income it generates. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject property.

The fair value of the investment properties disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy.

Description of valuation techniques used and key inputs to valuation on malls and office buildings included under investment properties as of September 30, 2016 and 2015 follows:

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)
Malls	DCF method	discount rate	10%
		capitalization rate	8.%-9.0%
		growth rate	0.0%-17.0%
		occupancy rate	72.0%-100.0%
Office buildings	DCF method	discount rate	10.0%
		capitalization rate	7.5%
		growth rate	4.0%-10%
		occupancy rate	35.0%-100.0%

The discounted cash flows, or DCF, valuation uses a fundamental approach in valuing the future economic benefits of a projected income stream.

The valuation process significantly consists of the following steps:
- Estimation of the revenues generated;
- Estimation of the costs and expenses related to the operations of the development;
- Estimation of an appropriate discount rate and other significant assumptions; and
- Discounting process using an appropriate discount rate to arrive at an indicative market value

Rental income derived from investment properties amounted to ₱10,556 million, ₱9,288 million, and ₱7,956 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Note 21).

Property operations and maintenance costs arising from investment properties amounted to ₱504 million, ₱395 million and ₱369 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Note 22).

There are no investment properties as of September 30, 2016 and 2015 that are pledged as security to liabilities.

12. **Property and Equipment**

	2016				
	Land Improvements	**Buildings and Improvements**	**Theater Furniture and Equipment**	**Other Equipment**	**Total**
Cost					
Balances at beginning of year	**₱8,220,371**	**₱4,260,848,850**	**₱723,893,552**	**₱3,081,547,476**	**₱8,074,510,249**
Additions	**200,000**	**665,575,266**	**144,565,696**	**642,645,039**	**1,452,986,001**
Write-off	**–**	**(4,348,378)**	**–**	**(228,635)**	**(4,577,013)**
Reclassifications and transfers (Note 11)	**–**	**49,956,619**	**–**	**39,085,276**	**89,041,895**
Balances at end of year	**8,420,371**	**4,972,032,357**	**868,459,248**	**3,763,049,156**	**9,611,961,132**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**3,840,930**	**1,952,590,849**	**517,930,550**	**2,092,930,504**	**4,567,292,833**
Depreciation and amortization (Notes 22 and 24)	**748,267**	**128,570,480**	**91,403,158**	**368,907,455**	**589,629,360**
Write-off	**–**	**(4,348,378)**	**–**	**(228,635)**	**(4,577,013)**
Balances at end of year	**4,589,197**	**2,076,812,951**	**609,333,708**	**2,461,609,324**	**5,152,345,180**
Net Book Value	**₱3,831,174**	**₱2,895,219,406**	**₱259,125,540**	**₱1,301,439,832**	**₱4,459,615,952**

	2015				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at beginning of year	₱53,885,505	₱3,717,311,651	₱685,131,531	₱2,651,334,847	₱7,107,663,534
Additions	195,170	120,868,983	38,762,021	475,297,894	635,124,068
Write-off	–	(3,075,110)	–	(3,261,354)	(6,336,464)
Reclassifications and transfers (Note 11)	(45,860,304)	425,743,326	–	(41,823,911)	338,059,111
Balances at end of year	8,220,371	4,260,848,850	723,893,552	3,081,547,476	8,074,510,249
Accumulated Depreciation and Amortization					
Balances at beginning of year	39,410,095	1,703,063,008	437,432,335	1,806,013,210	3,985,918,648
Depreciation and amortization (Notes 22 and 24)	917,290	143,411,805	80,498,215	292,627,730	517,455,040
Write-off	–	(3,075,110)	–	(3,248,604)	(6,323,714)
Reclassifications and transfers (Note 11)	(36,486,455)	109,191,146	–	(2,461,832)	70,242,859
Balances at end of year	3,840,930	1,952,590,849	517,930,550	2,092,930,504	4,567,292,833
Net Book Value	₱4,379,441	₱2,308,258,001	₱205,963,002	₱988,616,972	₱3,507,217,416

In 2016, the Group transferred subdivision land, condominium and residential units for sale to property and equipment amounting ₱50 million (see Note 9).

Depreciation and amortization expense charged to operations amounted to ₱590 million, ₱517 million and ₱423 million for the years ended September 30, 2016, 2015 and 2014, respectively (see Notes 22 and 24).

The following are the costs of property and equipment that are fully depreciated as of September 30, 2016 and 2015 but still used in operations:

	2016	2015
Building and improvements	**₱637,223,766**	₱626,351,142
Other equipment	**232,872,426**	209,849,927
Land improvements	**698,241**	698,241
	₱870,794,433	₱836,899,310

There are no property and equipment items as of September 30, 2016 and 2015 that are pledged as security to liabilities.

13. **Other Noncurrent Assets**

	2016	2015
Advances to suppliers and contractors	**₱890,750,324**	₱522,140,862
Utility deposits (Notes 31 and 32)	**605,906,349**	502,712,451
Prepaid rent	**432,867,917**	462,689,924
Advances to lot owners (Note 30)	**190,078,577**	190,078,577
Deposit for land use right	**–**	1,441,097,460
Others	**90,586,649**	81,917,868
	₱2,210,189,816	₱3,200,637,142

Advances to suppliers and contractors represent advance payment to suppliers or contractors which will be applied against the final billing.

Utility deposits consist primarily of bid bonds and meter deposits. These are deposits to utility companies in order to continue the availment of their services.

Prepaid rent pertains to advance rentals of the 25-year operating lease agreement between Bases Conversion and Development Authority (BCDA) and ASNC (a wholly-owned subsidiary). The contract is for the long-term and development of approximately 5,000 sqm Lawton Corporate Center along Lawton Avenue, Bonifacio South, Taguig City. Subsequently, the said contract was assigned to the Parent Company through a Deed of Assignment wherein ASNC assigns all its rights, interests, and obligations on the contract of lease with approval of BCDA as provided for under the contract.

Upon the expiration of the initial lease period, the Parent Company has the option to purchase the property or to renew its lease term. Should the Parent Company exercise its option to purchase the property, the purchase price shall be based on the fair market value including the permanent improvements. Otherwise, the ownership of all buildings and permanent improvements constructed by the Parent Company on the property shall automatically be transferred to BCDA.

Therefore, should the Parent Company opt to renew its lease over the property, the new lease rate for the 25-year extension period shall cover the land as well as the buildings and permanent improvements transferred to BCDA. The fixed lease for the initial year of the lease extension period shall be 5% of the average fair market value of the property on the 25^{th} year of the lease including the permanent improvements constructed therein.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Deposit for land use right pertains to bid deposit advanced for the acquisition of land use right of a property located in Chengdu Province, China. This was reclassified as part of subdivision land, condominium and residential units for sale upon submission of the masterplan to the Chinese government last May 2016 (see Note 9).

Others include deposit to various joint venture partners representing share in an ongoing real estate development which will be liquidated at the end of joint venture agreement. This deposit will be realized through the Group's share in the completed units or share in the sales proceeds of the units, depending on the agreement with the other party.

14. **Accounts Payable and Accrued Expenses**

	2016	2015
Accounts payable	**₱5,124,929,438**	₱3,301,667,947
Taxes and licenses payable	**1,321,403,186**	1,276,679,664
Accrued rent expense	**486,325,948**	402,160,439
Accrued salaries and wages	**401,022,053**	378,885,631
Accrued interest payable	**226,507,209**	172,103,848
Accrued contracted services	**198,696,863**	199,867,305
Dividends payable	**15,300,785**	14,149,049
Other accrued payable	**161,807,699**	159,228,366
	₱7,935,993,181	₱5,904,742,249

Accounts payable mainly includes unpaid billings from suppliers and contractors related to construction activities.

Taxes and licenses payable, accrued salaries and wages, accrued interest payable and accrued contracted services are normally settled within one (1) year.

Accrued rent expense represents accrual for film rentals.

Other accrued payable includes insurance payable and accrued utilities.

15. **Deposits and Other Current Liabilities**

	2016	2015
Deposits from lessees (Notes 17, 31 and 32)	**₱1,718,651,535**	₱1,674,062,682
Deposits from real estate buyers (Note 17)	**2,400,490,000**	1,336,361,420
Payables to affiliated companies (Notes 20, 31 and 32)	**130,906,253**	115,024,457
Others	**172,851,707**	185,410,000
	₱4,422,899,495	₱3,310,858,559

Deposits from lessees (including noncurrent portion shown in Note 17) represent cash received in advance equivalent to three (3) to six (6) month rent which shall be refunded to lessees at the end of lease term. These are initially recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of instruments. The accretion expense on these deposits, recognized in “others” under cost of rental services, amounted to ₱67 million, ₱64 million and ₱78 million in 2016, 2015 and 2014, respectively (see Notes 22 and 26).

Included in the ‘Deposit from lessees’ are unearned rental income amounting to ₱281 million and ₱249 million as of September 30, 2016 and 2015, respectively. The rental income on amortization of unearned rental income included in “Rental income” amounted to ₱67 million, ₱63 million and ₱77 million in 2016, 2015 and 2014, respectively.

Deposits from real estate buyers (including noncurrent portion shown in Note 17) represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun.

Deposits from real estate buyers also include cash collections in excess of the installment contract receivables recognized under the percentage-of-completion method.

For the nature, terms and conditions of the payables to affiliated companies please refer to Note 20 to the consolidated financial statements.

Others pertain to amount payable to the Parent Company's co-stockholders in its subsidiaries.

16. Loans Payable

Short-term loans

	2016	2015
Short-term loan obtained from a local bank with maturity on March 2017. Interest rate is at 2.45% per annum payable monthly.	**₱3,000,000,000**	₱–
Short-term loan obtained from a local bank with maturity on November 2016. Interest rate is at 2.5% per annum payable monthly.	**764,500,000**	–
Short-term loan obtained from a local bank with maturity on October 2016. Interest rate is at 2.5% per annum payable monthly.	**274,600,000**	–
Short-term loan obtained from a local bank which matured on October 2015. Interest rate is at 2.5% per annum.	**–**	1,607,800,000
Short-term loan obtained from a local bank which matured on October 2015. Interest rate is at 1.85% per annum.	**–**	1,441,097,460
	₱4,039,100,000	₱3,048,897,460

Long-term loans

Details of the principal amount of the long-term loans follow:

	2016	2015
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP), and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8%, interest payable semi-annually in arrears.	**₱10,635,500,000**	₱10,635,500,000
Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly.	**9,000,000,000**	9,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable in full upon maturity, with interest fixed rate at 3.8327%, payable quarterly	**6,500,000,000**	–
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in full upon maturity, with interest fixed rate at 3.8900%, payable quarterly	**5,000,000,000**	–
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000
Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly	**1,000,000,000**	1,000,000,000
Total	**33,500,000,000**	22,000,000,000
Less debt issue costs	**194,594,396**	166,943,461
	₱33,305,405,604	₱21,833,056,539

The Group's loans payable are all unsecured. The credit facility is fully drawn as of September 30, 2016 and 2015.

Debt issue costs are deferred and amortized using effective interest method over the term of the related loans.

Total interest cost expensed out from short-term and long-term loans amounted to ₱572 million, ₱5 million and nil for the years ended September 30, 2016, 2015 and 2014, respectively (see Note 26). Capitalized borrowing cost amounted to ₱823 million and ₱947 million for the years ended September 30, 2016 and 2015 (see Notes 9 and 11).

Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022

On February 23, 2015, the Group issued ₱10,636 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenant

The Group is required to maintain a debt-to-equity ratio not exceeding 2:1 as referenced from its consolidated financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019

On July 8, 2014, the Group borrowed ₱9,000 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The ₱9,000 million loan was released in two tranches amounting to ₱5,000 million and ₱4,000 million on July 14, 2014 and August 27, 2014, respectively. The interest rate is at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

On October 17, 2016, the Group pre-terminated the outstanding balance of the loan (Note 36).

Debt Covenants

The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021

On July 8, 2016, the Group borrowed ₱6,500 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The loan was released on July 8, 2016 amounting to ₱3,000 million and on September 27, 2016 amounting to ₱3,500 million with interest rate at 3.8327% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2016.

Seven-year term loan from Bank of the Philippine Islands maturing on August 10, 2023
On August 10, 2016, the Group borrowed ₱5,000 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The ₱5,000 million loan was released on August 10, 2016 with interest rate at 3.8900% per annum and shall be payable quarterly, computed on the basis of a 360-day year and on the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025
On February 23, 2015, the Group issued ₱1,365 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenant
The Group is required to maintain a debt-to-equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019
On July 8, 2014, the Group borrowed ₱1,000 million under Term Loan Facility Agreements with BDO Leasing and Finance, Inc.

The ₱1,000 million loan was released on July 14, 2014 with interest rate at 5.0438% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of September 30, 2015 and 2016.

On October 17, 2016, the Group pre-terminated the outstanding balance of the loan (Note 36).

Details of the Group's loans payable by maturity follow:

Long-term loans

	Within 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
2016	**₱–**	**₱–**	**₱10,000,000,000**	**₱–**	**₱23,500,000,000**	**₱33,500,000,000**
2015	₱–	₱–	₱–	₱10,000,000,000	₱12,000,000,000	₱22,000,000,000

17. Deposits and Other Noncurrent Liabilities

	2016	2015
Deposits from lessees - net of current portion (Notes 15, 31 and 32)	**₱2,195,680,739**	₱1,896,140,054
Accrued rent expense	**1,550,499,621**	1,445,148,519
Retention payable	**494,536,017**	604,177,174
Deposits from real estate buyers - net of current portion (Note 15)	**387,023,726**	483,893,906
Pension liabilities (Note 29)	**327,607,656**	252,763,973
Advances for marketing and promotional fund	**178,772,002**	182,483,120
Others	**276,139,122**	279,731,680
	₱5,410,258,883	₱5,144,338,426

Accrued rent expense represents the portion of the lease as a consequence of recognizing expense on a straight-line basis. These pertain to various lease of land entered by the Group where the malls are located.

Retention payable represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. The deposits from real estate buyers which are expected to be applied to the contract price within one year are classified as current.

Others include payable to the noncontrolling interests of the Parent Company's subsidiaries.

18. Retained Earnings

The declarable dividend of Parent Company amounted to ₱21,527 million and ₱16,031 million as of September 30, 2016 and 2015, respectively.

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱1,157 million and ₱977 million as of September 30, 2016 and 2015, respectively, are not available for dividend declaration by the Parent Company until received in the form of dividends.

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

Dividends declared
The BOD declared cash dividends in favor of all its stockholders as follows:

	2016	2015	2014
Date of declaration	**March 9, 2016**	April 29, 2015	May 12, 2014
Date of payment	**April 22, 2016**	June 9, 2015	June 25, 2014
Ex-dividend rate	**March 29, 2016**	May 14, 2015	May 29, 2014
Dividend per share	**₱0.36**	₱0.36	₱0.36
Total dividends	**₱1,473,779,046**	₱1,473,779,046	₱1,473,779,046

Appropriation
On September 27, 2016, the BOD approved the reversal of the retained earnings it appropriated in 2015 amounting to ₱17,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱16,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in FY 2017 to FY 2021.

On September 10, 2015, the BOD approved the reversal of the retained earnings it has appropriated in 2014 amounting to ₱17,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱17,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2015. These projects and acquisitions are expected to be completed in various dates in FY 2016 to FY 2018.

On September 18, 2014, the BOD approved the reversal of the retained earnings it has appropriated in 2013 amounting to ₱11,200 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱17,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2014. These projects and acquisitions are expected to be completed in various dates in FY 2015 to FY 2017.

19. **Capital Stock and Other Equity Reserve**

The details of the number of common shares and the movements thereon follow:

	2016	2015	2014
Authorized - at ₱1 par value	**8,200,000,000**	8,200,000,000	8,200,000,000
Exclusive of 17,698,000 treasury shares:			
At beginning of the period	**4,093,830,685**	4,093,830,685	4,093,830,685
Additional subscription	**–**	–	–
Issued, fully paid and outstanding	**4,093,830,685**	4,093,830,685	4,093,830,685

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of September 30, 2016:

	Number of shares registered	Issue/ offer price	Date of SEC approval	Number of holders of securities as of year end
Balance before Initial public offering	300,000,000			
Initial public offering	200,000,000	₱1.00/share	February 10, 1989	
Increase in offer price		₱5.81/share	June 3, 1989	
Add (deduct):				
1:1 stock rights offering	500,000,000	₱2.50/share	March 15, 1991	
20% stock dividend	200,000,000	₱1.00/share	June 16, 1993	
1:2 stock rights offering	600,000,000	₱2.50/share	March 21, 1995	
Exchange for shares of JGSHI in MMHLC and in RII	496,918,457		April 3, 1997	
1:2 New share offering	450,000,000	₱12.00/share	September 25, 2006	
1:2 stock rights offering	1,364,610,228	₱10.00/share	May 17, 2011	
October 1, 2014	4,111,528,685			1,118
Add (deduct) movement	–			(19)
October 1, 2015	4,111,528,685			1,099
Add (deduct) movement	–			(13)
September 30, 2016	4,111,528,685			1,086

JGSHI - JG Summit Holdings, Inc.
MMHLC - Manila Midtown Hotels and Land Corporation
RII - Robinson's Inn Inc.
Note: Inclusive of 17,698,000 treasury shares

Treasury Shares
On October 22, 2009, the Parent Company's BOD approved the creation and implementation of a share buy-back program allotting up to ₱1,000 million to reacquire a portion of the Parent Company's issued and outstanding common shares, representing approximately 3.1% of current market capitalization.

As of September 30, 2016, the Parent Company has a total of 17,698,000 treasury shares with a total purchase price of ₱222 million at an average price of ₱12.53 per share.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity. Following is a computation of the Group's debt-to-capital ratio as of September 30, 2016 and 2015.

	2016	2015
(a) Loans payable (Note 16)	**₱37,539,100,000**	₱25,048,897,460
(b) Capital	**₱61,342,712,563**	₱56,660,206,908
(c) Debt-to-capital ratio (a/b)	**0.61:1**	0.44:1

The Group's policy is to limit the debt-to-capital ratio at the 1.5:1 level. This policy is consistent with the requirements under the Group's debt covenants with lenders.

Other Equity Reserve

On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in Altus San Nicolas Corp. (ASNC), increasing its ownership interest from 80% to 100%. Cash consideration of ₱198 million was paid to the non-controlling shareholders. The total carrying value of the net assets of ASNC at the date of acquisition was ₱578 million, and the 20% equivalent of the carrying value of the remaining non-controlling interest acquired was ₱111 million. The difference of ₱87 million between the consideration and the carrying value of the interest acquired was booked in "Other equity reserve" account within equity.

20. **Related Party Transactions**

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities.

The amounts and balances arising from significant related party transactions are as follows:

	2016			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
Ultimate Parent Company				
a) Rental income/receivable	**₱30,612,449**	**₱180,655**	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**(42,303,401)**	–	Interest bearing; due and demandable; interest rates ranging from 2% to 4%	Unsecured; no impairment
b) Advances from	**(24,972,174)**	**(103,633,960)**	Non-interest bearing; due and demandable	Unsecured
Under common control				
c) Cash and cash equivalents				
• Cash in banks	**(₱430,161,909)**	**₱14,617,510**	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	**90,130,103**	**90,130,103**	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Interest income	**7,241,074**	**12,045**		
a) Rental income/receivable	**2,150,650,400**	**137,005,861**	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**(4,916,656)**	**17,561,348**	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	**(1,449,431)**	**(27,272,293)**	Non-interest bearing; due and demandable	Unsecured
		₱128,601,269		

	2015			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
a) Rental income/receivable	₱27,966,294	₱1,060,210	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	(4,210,071)	42,303,401	Interest bearing; due and demandable; interest rates ranging from 2% to 4%	Unsecured; no impairment
• Interest income	499,688	–		
b) Advances from	27,685,692	(128,606,134)	Non-interest bearing; due and demandable	Unsecured
Under common control				
c) Cash and cash equivalents				
• Cash in banks	₱147,514,187	₱444,779,419	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment

(Forward)

	2015			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
• Short-term investments	₱6,921,403	₱6,921,403	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Interest income	10,175,922	60,573		
a) Rental income/receivable	1,848,936,633	101,858,191	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	815,502	22,478,004	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	(11,030,631)	(28,721,724)	Non-interest bearing; due and demandable	Unsecured
		₱702,133,343		

Outstanding balances consist of the following:

	2016	2015
Cash and cash equivalents (Note 7)	**₱104,747,613**	₱691,700,822
Rental receivables (Note 8)	**137,198,561**	102,978,974
Receivable from affiliated companies (Note 8)	**17,561,348**	22,478,004
Payable to affiliated companies (Note 15)	**(130,906,253)**	(115,024,457)
	₱128,601,269	₱702,133,343

Significant transactions with related parties are as follows:

a) *Rental income*
The Group leases commercial properties to affiliated companies with a lease term of three to five years based on prevailing market lease rates.

b) *Advances to (from) affiliated companies*
The Group, in the normal course of business, has transactions with its major stockholders, Ultimate Parent Company and its affiliated companies consisting principally of lease arrangements and advances principally for working capital requirement and financing for real estate development.

c) *Cash and cash equivalents*
The Group maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

Compensation of key management personnel by benefit type follows:

	2016	2015	2014
Short-term employee benefits	**₱893,618,174**	₱826,216,672	₱738,018,843
Post-employment benefits	**43,859,770**	39,944,452	34,833,887
	₱937,477,944	₱866,161,124	₱772,852,730

There are no other arrangements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled to under the Group's pension plan.

21. **Revenue**

	2016	2015	2014
Real Estate Operations			
Rental income (Notes 20 and 34)	**₱10,556,125,587**	₱9,287,978,214	₱7,956,129,097
Real estate sale	**7,193,970,995**	6,313,458,917	5,646,638,459
Amusement income	**1,694,021,661**	1,531,671,101	1,259,795,201
Others	**1,259,845,366**	835,331,229	651,412,090
	20,703,963,609	17,968,439,461	15,513,974,847
Hotel Operations			
Rooms	**1,155,513,678**	1,110,703,894	959,133,430
Food and beverage	**605,142,982**	590,482,756	536,740,915
Others	**46,941,932**	44,663,025	37,874,048
	1,807,598,592	1,745,849,675	1,533,748,393
	₱22,511,562,201	₱19,714,289,136	₱17,047,723,240

Real estate sales include interest income from installment contract receivable amounting to ₱308 million, ₱541 million and ₱499 million in 2016, 2015 and 2014, respectively (Note 26).

Other revenue under real estate operations are receipts of penalties from real estate buyers and tenants, forfeitures of payments from sales cancellations and reservations and receipts of association dues.

Other revenue under hotel operations includes transport, laundry, valet and other services.

22. **Costs**

	2016	2015	2014
Real Estate Operations			
Cost of Rental Services			
Depreciation and amortization (Note 24)	**₱3,401,913,954**	₱2,984,798,999	₱2,565,368,005
Property operations and maintenance costs (Note 11)	**504,336,451**	395,403,541	369,495,071
Accretion of security deposit (Notes 15 and 26)	**66,820,441**	63,905,363	78,279,804
	3,973,070,846	3,444,107,903	3,013,142,880
Cost of Real Estate Sales (Note 9)	**3,982,243,972**	3,207,254,788	3,071,340,402
Cost of Amusement Services			
Film rentals expense	**764,711,495**	694,919,851	575,239,755
Others			
Contracted services	**177,015,756**	131,564,699	129,066,976
Others	**442,935,438**	357,459,117	274,077,904
	619,951,194	489,023,816	403,144,880
	9,339,977,507	7,835,306,358	7,062,867,917
Hotel Operations			
Cost of room services			
Property operations and maintenance costs	**195,381,543**	206,005,707	195,399,258
Depreciation and amortization (Note 24)	**169,358,044**	165,638,261	166,604,688
	364,739,587	371,643,968	362,003,946

(Forward)

	2016	2015	2014
Cost of food and beverage	**₱348,427,973**	₱206,081,289	₱194,969,736
Others			
Salaries and wages (Note 25)	**186,966,096**	181,077,744	174,781,984
Contracted services	**141,404,383**	103,325,053	108,079,136
Management fee	**64,807,264**	125,473,656	94,822,595
Supplies	**53,473,803**	48,714,688	42,256,119
Commission	**37,475,779**	35,255,649	25,376,851
Others	**119,574,744**	221,000,644	171,803,936
	603,702,069	714,847,434	617,120,621
	1,316,869,629	1,292,572,691	1,174,094,303
	₱10,656,847,136	₱9,127,879,049	₱8,236,962,220

Others under costs of real estate operations and hotel operations include expenses for utilities, and other overhead expenses.

23. General and Administrative Expenses

	2016	2015	2014
Salaries and wages (Notes 20, 25 and 29)	**₱750,511,848**	₱685,083,380	₱598,070,746
Commission	**612,492,978**	654,758,492	454,056,685
Advertising and promotions	**657,442,372**	617,459,442	560,643,583
Taxes and licenses	**633,092,857**	468,386,432	427,647,099
Rent (Note 34)	**179,966,892**	198,934,210	152,181,973
Insurance	**129,602,624**	98,607,073	97,024,210
Supplies	**131,166,417**	89,821,085	73,944,512
Light, water and communication	**110,359,156**	87,155,959	90,166,983
Travel and transportation	**61,654,134**	42,825,040	47,989,393
Association dues	**68,893,800**	24,446,708	16,551,281
Entertainment, amusement and recreation	**14,173,544**	16,081,033	28,938,181
Donation	**–**	9,037,857	–
Others	**53,362,967**	57,582,025	25,260,083
	₱3,402,719,589	₱3,050,178,736	₱2,572,474,729

24. Depreciation and Amortization

	2016	2015	2014
Real estate (Notes 11, 12 and 22)	**₱3,401,913,954**	₱2,984,798,999	₱2,565,368,005
Hotel operations (Notes 11, 12 and 22)	**169,358,044**	165,638,261	166,604,688
	₱3,571,271,998	₱3,150,437,260	₱2,731,972,693

25. **Personnel Expenses**

Personnel expenses consist of (see Notes 22 and 23):

	2016	2015	2014
Salaries, wages and other staff costs	**₱849,535,817**	₱777,428,556	₱688,104,561
Pension expense (Note 29)	**43,859,770**	39,944,452	34,833,887
SSS contributions, PAG-IBIG contributions, premiums and others	**44,082,357**	48,788,116	49,914,282
	₱937,477,944	₱866,161,124	₱772,852,730

The above amounts are distributed as follows:

	2016	2015	2014
General and administrative (Note 23)	**₱750,511,848**	₱685,083,380	₱598,070,746
Hotel operations (Note 22)	**186,966,096**	181,077,744	174,781,984
	₱937,477,944	₱866,161,124	₱772,852,730

26. **Other Income (Losses)**

Interest income consists of

	2016	2015	2014
Interest income			
Bank deposits (Note 7)	**₱18,075,015**	₱38,847,341	₱13,942,294
Receivable from affiliated companies (Note 20)	–	499,688	692,337
	18,075,015	39,347,029	14,634,631
Interest income from installment contract receivable - recognized under real estate sales (Note 21)	**308,287,941**	541,408,593	499,324,875
	₱326,362,956	₱580,755,622	₱513,959,506

Interest expense consists of (see Notes 15 and 16):

	2016	2015	2014
Loans payable	**₱571,626,129**	₱5,288,926	₱–
Accretion on security deposits - recognized under cost of rental services (Notes 15 and 22)	**66,820,441**	63,905,363	78,279,804
	₱638,446,570	₱69,194,289	₱78,279,804

Capitalized borrowing costs in 2016 and 2015 are discussed in Notes 9 and 11.

In 2014, the Group recognized losses of ₱324 million due to property damages to its investment properties and property and equipment brought about by typhoons Yolanda and Glenda and the Galleria Mall fire loss. The Group recorded a gain for the same amount for the claims from insurance companies for such losses. The gains and losses were netted off for presentation purposes in the 2014 consolidated statement of comprehensive income.

In 2016, the Group recorded additional ₱209 million gain from insurance claims due to receipt of final insurance settlement for the typhoon Yolanda and other minor insurance claims.

27. **Income Tax**

The Group's provision for income tax includes the regular corporate income tax (RCIT), minimum corporate income tax (MCIT) and final tax paid at the rate of 20% for peso deposits and 7.50% for foreign currency deposits which are final withholding tax on gross interest income. Details follow:

	2016	2015	2014
Current			
RCIT	**₱1,597,959,378**	₱1,518,040,447	₱998,494,220
Final tax	**2,132,358**	6,016,575	1,507,346
MCIT	**179,419**	240,500	207,883
	1,600,271,155	1,524,297,522	1,000,209,449
Deferred	**433,375,874**	363,216,967	521,263,644
	₱2,033,647,029	₱1,887,514,489	₱1,521,473,093

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	2016	2015	2014
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.01)**	(0.03)	(0.01)
Tax exempt real estate sales	**(0.13)**	(0.85)	(1.07)
Income subjected to BOI, PEZA and lower tax	**(5.02)**	(4.24)	(4.59)
Effective income tax rate	**24.84%**	24.88%	24.33%

Deferred taxes as of September 30, 2016 and 2015 relate to the tax effects of the following:

	2016	2015
Deferred tax assets:		
Accrued rent expense	**₱478,167,744**	₱454,745,268
Accrued interest expense	**197,553,203**	177,772,488
Accrued retirement payable	**98,282,297**	68,166,670
Allowance for impairment loss	**14,302,980**	13,812,665
MCIT	**2,168,956**	1,111,424
	790,475,180	715,608,515
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(1,676,953,415)**	(1,419,649,598)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(1,389,360,756)**	(1,244,499,193)
Accrued rent income	**(267,780,830)**	(187,282,004)
Unamortized debt issuance cost	**(61,143,910)**	(52,848,629)
Prepaid rent (Note 13)	**(147,569,124)**	(147,569,124)
	(3,542,808,035)	(3,051,848,548)
Net deferred tax liabilities	**(₱2,752,332,855)**	(₱2,336,240,033)

Provision for deferred tax relating to remeasurements of defined benefit liability recognized directly in equity amounted to ₱17 million, ₱1 million and ₱2 million, in 2016, 2015 and 2014 respectively.

The Group has deductible temporary difference that is available for offset against taxable income or tax payable for which deferred tax asset has not been recognized. This deductible temporary difference with no deferred tax assets recognized in the consolidated financial statements pertains to NOLCO of subsidiaries amounting to ₱4 million and ₱3 million in 2016 and 2015, respectively. The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱1 million as of September 30, 2016 and 2015.

The carryforward benefits of NOLCO, which can be claimed as a deduction by the Group against future taxable income for the next three (3) years from the year of incurrence, are as follows:

Period of recognition	Amount	Period of expiration
NOLCO		
September 30, 2016	₱1,796,845	September 30, 2019
September 30, 2015	899,847	September 30, 2018
September 30, 2014	1,012,159	September 30, 2017
	₱3,708,851	

Period of recognition	Amount	Period of expiration
MCIT		
September 30, 2016	₱–	September 30, 2019
September 30, 2015	797,791	September 30, 2018
September 30, 2014	207,883	September 30, 2017
	₱1,005,674	

28. Basic/Diluted Earnings Per Share

Earnings per share amounts were computed as follows:

	2016	2015	2014
a. Net income attributable to equity holders of Parent Company	**₱6,154,532,055**	₱5,699,709,532	₱4,737,013,328
b. Weighted average number of common shares outstanding adjusted	**4,093,830,685**	4,093,830,685	4,093,830,685
c. Earnings per share (a/b)	**₱1.50**	₱1.39	₱1.16

There were no potential dilutive shares in 2016, 2015 and 2014.

29. Employee Benefits

Pension Plans

The Group has funded, noncontributory, defined benefit pension plans covering all of its regular employees.

It provides benefits based on a number of month's salary for every year of service. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with Robinsons Bank Corporation (RBC) as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Group, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions. The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. RBC manages the plan assets based on the mandate as defined in the trust agreement.

The components of pension expense (included in "Personnel expenses" under "Costs and General and administrative expenses" in the consolidated statements of comprehensive income) follow:

	2016	2015	2014
Service cost	**₱32,296,274**	₱29,575,052	₱28,555,085
Net interest cost	**11,563,496**	10,369,400	6,278,802
Pension expense	**₱43,859,770**	₱39,944,452	₱34,833,887

There are no plan amendments, curtailments or settlements for the period ended September 30, 2016 and 2015.

The amounts recognized as pension liabilities included under 'Deposit and other noncurrent liabilities' in the consolidated statements of financial position follow:

	2016	2015
Present value of defined benefit obligation	**₱479,132,556**	₱381,649,653
Fair value of plan assets	**(151,524,900)**	(128,885,680)
Pension liabilities	**₱327,607,656**	₱252,763,973

Changes in net defined benefit liability of funded funds in 2016 and 2015 follow:

	2016		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Balance at beginning of year	**₱381,649,653**	**₱128,885,680**	**₱252,763,973**
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	**32,296,274**	**–**	**32,296,274**
Net interest cost	**16,143,767**	**4,580,271**	**11,563,496**
Subtotal	**48,440,041**	**4,580,271**	**43,859,770**
Benefits paid	**(2,780,549)**	**(2,780,549)**	**–**
Remeasurements in other comprehensive income:			
Return on plan assets	**–**	**(5,786,763)**	**5,786,763**
Actuarial changes arising from experience adjustments	**39,581,241**	**–**	**39,581,241**
Actuarial changes arising from changes in financial/demographic assumptions	**12,242,170**	**–**	**12,242,170**
Subtotal	**51,823,411**	**(5,786,763)**	**57,610,174**
Contributions paid	**–**	**26,626,261**	**(26,626,261)**
Balance at end of year	**₱479,132,556**	**₱151,524,900**	**₱327,607,656**

	2015		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at beginning of year	₱347,007,878	₱133,688,461	₱213,319,417
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	29,575,052	–	29,575,052
Net interest cost	16,920,653	6,551,253	10,369,400
Subtotal	46,495,705	6,551,253	39,944,452
Benefits paid	(5,466,485)	(5,466,485)	–
Remeasurements in other comprehensive income:			
Return on plan assets	–	(10,351,295)	10,351,295
Actuarial changes arising from experience adjustments	2,295,791	–	2,295,791
Actuarial changes arising from changes in financial/demographic assumptions	(8,683,236)	–	(8,683,236)
Subtotal	(6,387,445)	(10,351,295)	3,963,850
Contributions paid	–	4,463,746	(4,463,746)
Balance at end of year	₱381,649,653	₱128,885,680	₱252,763,973

The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

	2016	2015
Cash and cash equivalents		
Special deposit account	**₱82,798,266**	₱40,217,000
Savings deposit account	**26,628,261**	1,431
Other securities	**1,669,001**	–
	111,095,528	40,218,431
Investment in debt instruments		
Fixed rate bonds	**20,670,200**	20,670,165
Other debt instruments	**8,062,357**	9,307,876
	28,732,557	29,978,041
Accrued interest receivable	**274,773**	276,522
Other assets	**11,431,497**	58,418,584
Accrued trust and management fee payable	**(9,456)**	(5,899)
	₱151,524,899	₱128,885,679

The composition of the fair value of the Fund includes:

- *Cash and cash equivalents* - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas.

- *Investment in debt instruments* - include investment in long-term debt notes and retail bonds issued by locally listed entities.

- *Accrued interest receivable and other receivable* - include interest earned from investments and receivable from affiliated companies.

- *Accrued trust and management fee payable* - pertains mainly to charges of trust or in the management of the plan.

The fund has no investment in the Parent Company as of September 30, 2016, 2015 and 2014.

The plan assets have diverse investments and do not have any concentration risk.

The management performs an asset-liability matching strategy annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.
The overall expected rates of return on assets are based on the market expectations prevailing as at the reporting date, applicable to the period over which the obligation is settled.
The Group expects to contribute ₱42 million to the defined benefit pension plans in 2016.

The average duration of the defined benefit obligation of the Group as of September 30, 2016 and 2015 is 15 years.

The principal assumptions used to determine the pension benefits of the Group follow:

	2016	2015	2014
Discount rate	**3.93% to 4.85%**	4.65%	4.52% to 5.02%
Rate of salary increase	**5.00%**	5.00%	5.50%

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of September 30, 2015, assuming if all other assumptions were held constant. The balances below show the addition/reduction in pension obligation assuming assumptions are changed:

		Increase (decrease) on pension liabilities	
		2016	2015
Discount rates	+1.00%	**(₱41,523,152)**	(₱29,238,214)
	-1.00%	**48,094,773**	33,636,983
Salary increase rates	+1.00%	**₱44,969,563**	₱32,053,384
	-1.00%	**(39,848,946)**	(28,504,312)

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

	2016	2015
Less than 1 year	**₱19,106,049**	₱65,053,009
More than 1 years to 5 years	**105,208,719**	102,498,063
More than 5 years to 10 years	**276,911,978**	233,462,634
More than 10 years to 15 years	**409,155,857**	341,431,675
More than 15 years to 20 years	**308,379,053**	264,126,374
More than 20 years	**379,998,070**	281,247,087

30. **Interest in Joint Operations**

The Group has entered into joint venture agreements with various landowners and other companies with various percentage interests in these joint operations depending on the value of the land or investment against the estimated development costs. These joint venture agreements entered into by the Group relate to the development and sale of subdivision land, condominium and residential units, with certain level of sharing in the proceeds of sale of developed units.

The Group's joint venture agreements typically require the joint venture partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all the cost related to the land development and the construction of subdivision land, condominium and residential units, including the facilities.

Sales and marketing costs are allocated to both the Group and the joint operations partner. The projects covering the joint venture agreement are expected to be completed within two to three years. Each joint operations party has committed to contribute capital based on the terms of the joint venture agreement.

Interest in joint projects with Harbour Land Realty and Development Corp and Federal Land, Inc. (Jointly Controlled Operations)

On February 7, 2011, the Parent Company entered into a joint venture agreement with Harbour Land Realty and Development Corp (HLRD) and Federal Land, Inc. (FLI) to develop a project called Axis Residences located along Pioneer Street in Mandaluyong City. The construction of the planned 2-phase residential condominium has commenced in March 2012. One tower of first phase was completed on September 2015.

The agreed contributions of the parties follow:

a. The Parent Company: Road lot valued at ₱89 million and development costs amounting ₱1,390 million
b. FLI: Development costs amounting ₱739 million
c. HLRD, an affiliate of FLI: Four (4) adjoining parcels of land valued at ₱739 million located along Pioneer St., Mandaluyong City, 21,109 sqm

Further, the sharing of saleable units (inventories) of real estate revenue, cost of real estate sales and any common expenses incurred, are as follows: the Parent Company-50% and FLI-50%.

31. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments, comprise of loans payable, receivables from affiliated companies, payables to affiliated companies, receivables and cash and cash equivalents. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks currently arising from the Group's financial instruments are foreign currency market risk, liquidity risk, interest rate risk and credit risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below, together with the related risk management structure.

Risk Management Structure

The Group's risk management structure is closely aligned with that of the Parent Company. The BOD of the Parent Company and the respective BODs of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks.

The risk management framework encompasses environmental scanning, the identification and assessment of business risks, development of risk management strategies, design and implementation of risk management capabilities and appropriate responses, monitoring risks and risk management performance, and identification of areas and opportunities for improvement in the risk management process.

Each BOD has created the board-level Audit Committee (AC) to spearhead the managing and monitoring of risks.

Audit Committee

The AC shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.

The AC also aims to ensure that:

a. financial reports comply with established internal policies and procedures, pertinent accounting and audit standards and other regulatory requirements;
b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management;
c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and
d. the Group's BOD is properly assisted in the development of policies that would enhance the risk management and control systems.

Enterprise Risk Management Group (ERMG)

To systematize the risk management within the Group, the ERMG was created to be primarily responsible for the execution of the enterprise risk management framework. The ERMG's main concerns include:

a. recommending risk policies, strategies, principles, framework and limits;
b. managing fundamental risk issues and monitoring of relevant risk decisions;
c. providing support to management in implementing the risk policies and strategies; and
d. developing a risk awareness program.

Support groups have likewise been created to explicitly manage on a day-to-day basis specific types of risks like trade receivables, supplier management, etc.

Compliance with the principles of good corporate governance is also one of the objectives of the BOD. To assist the BOD in achieving this purpose, the BOD has designated a Compliance Officer who shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

Risk Management Policies
The main risks arising from the use of financial instruments are foreign currency risk, liquidity risk, interest rate risk, credit risk and equity price risk. The Group's policies for managing the aforementioned risks are summarized below.

Market risk
Foreign Currency Risk
Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from financial instruments that are denominated in United States Dollar (USD) which result primarily from movement of the Philippine Peso (PHP) against the USD.

The Group does not have any foreign currency hedging arrangements.

The table below summarizes the Group's exposure to foreign currency risk:

	September 30			
	2016		2015	
Assets				
Cash and cash equivalents	**$8,749,344**	**₱422,243,318**	$452,009	₱21,212,782
Liabilities				
Accounts payable and accrued expenses	**482,830**	**23,301,362**	100,410	4,712,251
Net foreign currency-denominated assets	**$8,266,514**	**₱398,941,956**	$351,599	₱16,500,531

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of September 30, 2016 and 2015 follow:

	2016	2015
US Dollar - Philippine Peso exchange rate	**₱48.26 to US$1.00**	₱46.93 to US$1.00

The following table sets forth the impact of the range of reasonably possible changes in the USD-PHP exchange rate on the Group's income before income tax for the year ended September 30, 2016 and 2015.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
2016	
2.0% PHP appreciation	**(₱7,978,839)**
2.0% PHP depreciation	**7,978,839**
2015	
2.0% PHP appreciation	(₱330,011)
2.0% PHP depreciation	330,011

Sensitivity to foreign exchange rates is calculated on the Group's foreign currency denominated assets and liabilities, assuming a more likely scenario of foreign exchange rate of USD-PHP that can happen within 12 months after reporting date using the same balances of financial assets and liabilities as of reporting date.

The Group does not expect the impact of the volatility on other currencies to be material.

Liquidity risk
Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of September 30, 2016 and 2015, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant.

	2016					
	On Demand	**1 to 3 months**	**4 to 12 months**	**More than 1 year but less than 5 years**	**5 years or more**	**Total**
Loans and receivables						
Cash and cash equivalents	**₱771,028,252**	**₱378,136,696**	**₱–**	**₱–**	**₱–**	**₱1,149,164,948**
Receivables						
Trade	**1,368,466,546**	**3,866,948,613**	**1,544,880,136**	**2,621,306,870**	**346,766,666**	**9,748,368,831**
Affiliated companies	**17,561,348**	–	–	–	–	**17,561,348**
Others	**111,421,396**	**92,632,199**	**52,093,420**	–	–	**256,147,015**
Other assets						
Utility deposits	**7,110,072**	–	**21,511**	**228,725,915**	**377,180,434**	**613,037,932**
Total financial assets	**₱2,275,587,614**	**₱4,337,717,508**	**₱1,596,995,067**	**₱2,850,032,785**	**₱723,947,100**	**₱11,784,280,074**
Accounts payable and accrued expenses	**₱3,071,131,460**	**₱1,636,068,790**	**₱1,907,389,745**	**₱513,744,721**	**₱1,858,898,573**	**₱8,987,233,289**
Payables to affiliated companies and others (included under Deposits and other liabilities account in the consolidated statement of financial position)	**303,757,960**	–	–	–	–	**303,757,960**
Deposits from lessees	**538,962,786**	**248,933,765**	**930,754,984**	**1,479,631,683**	**716,049,056**	**3,914,332,274**
Loans payable and future interest payment	–	**947,362,060**	**3,964,256,805**	**30,926,208,834**	**17,566,362,434**	**53,404,190,133**
Other financial liabilities	**₱3,913,852,206**	**₱2,832,364,615**	**₱6,802,401,534**	**₱32,919,585,238**	**₱20,141,310,063**	**₱66,609,513,656**

	2015					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Loans and receivables						
Cash and cash equivalents	₱597,003,967	₱595,950,051	₱–	₱–	₱–	₱1,192,954,018
Receivables						
Trade	1,941,764,066	1,165,344,666	1,499,486,794	2,505,606,809	203,327,950	7,315,530,285
Affiliated companies	22,478,004	–	–	–	–	22,478,004
Others	108,848,656	75,382,619	207,662,006	–	–	391,893,281
Other assets						
Utility deposits	5,106,072	280,000	–	223,668,117	279,044,334	508,098,523
Total financial assets	₱2,675,200,765	₱1,836,957,336	₱1,707,148,800	₱2,729,274,926	₱482,372,284	₱9,430,954,111
Accounts payable and accrued expenses	₱2,259,011,204	₱968,893,098	₱1,400,158,283	₱1,196,166,177	₱1,105,923,489	₱6,930,152,251
Payables to affiliated companies and others (included under Deposits and other liabilities account in the consolidated statement of financial position)	300,434,457	–	–	–	–	300,434,457
Deposits from lessees	931,792,342	250,042,502	492,227,838	1,251,180,756	644,959,298	3,570,202,736
Loans payable and future interest payment	–	504,117,126	2,648,998,736	19,852,867,092	13,002,463,300	36,008,446,254
Other financial liabilities	₱3,491,238,003	₱1,723,052,726	₱4,541,384,857	₱22,300,214,025	₱14,753,346,087	₱46,809,235,698

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed

sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both onshore and offshore.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk for changes in market interest rates relates primarily to the Group’s long-term debt obligation with a floating interest rate.

The Group’s policy is to manage its interest cost using a mix of fixed and variable rate debts, whenever it’s advantageous to the Group. As of September 30, 2016 and 2015, 100% of the Group’s loans payable are at a fixed rate of interest.

The Group has no financial instruments with variable interest rates exposed to interest rate risk as of September 30, 2016 and 2015.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Group trades only with recognized, creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. These measures result in the Group’s exposure to impairment loss as not significant.

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of September 30, 2015, and 2014 without considering the effects of collaterals and other credit risk mitigation techniques:

	2016	2015
Cash and cash equivalents (net of cash on hand)	**₱1,120,767,257**	₱1,167,730,897
Receivables - net		
Trade receivables		
Installment contract receivable	**8,198,622,057**	6,197,079,304
Accrued rent receivable	**721,628,537**	518,174,550
Rental receivables	**651,916,299**	406,863,718
Hotel operations	**176,201,938**	193,412,713
Affiliated companies	**17,561,348**	22,478,004
Other receivables	**256,147,015**	391,893,281
Other assets		
Utility deposits	**613,037,932**	508,098,523
	₱11,755,882,383	₱9,405,730,990

The credit risk on installment contracts receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.
Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risks.

c. Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as of September 30, 2016, and 2015, gross of allowance for credit and impairment losses:

	2016				
	Neither Past Due Nor Impaired			**Past Due or**	
	High Grade	**Standard Grade**	**Substandard Grade**	**Individually Impaired**	**Total**
Loans and receivables					
Cash and cash equivalents	**₱1,120,767,257**	**₱–**	**₱–**	**₱–**	**₱1,120,767,257**
Receivables:					
Trade receivables					
Installment contract receivables	**7,220,420,961**	**–**	**–**	**997,201,096**	**8,217,622,057**
Accrued rent receivables	**721,628,537**	**–**	**–**	**–**	**721,628,537**
Rental receivables	**70,465,687**	**–**	**–**	**595,355,639**	**665,821,326**
Hotel operations	**42,376,585**	**–**	**–**	**148,596,927**	**190,973,512**
Affiliated companies	**17,561,348**	**–**	**–**	**–**	**17,561,348**
Other receivables	**256,147,015**	**–**	**–**	**–**	**256,147,015**
Other assets					
Utility deposits	**613,037,932**	**–**	**–**	**–**	**613,037,932**
	₱10,062,405,322	**₱–**	**₱–**	**₱1,741,153,662**	**₱11,803,558,984**

	2015				
	Neither Past Due Nor Impaired			Past Due or	
	High Grade	Standard Grade	Substandard Grade	Individually Impaired	Total
Loans and receivables					
Cash and cash equivalents	₱1,167,730,897	₱–	₱–	₱–	₱1,167,730,897
Receivables:					
Trade receivables					
Installment contract receivables	4,680,803,571	–	–	1,535,275,733	6,216,079,304
Accrued rent receivables	518,174,550	–	–	–	518,174,550
Rental receivables	134,295,019	–	–	286,473,726	420,768,745
Hotel operations	88,939,099	–	–	117,610,804	206,549,903
Affiliated companies	22,478,004	–	–	–	22,478,004
Other receivables	391,893,281	–	–	–	391,893,281
Other assets					
Utility deposits	508,098,523	–	–	–	508,098,523
	₱7,512,412,944	₱–	₱–	₱1,939,360,263	₱9,451,773,207

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in foreign and local banks belonging to the top ten (10) banks, including an affiliate bank, in the Philippines in terms of resources, profitability and credit standing.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Receivable from installment contract receivables are considered high grade as title of the real estate property of the subject receivable passes to the buyer once fully paid. Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up actions and extended payment terms.

d. Impairment assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors, either singly or in tandem with other factors, constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The two methodologies applied by the Group in assessing and measuring impairment include: (1) specific/individual assessment and (2) collective assessment.

Under specific/individual assessment, the Group assesses each individually significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Group when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and (f) the existing realizable value of collateral. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent evidence or not yet objective of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment.

32. **Financial Instruments**

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, utility deposits, receivable and payable to affiliated companies and accounts payable and accrued expenses are approximately equal to their fair value due to the short-term nature of the transaction.

Set out below is a comparison of carrying amounts and fair values of installment contracts receivables, deposits from lessees and loans payable that are carried in the consolidated financial statements.

	2016		2015	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable	**₱8,198,622,057**	**₱7,865,123,351**	₱6,197,079,304	₱5,929,676,551
Deposits from lessees	**3,914,332,274**	**3,626,438,968**	3,570,202,736	3,321,479,742
Loans payable	**37,344,505,604**	**53,404,190,133**	24,881,953,999	36,008,446,254

The fair values of installment contract receivables, customers' deposits and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date. The discount rates used range from 2.3% to 5.8% in 2016 and 1.7% to 5.6% in 2015.

Fair Value Hierarchy
The Group uses the following hierarchy for determining the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of installment contracts receivables, deposits from lessees and loans payable disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy. There has been no reclassification from Level 1 to Level 2 or 3 category.

33. Registration with the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA)

Certain operations of the Group are registered with the BOI as preferred pioneer and non-pioneer activities. As registered enterprises, these consolidated subsidiaries are subject to some requirements and are entitled to certain tax and non-tax incentives which are considered in the computation of the provision for income tax.

Two Gateway Place
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of two hundred sixty four (264) units, under Certificate of Registration No. 2008-202 dated August 7, 2008. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from December 2009 up to November 2013.

Holiday Inn Galleria Manila
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Modernization of Tourism-Related Facility (Hotel - Holiday Inn Galleria Manila)" on a Non-Pioneer status at a capacity of two hundred eighty-five (285) rooms, under Certificate of Registration No. 2011-097 dated May 25, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from May 2011 to May 2014.

Summit Circle - Fuente Osmeña Circle
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Modernization of Tourism-Related Facility (Hotel - Summit Circle Hotel)" on a Non-Pioneer status at a capacity of two hundred ten (210) rooms, under Certificate of Registration No. 2011-021 dated January 24, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from June 2011 to May 2014.

The Wellington Courtyard Phase 2
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of ninety two (92) units, under Certificate of Registration No. 2011-090 dated May 20, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from May 2011 to May 2014.

Go Hotel, Robinsons Cybergate Plaza
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Robinsons Cybergate Plaza)" on a Non-Pioneer status at a capacity of two hundred twenty three (223) rooms, under Certificate of Registration No. 2010-002 dated January 6, 2010. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2010 to June 2014.

Escalades South Metro Phase I
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of five hundred twenty eight (528) units, under Certificate of Registration No. 2011-169 dated August 1, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 2012 to October 2015.

Go Hotel, Dumaguete
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Dumaguete)" on a Non-Pioneer status at a capacity of one hundred two (102) rooms, under Certificate of Registration No. 2012-020 dated February 1, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Bacolod
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Bacolod)" on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-039 dated March 13, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to July 2016.

Go Hotel, Palawan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Palawan)" on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-017 dated January 25, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel- Go Hotel, Tacloban)" on a Non-Pioneer status at a capacity of ninety eight (98) rooms, under Certificate of Registration No. 2011-250 dated November 23, 2011. Under the terms of its

registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2012 to April 2016.

Go Hotel, Iloilo
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iloilo)" on a Non-Pioneer status at a capacity of one hundred sixty seven (167) rooms, under Certificate of Registration No. 2014-016 dated January 29, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from January 2014 to December 2017.

Go Hotel, Butuan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Butuan)" on a Non-Pioneer status at a capacity of one hundred four (104) rooms, under Certificate of Registration No. 2014-214 dated December 5, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2015 to December 2019.

Azalea Place, Gorordo Avenue,Cebu City
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of three hundred eight (308) units, under Certificate of Registration No. 2011-203 dated September 15, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to June 2016.

The Pearl Place - Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of six hundred twenty five (625) units, under Certificate of Registration No. 2012-008 dated January 11, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2013 to September 2016.

Escalades East Tower
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of two hundred twenty six (226) units, under Certificate of Registration No. 2014-197 dated November 6, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 6, 2014 to November 5, 2017.

Axis Residences (Phase 1)-Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Non-Pioneer status at a capacity of four hundred fifty six (456) units, under Certificate of Registration No. 2015-048 dated February 26, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from February 27, 2015 to February 26, 2018.

Go Hotels Davao, Inc.
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Go Hotels Lanang - Davao City)" on a Non-Pioneer status at a capacity of one hundred eighty three (183) rooms, under Certificate of Registration No. 2015-266 dated December 3, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2016 to December 2019.

Robinsons Cyberpark
The Group is also registered with PEZA (beginning October 1, 2004) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 68,596 square meters of land located at EDSA corner Pioneer Street, Mandaluyong City as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Center
The Group is also registered with PEZA (beginning February 8, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 11,125 square meters of land located at Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental as an IT Park to be known as The Robinsons Cybergate Center. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Place Lipa
The Group is also registered with PEZA (beginning November 3, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 65,399 square meters of land located at JP Laurel Highway, Mataas na Lupa, Lipa City, Batangas as an IT Park to be known as The Robinsons Place Lipa. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Big Supercenter Cainta Junction
The Group is also registered with PEZA (beginning October 28, 2005) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 19,522 square meters of land located at Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

34. **Commitments and Contingencies**

Operating Lease Commitments - Group as Lessee
The Group entered into long-term operating leases of land with lease terms ranging from 25 to 50 years. Total rent expense amounted to ₱180 million, ₱199 million and ₱152 million in 2016, 2015 and 2014, respectively. There is no contingent rent. Future minimum rentals payable under noncancellable operating leases as of September 30, 2016 are as follows:

	2016	2015	2014
Within one (1) year	**₱85,742,828**	₱75,875,322	₱60,225,464
After one (1) year but not more than five (5) years	**404,875,129**	382,304,085	274,917,570
After more than five (5) years	**6,389,039,513**	6,472,894,986	5,492,119,217
	₱6,879,657,470	₱6,931,074,393	₱5,827,262,251

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. These noncancellable leases have remaining noncancellable lease terms of between one (1) and 10 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent, which is a certain percentage of actual monthly sales or minimum monthly gross sales, whichever is higher. Total rent income amounted to ₱10,556 million, ₱9,288 million and ₱7,956 million in 2016, 2015 and 2014, respectively. Total percentage rent recognized as income for 2016, 2015 and 2014 amounted to ₱2,786 million, ₱2,502 million and ₱2,167 million, respectively.

Future minimum rentals receivable under noncancellable operating leases as of September 30, 2015 follows:

	2016	2015	2014
Within one (1) year	**₱4,909,033,101**	₱5,308,666,374	₱4,252,470,638
After one (1) year but not more than five (5) years	**8,407,304,291**	10,472,321,498	5,915,813,342
After more than five (5) years	**941,463,464**	1,024,342,237	437,292,732
	₱14,257,800,856	₱16,805,330,109	₱10,605,576,712

Finance Lease Commitments - Group as Lessor
In 2015, the Group has significantly entered into residential property leases on its residential condominium unit's portfolio. These leases have lease period of five (5) to 10 years and the lessee is given the right to purchase the property anytime within the lease period provided that the lessee any arrears in rental payment, condominium dues and other charges.

Future minimum lease payments under finance lease with the present value of future minimum lease payment as of September 30 follow:

	2016	
	Minimum Lease Payments	**Present Value of Minimum Lease Payments**
Within one (1) year	**₱1,666,378,049**	**₱1,633,532,609**
After one (1) year but not more than five (5) years	**753,609,549**	**683,817,209**
After more than five (5) years	**8,495,591**	**7,107,586**
Total minimum lease payments	**₱2,428,483,189**	**₱2,324,457,404**

	2015	
	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one (1) year	₱115,488,617	₱112,620,511
After one (1) year but not more than five (5) years	350,912,310	325,025,776
After more than five (5) years	379,131,036	311,618,076
Total minimum lease payments	845,531,963	749,264,363
Less finance charges	96,267,600	–
Present value of minimum lease payments	₱749,264,363	₱749,264,363

Capital Commitments
The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱16,891 million and ₱8,214 million as of September 30, 2016 and 2015, respectively. Moreover, the Group has contractual obligations amounting to ₱1,189 million and ₱1,292 million as of September 30, 2016 and 2015, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies
The Group has various collection cases or claims against or from its customers and certain tax assessments, arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The Group does not believe that such assessments, in general, will have a material effect on its operating results and financial condition. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments.

35. Note on Consolidated Statement of Cash Flows

Noncash investing activity pertains to transfers from investment properties to property and equipment and subdivision land, condominium and residential units for sale amounting to ₱64 million, ₱474 million, and ₱1,887 million in 2016, 2015, and 2014, respectively. Also, land amounting to ₱1,760 million in 2014 were transferred from investment properties to subdivision land, condominium and residential units for sale for the Group's residential projects.

36. Subsequent Events

On October 17, 2016, the Group pre-terminated the outstanding balance of the loan amounting to ₱10 billion (see Note 16). Pursuant to the Term Loan Facility Agreement between the Parent Company, BDO Unibank Inc. and BDO Leasing and Finance, Inc. dated July 8, 2014, the Parent Company, subject to the penalty of one percent (1%), may prepay the loan in part or full together with accrued interest thereof to prepayment date. The Parent Company paid a prepayment charge amounting to ₱100 million.

SGV
Building a better working world

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BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at September 30, 2016 and 2015 and for each of the three years in the period ended September 30, 2016 included in this Form 17-A and have issued our report thereon dated January 6, 2017. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 68, as Amended (2011), and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
SEC Accreditation No. 1229-AR-1 (Group A),
May 12, 2015, valid until May 11, 2018
Tax Identification No. 162-410-623
BIR Accreditation No. 08-001998-74-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5908770, January 3, 2017, Makati City

January 6, 2017

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

SEPTEMBER 30, 2016

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

The Group does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as of September 30, 2016.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

The Group does not have Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties) above ₱100,000 as of September 30, 2016.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of September 30, 2016:

	Volume of Transactions		Receivable	Terms
Robinsons Properties Marketing and Management Corporation (RPMMC)	Share in expenses	₱49,206,578	₱90,624,458	Non-interest bearing and to be settled within one year
Altus Angeles, Inc. (AAI)	Advances	(30,692,073)	55,586,373	Non-interest bearing and to be settled within one year
Altus San Nicolas Corp (ASNC)	Share in expenses	1,212,520	2,796	Non-interest bearing and to be settled within one year
	Purchase of investment property	855,097,668	342,988,264	Non-interest bearing and to be settled within one year
Lingkod Pinoy Bus Liner, Inc. (LPBL)	Share in expenses	10,160,000	10,160,000	Non-interest bearing and to be settled within one year
GoHotels Davao, Inc. (GHDI)	Share in expenses	25,867,187	141,066,002	Non-interest bearing and to be settled within one year
Robinsons Realty and Management Corporation (RRMC)	Share in Expenses	17,098	589,093	Non-interest bearing and to be settled within one year
RLC Resources Limited (RLCRL)	Advances	(1,440,708,326)	808,863	Non-interest bearing and to be settled within one year
		(₱529,839,348)	₱641,825,849	

	Balance at beginning of period	Additions	Collections	Balance at end of period
RPMMC	₱41,417,880	₱49,206,578	₱–	₱90,624,458
AAI	86,278,446	–	(30,692,073)	55,586,373
ASNC	(1,209,724)	344,200,784	–	342,991,060
LPBL	–	10,160,000	–	10,160,000
GHDI	115,198,815	25,867,187	–	141,066,002
RRMC	571,995	17,098	–	589,093
RLCRL	1,441,517,189	–	(1,440,708,326)	808,863
	₱1,683,774,601	₱429,451,647	(₱1,471,400,399)	₱641,825,849

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses, marketing fees and advances for cost of equipment. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

Related Party Transactions
Due from related parties
Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of September 30, 2016:

	Relationship	Nature	Balance at end of period
Robinsons Recreation Corporation	Under common control	B	₱11,334,271
Universal Robina Corporation	Under common control	A	597,502
JG Summit Capital Markets Corporation	Under common control	A	1,520,227
Robinsons Savings Bank	Under common control	A	601,039
Express Holdings, Inc.	Under common control	A	973,513
Oriental Petroleum & Mining Corp.	Under common control	A	754,095
Robinsons Pharmacies, Inc.	Under common control	A	586,618
Others	Under common control	A, B	1,194,083
			₱17,561,348

Other receivables from affiliates account consist primarily of receivables from Robinsons Handyman, Inc., Cebu Pacific and other affiliates.
Nature of intercompany transactions
The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements.

The outstanding balances of intercompany transactions are due and demandable as of September 30, 2016.

Schedule D. Intangible Assets
The Group does not have intangible assets as of September 30, 2016.

Schedule E. Long-term debt

Below is the schedule of long-term debt of the Group as of September 30, 2016:

	Amount	Current	Noncurrent
Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8%, interest payable semi-annually in arrears.	₱10,635,500,000	₱–	₱10,635,500,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	1,364,500,000	–	1,364,500,000
Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly.	9,000,000,000	–	9,000,000,000
Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly	1,000,000,000	–	1,000,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in full upon maturity, with interest fixed rate at 3.8900%, payable quarterly	5,000,000,000	–	5,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable in full upon maturity, with interest fixed rate at 3.8327%, payable quarterly	6,500,000,000	–	6,500,000,000
	₱33,500,000,000	₱–	₱33,500,000,000

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)

Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of September 30, 2016:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Westpoint Industrial Mills	Under common control	A	₱22,819,452	₱22,753,985
JG Summit Holdings, Inc.	Parent	A, C	86,302,733	103,633,960
Others	Under common control	A, B	5,902,272	4,518,308
			₱115,024,457	₱130,906,253

Others consist primarily of payables to Robinsons, Inc. and Robinsons Appliances.

Due to JG Summit Holdings, Inc. and other affiliates increased due to the advances made during the period for working capital requirements.

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements
(c) Management and marketing fee

The outstanding balances of intercompany transactions are due and demandable as of September 30, 2016.

Schedule G. Guarantees of Securities of Other Issuers
The Group does not have guarantees of securities of other issuers as of September 30, 2016.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption*	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	8,200,000,000	4,093,830,685	–	2,496,114,787	17,709,982	1,580,005,916

**Note: Exclusive of 17,698,000 treasury shares*

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

RECONCILIATION OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

SEPTEMBER 30, 2016

Unappropriated Retained Earnings, beginning	**₱14,956,162,852**
Adjustments:	
Other unrealized expense as a result of transactions accounted for under PFRS:	
Straight line adjustment for rental expense (PAS 17)	1,445,148,519
Discounting effect on installment contract receivable (PAS 39)	147,473,831
Straight line adjustment rental income (PAS 17)	(515,128,131)
Discounting effect on security deposits (PAS 39)	(2,423,074)
Unappropriated Retained Earnings as adjusted, beginning	16,031,233,997
Net income actually earned/realized during the year	
Net income during the year closed to Retained Earnings	5,850,985,318
Less: Non-actual/unrealized income, net of tax	
Equity in net income of associate/joint venture	
Unrealized foreign exchange gain - net	
Unrealized actuarial gain	
Fair value adjustment (M2M gains)	
Fair value adjustment of Investment Property resulting to gain	
Adjustment due to deviation from PFRS/GAAP - gain	
Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	
Straight line adjustment for rental expense (PAS 17)	105,351,102
Discounting effect on installment contract receivable (PAS 39)	217,306,222
Straight line adjustment rental income (PAS 17)	(203,617,994)
Discounting effect on security deposits (PAS 39)	(18,657)
Add: Non-actual losses	
Movements in deferred tax assets	
Depreciation on revaluation increment (after tax)	
Adjustment due to deviation from PFRS/GAAP - loss	
Loss on fair value adjustment of investment property (after tax)	
	5,970,005,991
Less: Cash dividend declaration during the year	(1,473,779,046)
Reversal of appropriation	17,000,000,000
Additional appropriation during the year	(16,000,000,000)
Total Unappropriated Retained Earnings Available For Dividend Distribution, September 30, 2016	**₱21,527,460,942**

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS SEPTEMBER 30, 2016

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional schedule requirements for large entities showing a list of all effective standards and interpretations under Philippine Financial Reporting Standards (PFRS).

Below is the list of all effective PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of September 30, 2016:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendments to PFRS 1:Borrowing Cost			✓
	Amendments to PFRS 1:Meaning of “Effective PFRS”			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Definition of Vesting Condition			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PFRS 3	Business Combinations			✓
	Accounting for Contingent Consideration in a Business Combination			✓
	Scope Exceptions for Joint Arrangements			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Servicing Contracts			✓
	Amendments to PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements		✓	
	Amendments to PFRS 7: Hedge Accounting (2013 version)		✓	
PFRS 8	Operating Segments	✓		
	Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	Financial Instruments: Classification and Measurement (2010 version)		✓	
	Amendments to PFRS 9: Hedge Accounting (2013 version)		✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities		✓	
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations		✓	
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Investment Entities			✓
PFRS 13	Fair Value Measurement	✓		
	Amendments to PFRS 13:Short Term Receivable and Payable	✓		
	Portfolio Exception		✓	
PFRS 14	Regulatory Deferral Accounts		✓	
PFRS 16	Leases		✓	
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1:Clarification of the Requirements for Comparative Information	✓		
	Amendments to PAS 1: Presentation of financial statements - disclosure initiative		✓	
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative		✓	
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Date	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendment to PAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses		✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS **Effective as of September 30, 2016**		**Adopted**	**Not Adopted**	**Not Applicable**
PAS 16	Property, Plant and Equipment	✓		
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization			✓
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization		✓	
	Amendments to PAS 16: Bearer Plants		✓	
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			✓
	Regional Market Issue Regarding Discount Rate		✓	
	Amendments to PAS 19:Defined Benefit Plan: Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24	Related Party Disclosures - Key Management Personnel	✓		
	Related Party Disclosures - Key Management Personnel (Amended)		✓	
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Separate Financial Statements	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements		✓	
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements		✓	
PAS 28	Investments in Associates and Joint Ventures	✓		
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
	Amendments to PAS 28: Investment Entities		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendment to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities	✓		
	Disclosure of Information 'Elsewhere in the Interim Financial Report'		✓	
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization			✓
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting		✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Clarification on Ancillary Services	✓		
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants		✓	
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			✓
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			✓
IFRIC 8	*Scope of PFRS 2*			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC 9: Embedded Derivatives			✓
IFRIC 10	*Interim Financial Reporting and Impairment*			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate		✓	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2016		Adopted	Not Adopted	Not Applicable
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers* (effective January 1, 2018)

Standards tagged as "Not Applicable" have been adopted by the Group but have no significant covered transactions for the year ended September 30, 2016.

Standards tagged as "Not adopted" are standards issued but not yet effective as of September 30, 2016. The Group will adopt the Standards and Interpretations when these become effective.

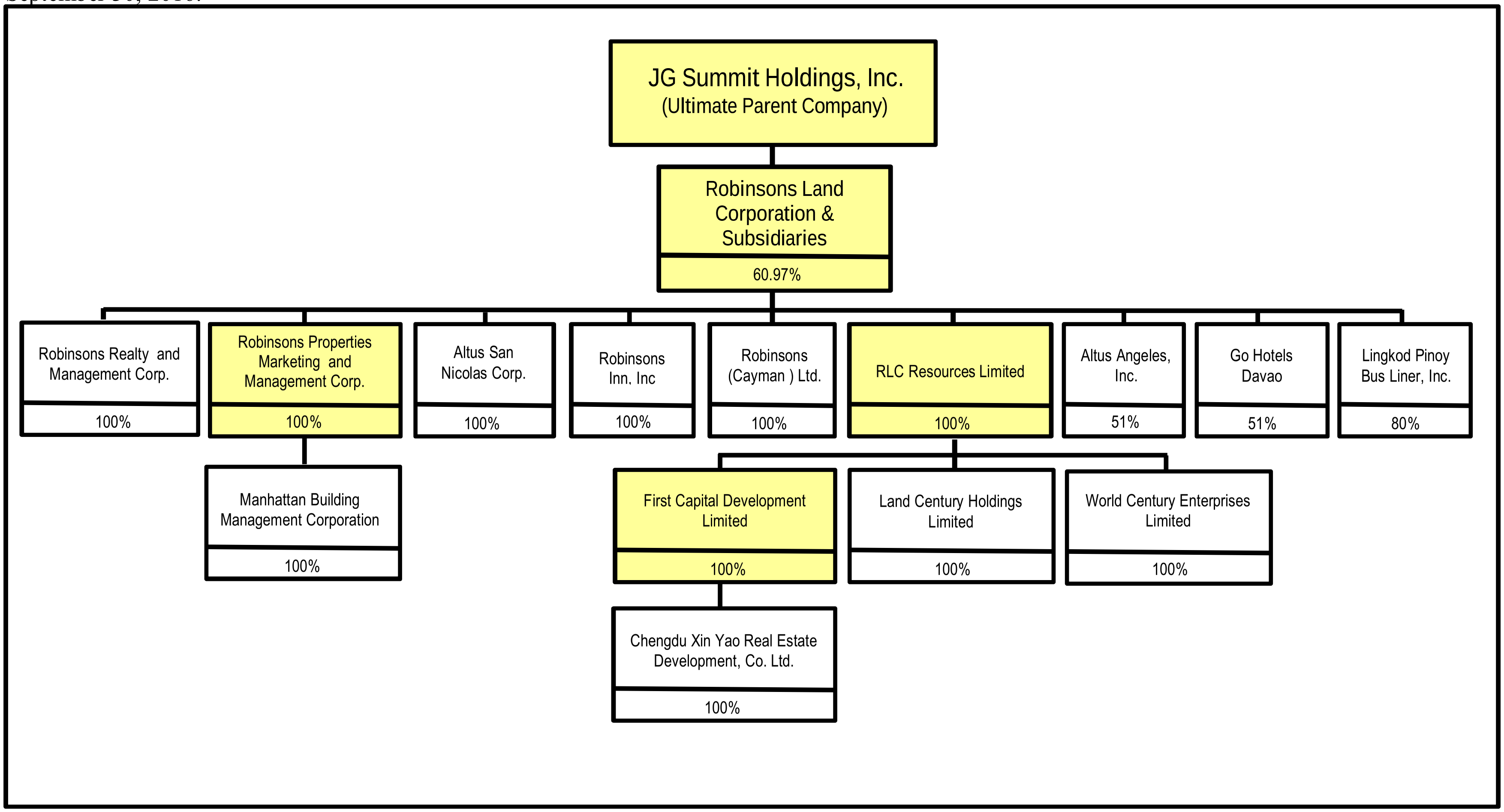
Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for the year ended September 30, 2016 and 2015:

Financial ratios		2016	2015
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	1.50	1.39
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	14.98	13.84
Current ratio	Total Current Assets / Total Current Liabilities	2.25	1.98
Debt to equity ratio	Total Loans Payable / Total Equity	0.61	0.44
Interest coverage ratio	EBIT / Interest expense	6.06	7.91
Asset to equity ratio	Total Assets / Total Equity	1.95	1.74
Operating margin ratio	Operating income (EBIT) / Revenue	0.38	0.38

Map of the Relationships of the Company within the Group

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of September 30, 2016:



INDEX TO EXHIBITS

Form 17-A

∗ These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has nine subsidiaries as of September 30, 2016:

SUBSIDIARY	BUSINESS	% OWNERSHIP DIRECT	% OWNERSHIP EFFECTIVE	COUNTRY OF INC. OR RESIDENCE
Robinson's Inn, Inc. [1]	Apartelle Operation	100	-	Philippines
Robinsons Realty and Management Corporation	Property development	100	-	Philippines
Robinsons (Cayman) Limited .	Property development	100	-	Cayman Islands
Robinsons Properties Marketing and Management Corporation	Marketing of office and residential units	100	-	Philippines
Altus Angeles, Inc.	Property management	51	-	Philippines
Altus San Nicolas Corp.	Property management	100	-	Philippines
GoHotels Davao, Inc.	Hotel Operation	51	-	Philippines
RLC Resources Ltd.	Property management	100	-	British Virgin Islands
Lingkod Pinoy Bus Liner, Inc.	Land Transportation	80	-	Philippines

[1] *Closed operations effective August 31, 2007*

ALTUS MALL VENTURES, INC.
(A Wholly Owned Subsidiary of Robinsons Land Corporation)

Financial Statements
December 31, 2018 and 2017

and

Independent Auditor's Report

ALTUS MALL VENTURES, INC.

Level 2, Galleria Condominium Corporate Center, EDSA cor., Ortigas Ave., Quezon City

February 28, 2019

Securities and Exchange Commission
Ground Floor - North Wing, PICC Secretariat Building,
Philippine International Convention Center (PICC) Complex,
Roxas Boulevard, Pasay City.

The management of **Altus Mall Ventures, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2018 and 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Eduardo D. Ignacio, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 7
RDO 40 CUBAO Q.C.

FREDERICK D. GO
Chairman and President

KERWIN MAX S. TAN
Treasurer

SUBSCRIBED AND SWORN TO before me
this day 01 APR 2019

Signed this ___ day of __________, 20

ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2019
PTR No. 7323642 – 1-03-2019/ QC
IBP No. AR14460591 – 12-17-2018/ QC
Roll No. 30457 – 05-09-80
MCLE 5-0012536 – 12-21-2015
Adm. Matter No. NP 270 (2018-2019)

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PAGE NO. 86
BOOK NO. 65
SERIES OF 2019

EDUARDO D. IGNACIO
Certified Public Accountant
#110 E. Rodriguez Jr Ave., Bagumbayan Quezon City

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Altus Mall Ventures, Inc.
Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue
Quezon City

Report on the Audited Financial Statements

Opinion

I have audited the financial statements of Altus Mall Ventures, Inc. (a wholly owned subsidiary of Robinsons Land Corporation) (the Company), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Altus Mall Ventures, Inc. as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required under Revenue Regulations 15-2010

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Altus Mall Ventures, Inc. in a separate schedule. Revenue Regulations 15-2010 require the information to be presented in the notes to the financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Securities Regulation Code Rule 68, as Amended (2011). My opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

EDUARDO D. IGNACIO
Certified Public Accountant
CPA Certificate No. 57694
BOA # 2360, valid until December 31, 2021
SEC Accreditation No. 5368
PTR No.6664662, January 3, 2018, Antipolo City
Tax Identification No. 112-217-808
BIR Accreditation No. 12-125461-245-1245,
December 4, 2018, valid until December 31, 2021

February 28, 2019

EDUARDO D. IGNACIO
Certified Public Accountant
#110 E. Rodriguez Jr Ave., Bagumbayan Quezon City

Supplemental Written Statement

The Stockholders and Board of Directors
Altus Mall Ventures, Inc.
Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue
Qúezon City

I have audited the financial statements of Altus Mall Ventures, Inc. (a wholly owned subsidiary of Robinsons Land Corporation) (the Company) for the years ended December 31, 2018 and 2017 on which I have rendered the attached report dated February 28, 2019.

In compliance with Securities Regulation Code No. 68, as Amended (2011), I am stating that the above Company has a total number of one (1) stockholder owning one hundred (100) or more shares each.

EDUARDO D. IGNACIO
Certified Public Accountant
CPA Certificate No. 57694
BOA # 2360, valid until December 31, 2021
SEC Accreditation No. 5368
PTR No.6664662, January 3, 2018, Antipolo City
Tax Identification No. 112-217-808
BIR Accreditation No. 12-125461-245-1245,
December 4, 2018, valid until December 31, 2021

February 28, 2019

ALTUS MALL VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2018	2017
ASSETS		
Current Asset		
Cash equivalents (Note 4)	**₱1,581,625**	₱1,562,399
Noncurrent Asset		
Land	**86,963,483**	86,963,483
TOTAL ASSETS	**₱88,545,108**	₱88,525,882
LIABILITY AND EQUITY		
Current Liability		
Amounts owed to Robinsons Land Corporation (Note 5)	**₱87,771,050**	₱87,557,115
Equity		
Capital stock - ₱1 par value		
Authorized - 4,000,000 shares		
Subscribed and paid up - 1,000,000 shares	**1,000,000**	1,000,000
Retained earnings	**(225,942)**	(31,233)
Total Equity	**774,058**	968,767
TOTAL LIABILITY AND EQUITY	**₱88,545,108**	₱88,525,882

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2018	2017
INCOME		
Interest income -net (Notes 1 and 4)	**₱19,226**	₱12,650
EXPENSES		
Taxes and licenses	**213,935**	73,204
NET LOSS	**(194,709)**	(60,554)
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(₱194,709)**	(₱60,554)

See accompanying Notes to Financial Statements.

4/11/19

ALTUS MALL VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31	
	2018	2017
Capital stock	**₱1,000,000**	₱1,000,000
Retained earnings (Deficit) at beginning of the year	**(31,233)**	29,321
Net loss for the year	**(194,709)**	(60,554)
Other comprehensive income	**–**	–
Deficit at end of the year	**(225,942)**	(31,233)
Total Equity	**₱774,058**	₱968,767

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	**(₱194,709)**	(₱60,554)
Changes in operating assets and liabilities	**194,709**	25,077,818
Net cash provided by operating activities	**–**	25,017,264
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land	**–**	(25,017,264)
Interest received from cash equivalents	**19,226**	12,650
Net cash provided by (used in) investing activities	**19,226**	(25,004,614)
NET INCREASE IN CASH EQUIVALENTS	**19,226**	12,650
CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**1,562,399**	1,549,749
CASH EQUIVALENTS AT END OF THE YEAR	**₱1,581,625**	₱1,562,399

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Altus Mall Ventures, Inc. (the Company) was registered with the Philippine Securities and Exchange Commission on August 19, 2002. The Company was organized to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, lease, develop and hold for investment or otherwise, real estate of all kinds. The Company is a wholly owned subsidiary of Robinsons Land Corporation (RLC), while JG Summit Holdings, Inc. (JGSHI) is the ultimate parent company.

The Company did not have any operations since 2002.

The registered office address of the Company is at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Philippines. The accounting and administrative functions of the Company are being performed by the employees of RLC.

The financial statements of the Company as at and for the years ended December 31, 2018 and 2017 were authorized for issue by the BOD on February 28, 2019.

2. Summary of Significant Accounting Policies

Basis of Preparation
The financial statements have been prepared under the historical cost basis and are presented in Philippine peso, which is the Company's functional and presentation currency.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). The Company is exempted from applying PFRS for Small and Medium-sized Entities since it is part of a group that is reporting under the full PFRS.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to previously issued Philippine Accounting Standards (PAS) and PFRS, which were adopted as at January 1, 2016. Adoption of these amendments to PFRS, PAS and Philippine Interpretations did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

- Amendments to PFRS 10, PFRS 12 and PAS 28, *Investment Entities: Applying the Consolidation Exception*
- Amendments to PFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*
- PFRS 14, *Regulatory Deferral Accounts*
- Amendments to PAS 1, *Disclosure Initiative*
- Amendments to PAS 16 and PAS 38, Clarification of *Acceptable Methods of Depreciation and Amortization*
- Amendments to PAS 16 and PAS 41, *Agriculture: Bearer Plants*
- Amendments to PAS 27, *Equity Method in Separate Financial Statements*
- Annual Improvements to PFRSs 2012 - 2014 Cycle
    - Amendment to PFRS 5, *Changes in Methods of Disposal*

- Amendment to PFRS 7, *Servicing Contracts*
- Amendment to PFRS 7, Applicability *of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
- Amendment to PAS 19, *Discount Rate: Regional Market Issue*
- Amendment to PAS 34, *Disclosure of Information 'Elsewhere in the Interim Financial Report'*

Standards Issued But Not Yet Effective

The Company has not applied the following PFRS, Philippine Accounting standards (PAS) and Philippine Interpretations which are not yet effective as of December 31, 2017. This list consists of standards and interpretations issued, which the Company reasonably expects to be applicable in the future. The Company intends to adopt these standards when they become effective. Unless otherwise indicated, adoption of these standards and interpretations are not expected to have impact on the Company's financial statements.

Effective beginning on or after January 1, 2017 for adoption in year ending December 31, 2018

- Amendment to PFRS 12, *Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs 2014-2016* Cycle)
  These amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

- Amendments to PAS 7, *Statement of Cash Flows, Disclosure Initiative*
  The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted. Application of amendments will result in additional disclosures in the 2018 financial statements of the Company.

- Amendments to PAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses*
  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application of the amendments is permitted. The Company is currently assessing the impact of adopting the amendments to the standard.

Effective beginning on or after January 1, 2018 for adoption in year ending December 31, 2019

- Amendments to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based Payment Transactions*
  The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

- Amendments to PFRS 4, *Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4*
  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021. The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9.

- PFRS 15, *Revenue from Contracts with Customers*
  PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of adopting this standard.

- PFRS 9, *Financial Instruments*
  PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Company's financial liabilities. The Company is currently assessing the impact of adopting this standard.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)
  These amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss (FVPL). They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*
  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

- Philippine Interpretation IFRIC-22, *Foreign Currency Transactions and Advance Consideration*
  The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis.

  Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Effective beginning on or after January 1, 2019 for adoption in year ending December 31, 2020

- PFRS 16, *Leases*
  Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17, *Leases*. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements. The accounting by lessors is substantially unchanged as the new standard carries forward the

principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value. Entities may early adopt PFRS 16 but only if they have also adopted PFRS 15. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Company is currently assessing the impact of adopting PFRS 16.

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  These amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Summary of Significant Accounting and Financial Reporting Policies

Cash Equivalents
Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and are subject to insignificant risk of changes in value.

Financial Assets and Financial Liabilities
Financial assets within the scope of PAS 39 are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investments, or available-for-sale (AFS) financial assets, as appropriate, while financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at FVPL, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest rate method less any allowance

for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Other financial liabilities
Financial liabilities are initially recognized at the fair value of the consideration received less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

As of December 31, 2018 and 2017, the Company's other financial liabilities consists of amounts owed to RLC (see Note 5).

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets
The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost
The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Derecognition of Financial Assets and Liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

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

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Equity
Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value. Subscription receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings represent accumulated earnings of the Company, dividends distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Revenue Recognition
Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of the revenue can be measured reliably.

Expenses
Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value

of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Income Taxes

Current tax

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

Deferred tax

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Events After the Reporting Period

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements prepared in accordance with PFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the financial statements and notes.

Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any change in judgments and estimates are reflected in the financial statements, as they become reasonably determinable.

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

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

Determination of functional currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the sale of services and the cost of providing the services.

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

Deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized. Significant management judgment is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The Company has not recognized deferred tax assets in 2018 and 2017 since management believes that sufficient taxable income will not be available to allow the carry forward benefits of deferred tax assets to be utilized (see Note 6).

4. Cash Equivalents

Cash equivalents pertain to short-term deposits which are made for varying periods or up to three months depending on the immediate cash requirements of the Company, and earn interest ranging from 1.0% to 1.5% in 2018 and 2017. Interest income from short-term deposits amounted to ₱19,226 and ₱12,650 in 2018 and 2017, respectively.

5. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Company, in the normal course of business, engages in transactions with RLC primarily consisting of cash advances, which are due and demandable.

The summary of outstanding balances resulting from transactions with RLC follows:

Category	Year	Amount/ Volume	Outstanding balance	Terms	Conditions
Advances	**2018**	**₱213,935**	**₱87,771,050**	Due and demandable;	Unsecured
	2017	₱25,090,468	₱87,557,115	non-interest bearing	

As stated in Note 1, the Company is a wholly owned subsidiary of RLC.

6. Income Taxes

There is no provision for current income tax in 2018 and 2017 since the Company is in tax loss position. The Company did not recognize deferred tax assets from deductible temporary differences since management believes that sufficient taxable income will not be available to allow the carry forward benefits of deferred tax assets to be utilized. The temporary differences pertain to carry forward of unused NOLCO.

7. Financial Instruments

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash equivalents and amounts owed to RLC. The main purpose of these financial instruments is to raise fund for the Company's acquisition of properties.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The BOD reviews and agrees policies for managing each of these risks and they are summarized below:

Liquidity risk

The Company manages its liquidity profile to be able to service the maturing debts. To cover financing requirements, the Company intends to use internally generated funds and proceeds from intercompany advances.

The table below summarizes the maturity profile of the Company's financial liability and financial asset as of December 31, 2018 and 2017, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

As of December 31, 2018

	On demand	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial liability:					
Amounts owed to RLC	**₱87,771,050**	**₱–**	**₱–**	**₱–**	**₱87,771,050**
Financial asset:					
Cash equivalents	**₱–**	**₱1,581,625**	**₱–**	**₱–**	**₱1,581,625**

As of December 31, 2017

	On demand	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial liability:					
Amounts owed to RLC	₱87,557,115	₱–	₱–	₱–	₱87,557,115
Financial assets:					
Cash equivalents	₱–	₱1,562,399	₱–	₱–	₱1,562,399

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. With respect to credit risk arising from financial assets of the Company, which comprise cash equivalents with interest receivable, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

The Company has no significant concentration of credit risk.

A financial asset is past due when a counterparty has failed to make payment when contractually due. Impaired financial assets are those assets identified by the Company that need to be provided with allowance. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts.

The Company has no impaired financial assets as of December 31, 2018 and 2017.

Fair Values

The Company has determined that the carrying amounts of cash equivalents and amounts owed to RLC reasonably approximate their fair values due to the relatively short-term maturity of these financial instruments.

Fair Value Hierarchy

The Company uses the following hierarchy in determining the fair value of financial instruments by valuation technique:

- Quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1);

- Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices (Level 2);
- Those with inputs for the asset or liability that are not based on observable market data which are from unobservable inputs. (Level 3)

As of December 31, 2018 and 2017, the Company has no financial instruments to be presented under the fair value hierarchy required by PFRS 7.

8. Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for the years ended December 31, 2018 and 2017.

The Company is not subject to externally imposed capital requirements.

ALTUS MALL VENTURES, INC.

SUPPLEMENTARY SCHEDULE ON DISCLOSURES REQUIRED UNDER REVENUE REGULATIONS NO. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 which amends certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements accompanying the tax returns. It recognizes the disclosures of taxes, duties and licenses paid or accrued during the taxable year.

The Company reported and/or paid the following types of taxes in 2018:

Value Added Tax (VAT)
The Company has no transactions subject to value added tax in 2018.

Information on the Company's Importation
The Company has no importations in 2018.

Excise Tax
The Company has no excise tax paid in 2018 since the Company has no transactions relating to purchase of locally produced excisable items and imported excisable items.

Documentary Stamp Tax
The Company has no transactions subject to documentary stamp tax in 2018.

Taxes and Licenses
Taxes and licenses, local and national, include real estate taxes, licenses and permit fees for 2018:

Included in Operating Expenses:	
Real property taxes	₱212,935
License and permits fees	1,000
	₱213,935

Withholding Taxes
The Company has no transactions subject to withholding tax in 2018.

Tax Assessments and Cases
The Company did not receive any Final Assessment Notice and Formal Letter of Demand from the Bureau of Internal Revenue for alleged deficiency income tax, VAT and withholding tax. The Company also does not have any pending tax cases.

2017

ALTUS MALL VENTURES, INC.
(A Wholly Owned Subsidiary of Robinsons Land Corporation)

Financial Statements
December 31, 2017 and 2016

and

Independent Auditor's Report

EDUARDO D. IGNACIO
Certified Public Accountant
#110 E. Rodriguez Jr Ave., Bagumbayan Quezon City

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Altus Mall Ventures, Inc.
Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue
Quezon City

Report on the Audited Financial Statements

Opinion

I have audited the financial statements of Altus Mall Ventures, Inc. (a wholly owned subsidiary of Robinsons Land Corporation) (the Company), which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Altus Mall Ventures, Inc. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

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BRANCH CODE 010-109

the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required under Revenue Regulations 15-2010

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Altus Mall Ventures, Inc. in a separate schedule. Revenue Regulations 15-2010 require the information to be presented in the notes to the financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Securities Regulation Code Rule 68, as Amended (2011). My opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

EDUARDO D. IGNACIO
Certified Public Accountant
CPA Certificate No. 57694
BOA # 2360, valid until December 31, 2021
SEC Accreditation No. 5368
PTR No.6664662, January 3, 2018, Antipolo City
Tax Identification No. 112-217-808
BIR Accreditation No. 12-125461-245-1245,
December 4, 2018, valid until December 31, 2021

February 28, 2019

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Teller No. 1 Teller's Initial

EDUARDO D. IGNACIO
Certified Public Accountant
#110 E. Rodriguez Jr Ave., Bagumbayan Quezon City

Supplemental Written Statement

The Stockholders and Board of Directors
Altus Mall Ventures, Inc.
Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue
Quezon City

I have audited the financial statements of Altus Mall Ventures, Inc. (a wholly owned subsidiary of Robinsons Land Corporation) (the Company) for the years ended December 31, 2017 and 2016 on which I have rendered the attached report dated February 28, 2019.

In compliance with Securities Regulation Code No. 68, as Amended (2011), I am stating that the above Company has a total number of one (1) stockholder owning one hundred (100) or more shares each.

EDUARDO D. IGNACIO
Certified Public Accountant
CPA Certificate No. 57694
BOA # 2360, valid until December 31, 2021
SEC Accreditation No. 5368
PTR No.6664662, January 3, 2018, Antipolo City
Tax Identification No. 112-217-808
BIR Accreditation No. 12-125461-245-1245,
December 4, 2018, valid until December 31, 2021

February 28, 2019

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Electronic Records Management Division
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ALTUS MALL VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2017	2016
ASSETS		
Current Asset		
Cash equivalents (Note 4)	**₱1,562,399**	₱1,549,749
Noncurrent Asset		
Land	**86,963,483**	61,946,219
TOTAL ASSETS	**₱88,525,882**	₱63,495,968
LIABILITY AND EQUITY		
Current Liability		
Amounts owed to Robinsons Land Corporation (Note 5)	**₱87,557,115**	₱62,446,647
Equity		
Capital stock - ₱1 par value		
Authorized - 4,000,000 shares		
Subscribed and paid up - 1,000,000 shares	**1,000,000**	1,000,000
Retained earnings	**(31,233)**	29,321
Total Equity	**968,767**	1,029,321
TOTAL LIABILITY AND EQUITY	**₱88,525,882**	₱63,495,968

See accompanying Notes to Financial Statements.

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ALTUS MALL VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2017	2016
INCOME		
Interest income -net (Notes 1 and 4)	**₱12,650**	₱12,481
EXPENSES		
Taxes and licenses	**73,204**	73,204
NET LOSS	**(60,554)**	(60,723)
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(₱60,554)**	(₱60,723)

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31	
	2017	2016
Capital stock	**₱1,000,000**	₱1,000,000
Retained earnings at beginning of the year	**29,321**	90,044
Net loss for the year	**(60,554)**	(60,723)
Other comprehensive income	**–**	–
Retained earnings (Deficit) at end of the year	**(31,233)**	**29,321**
Total Equity	**₱968,767**	₱1,029,321

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	**(₱60,554)**	(₱60,723)
Changes in operating assets and liabilities	**25,077,818**	60,723
Net cash provided by operating activities	**25,017,264**	–
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land	**(25,017,264)**	–
Interest received from cash equivalents	**12,650**	12,481
Net cash provided by (used in) investing activities	**(25,004,614)**	12,481
NET INCREASE IN CASH EQUIVALENTS	**12,650**	12,481
CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**1,549,749**	1,537,268
CASH EQUIVALENTS AT END OF THE YEAR	**₱1,562,399**	₱1,549,749

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
NOTES TO FINANCIAL STATEMENTS

1. **Corporate Information**

Altus Mall Ventures, Inc. (the Company) was registered with the Philippine Securities and Exchange Commission on August 19, 2002. The Company was organized to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, lease, develop and hold for investment or otherwise, real estate of all kinds. The Company is a wholly owned subsidiary of Robinsons Land Corporation (RLC), while JG Summit Holdings, Inc. (JGSHI) is the ultimate parent company.

The Company did not have any operations since 2002.

The registered office address of the Company is at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Philippines. The accounting and administrative functions of the Company are being performed by the employees of RLC.

The financial statements of the Company as at and for the years ended December 31, 2017 and 2016 were authorized for issue by the BOD on February 28, 2019.

2. **Summary of Significant Accounting Policies**

Basis of Preparation
The financial statements have been prepared under the historical cost basis and are presented in Philippine peso, which is the Company's functional and presentation currency.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). The Company is exempted from applying PFRS for Small and Medium-sized Entities since it is part of a group that is reporting under the full PFRS.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to previously issued Philippine Accounting Standards (PAS) and PFRS, which were adopted as at January 1, 2016. Adoption of these amendments to PFRS, PAS and Philippine Interpretations did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

- Amendments to PFRS 10, PFRS 12 and PAS 28, *Investment Entities: Applying the Consolidation Exception*
- Amendments to PFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*
- PFRS 14, *Regulatory Deferral Accounts*
- Amendments to PAS 1, *Disclosure Initiative*
- Amendments to PAS 16 and PAS 38, Clarification of *Acceptable Methods of Depreciation and Amortization*
- Amendments to PAS 16 and PAS 41, *Agriculture: Bearer Plants*
- Amendments to PAS 27, *Equity Method in Separate Financial Statements*
- Annual Improvements to PFRSs 2012 - 2014 Cycle
  - Amendment to PFRS 5, *Changes in Methods of Disposal*

- Amendment to PFRS 7, *Servicing Contracts*
- Amendment to PFRS 7, Applicability *of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
- Amendment to PAS 19, *Discount Rate: Regional Market Issue*
- Amendment to PAS 34, *Disclosure of Information 'Elsewhere' in the Interim Financial Report'*

Standards Issued But Not Yet Effective

The Company has not applied the following PFRS, Philippine Accounting standards (PAS) and Philippine Interpretations which are not yet effective as of December 31, 2017. This list consists of standards and interpretations issued, which the Company reasonably expects to be applicable in the future. The Company intends to adopt these standards when they become effective. Unless otherwise indicated, adoption of these standards and interpretations are not expected to have impact on the Company's financial statements.

Effective beginning on or after January 1, 2017 for adoption in year ending December 31, 2018

- Amendment to PFRS 12, *Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs 2014-2016* Cycle)
  These amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

- Amendments to PAS 7, *Statement of Cash Flows, Disclosure Initiative*
  The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted. Application of amendments will result in additional disclosures in the 2018 financial statements of the Company.

- Amendments to PAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses*
  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application of the amendments is permitted. The Company is currently assessing the impact of adopting the amendments to the standard.

Effective beginning on or after January 1, 2018 for adoption in year ending December 31, 2019

- Amendments to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based Payment Transactions*
  The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

- Amendments to PFRS 4, *Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4*
  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021. The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9.

- PFRS 15, *Revenue from Contracts with Customers*
  PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of adopting this standard.

- PFRS 9, *Financial Instruments*
  PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Company's financial liabilities. The Company is currently assessing the impact of adopting this standard.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)
  These amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss (FVPL). They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*
  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

- Philippine Interpretation IFRIC-22, *Foreign Currency Transactions and Advance Consideration*
  The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis.

  Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Effective beginning on or after January 1, 2019 for adoption in year ending December 31, 2020

- PFRS 16, *Leases*
  Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17, *Leases*. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements. The accounting by lessors is substantially unchanged as the new standard carries forward the

principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value. Entities may early adopt PFRS 16 but only if they have also adopted PFRS 15. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Company is currently assessing the impact of adopting PFRS 16.

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  These amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Summary of Significant Accounting and Financial Reporting Policies

Cash Equivalents
Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and are subject to insignificant risk of changes in value.

Financial Assets and Financial Liabilities
Financial assets within the scope of PAS 39 are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investments, or available-for-sale (AFS) financial assets, as appropriate, while financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at FVPL, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest rate method less any allowance

for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Other financial liabilities
Financial liabilities are initially recognized at the fair value of the consideration received less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

As of December 31, 2017, and 2016, the Company's other financial liabilities consists of amounts owed to RLC (see Note 5).

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets
The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost
The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Derecognition of Financial Assets and Liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

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

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Equity
Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value. Subscription receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings represent accumulated earnings of the Company, dividends distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Revenue Recognition
Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of the revenue can be measured reliably.

Expenses
Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value

of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Income Taxes

Current tax

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

Deferred tax

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Events After the Reporting Period

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements prepared in accordance with PFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the financial statements and notes.

Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any change in judgments and estimates are reflected in the financial statements, as they become reasonably determinable.

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

<u>Judgments</u>
In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements.

Determination of functional currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the sale of services and the cost of providing the services.

<u>Estimates and Assumptions</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized. Significant management judgment is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The Company has not recognized deferred tax assets in 2017 and 2016 since management believes that sufficient taxable income will not be available to allow the carry forward benefits of deferred tax assets to be utilized (see Note 6).

4. Cash Equivalents

Cash equivalents pertain to short-term deposits which are made for varying periods or up to three months depending on the immediate cash requirements of the Company, and earn interest ranging from 1.0% to 1.5% in 2017 and 2016. Interest income from short-term deposits amounted to ₱12,650 and ₱12,481 in 2017 and 2016, respectively.

5. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Company, in the normal course of business, engages in transactions with RLC primarily consisting of cash advances, which are due and demandable.

The summary of outstanding balances resulting from transactions with RLC follows:

Category	Year	Amount/ Volume	Outstanding balance	Terms	Conditions
Advances	**2017**	**₱25,090,468**	**₱87,557,115**	Due and demandable;	Unsecured
	2016	₱73,204	₱62,446,547	non-interest bearing	

As stated in Note 1, the Company is a wholly owned subsidiary of RLC.

6. Income Taxes

There is no provision for current income tax in 2017 and 2016 since the Company is in tax loss position. The Company did not recognize deferred tax assets from deductible temporary differences since management believes that sufficient taxable income will not be available to allow the carry forward benefits of deferred tax assets to be utilized. The temporary differences pertain to carry forward of unused NOLCO.

7. Financial Instruments

<u>Financial Risk Management Objectives and Policies</u>
The Company's principal financial instruments comprise cash equivalents and amounts owed to RLC. The main purpose of these financial instruments is to raise fund for the Company's acquisition of properties.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The BOD reviews and agrees policies for managing each of these risks and they are summarized below:

Liquidity risk
The Company manages its liquidity profile to be able to service the maturing debts. To cover financing requirements, the Company intends to use internally generated funds and proceeds from intercompany advances.

The table below summarizes the maturity profile of the Company's financial liability and financial asset as of December 31, 2017 and 2016, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

As of December 31, 2017

	On demand	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial liability:					
Amounts owed to RLC	**₱87,557,115**	**₱–**	**₱–**	**₱–**	**₱87,557,115**
Financial asset:					
Cash equivalents	**₱–**	**₱1,562,399**	**₱–**	**₱–**	**₱1,562,399**

As of December 31, 2016

	On demand	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial liability:					
Amounts owed to RLC	₱62,446,647	₱–	₱–	₱–	₱62,446,647
Financial assets:					
Cash equivalents	₱–	₱1,549,749	₱–	₱–	₱1,549,749

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. With respect to credit risk arising from financial assets of the Company, which comprise cash equivalents with interest receivable, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

The Company has no significant concentration of credit risk.

A financial asset is past due when a counterparty has failed to make payment when contractually due. Impaired financial assets are those assets identified by the Company that need to be provided with allowance. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts.

The Company has no impaired financial assets as of December 31, 2017 and 2016.

Fair Values
The Company has determined that the carrying amounts of cash equivalents and amounts owed to RLC reasonably approximate their fair values due to the relatively short-term maturity of these financial instruments.

Fair Value Hierarchy
The Company uses the following hierarchy in determining the fair value of financial instruments by valuation technique:

- Quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1);

- Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices (Level 2);
- Those with inputs for the asset or liability that are not based on observable market data which are from unobservable inputs. (Level 3)

As of December 31, 2017, and 2016, the Company has no financial instruments to be presented under the fair value hierarchy required by PFRS 7.

8. Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for the years ended December 31, 2017 and 2016.

The Company is not subject to externally imposed capital requirements.

ALTUS MALL VENTURES, INC.

SUPPLEMENTARY SCHEDULE ON DISCLOSURES REQUIRED UNDER REVENUE REGULATIONS NO. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 which amends certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements accompanying the tax returns. It recognizes the disclosures of taxes, duties and licenses paid or accrued during the taxable year.

The Company reported and/or paid the following types of taxes in 2017:

Value Added Tax (VAT)
The Company has no transactions subject to value added tax in 2017.

Information on the Company's Importation
The Company has no importations in 2017.

Excise Tax
The Company has no excise tax paid in 2017 since the Company has no transactions relating to purchase of locally produced excisable items and imported excisable items.

Documentary Stamp Tax
The Company has no transactions subject to documentary stamp tax in 2017.

Taxes and Licenses
Taxes and licenses, local and national, include real estate taxes, licenses and permit fees for 2017:

Included in Operating Expenses:	
Real property taxes	₱72,204
License and permits fees	1,000
	₱73,204

Withholding Taxes
The Company has no transactions subject to withholding tax in 2017.

Tax Assessments and Cases
The Company did not receive any Final Assessment Notice and Formal Letter of Demand from the Bureau of Internal Revenue for alleged deficiency income tax, VAT and withholding tax. The Company also does not have any pending tax cases.

2016

ALTUS MALL VENTURES, INC.
(A Wholly Owned Subsidiary of Robinsons Land Corporation)

Financial Statements
December 31, 2016 and 2015

and

Independent Auditor's Report

EDUARDO D. IGNACIO
Certified Public Accountant
#110 E. Rodriguez Jr Ave., Bagumbayan Quezon City

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Altus Mall Ventures, Inc.
Level 2 Galleria Corporate Center,
EDSA corner Ortigas Avenue, Quezon City

Report on the Audited Financial Statements

I have audited the financial statements of Altus Mall Ventures, Inc. (a wholly owned subsidiary of Robinsons Land Corporation; RLC), which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are fee from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on our audits. I conducted my audits in accordance with the Philippine Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment in risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectives of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Altus Mall Ventures, Inc. as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Report on the Supplementary Information Required under Revenue Regulations 15-2010

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Altus Mall Ventures, Inc. in a separate schedule. Revenue Regulations 15-2010 require the information to be presented in the notes to the financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Securities Regulation Code Rule 68, as Amended (2011). My opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

EDUARDO D. IGNACIO
Certified Public Accountant
CPA Certificate No. 57694
BOA # 2360, valid until December 31, 2021
SEC Accreditation No. 5368
PTR No.6664662, January 3, 2018, Antipolo City
Tax Identification No. 112-217-808
BIR Accreditation No. 12-125461-245-1245,
December 4, 2018, valid until December 31, 2021

February 28, 2019

EDUARDO D. IGNACIO
Certified Public Accountant
#110 E. Rodriguez Jr Ave., Bagumbayan Quezon City

Supplemental Written Statement

The Stockholders and Board of Directors
Altus Mall Ventures, Inc.
Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue
Quezon City

I have audited the financial statements of Altus Mall Ventures, Inc. (the Company) for the year ended December 31, 2016 and 2015 on which I have rendered the attached report dated February 28, 2019.

In compliance with Securities Regulation Code No. 68, as Amended (2011), I am stating that the above Company has a total number of one (1) stockholder owning one hundred (100) or more shares each.

EDUARDO D. IGNACIO
Certified Public Accountant
CPA Certificate No. 57694
BOA # 2360, valid until December 31, 2021
SEC Accreditation No. 5368
PTR No.6664662, January 3, 2018, Antipolo City
Tax Identification No. 112-217-808
BIR Accreditation No. 12-125461-245-1245,
December 4, 2018, valid until December 31, 2021

February 28, 2019

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ALTUS MALL VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	201[illegible]	2016
ASSETS		
Current Asset		
Cash equivalents (Note 4)	₱1,549,749	₱1,537,268
Noncurrent Asset		
Land	61,946,219	61,946,219
TOTAL ASSETS	₱63,495,968	₱63,483,487
LIABILITY AND EQUITY		
Current Liability		
Amounts owed to Robinsons Land Corporation (Note 5)	₱62,466,647	₱62,393,443
Equity		
Capital stock - ₱1 par value		
Authorized - 4,000,000 shares		
Subscribed and paid up - 1,000,000 shares	1,000,000	1,000,000
Retained earnings	29,321	90,044
Total Equity	1,029,321	1,090,044
TOTAL LIABILITY AND EQUITY	₱63,495,968	₱63,483,487

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
INCOME		
Interest income - net (Notes 1 and 4)	**₱12,481**	₱12,956
EXPENSES		
Taxes and licenses	**73,204**	73,204
NET LOSS	**(60,723)**	(60,248)
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(₱60,723)**	(₱60,248)

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31	
	2016	2015
Capital stock	**₱1,000,000**	₱1,000,000
Retained earnings at beginning of the year	90,044	150,292
Net loss for the year	(60,723)	(60,248)
Other comprehensive income	–	–
Retained earnings at end of the year	29,321	90,044
Total Equity	**₱1,029,321**	₱1,090,044

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(₱60,723)	(₱60,248)
Changes in operating assets and liabilities	60,723	60,248
Net cash provided by operating activities	–	–
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from cash equivalents	12,481	12,956
Net cash provided by investing activities	12,481	12,956
NET INCREASE IN CASH EQUIVALENTS	12,481	12,956
CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,537,268	1,524,312
CASH EQUIVALENTS AT END OF THE YEAR	₱1,549,749	₱1,537,268

See accompanying Notes to Financial Statements.

ALTUS MALL VENTURES, INC.
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Altus Mall Ventures, Inc. (the Company) was registered with the Philippine Securities and Exchange Commission on August 19, 2002. The Company was organized to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, lease, develop and hold for investment or otherwise, real estate of all kinds. The Company is a wholly owned subsidiary of Robinsons Land Corporation (RLC), while JG Summit Holdings, Inc. (JGSHI) is the ultimate parent company.

The Company did not have any operations since 2002.

The registered office address of the Company is at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Philippines. The accounting and administrative functions of the Company are being performed by the employees of RLC.

The financial statements of the Company as at and for the years ended December 31, 2016 and 2015 were authorized for issue by the BOD on February 28, 2019.

2. Summary of Significant Accounting Policies

Basis of Preparation
The financial statements have been prepared under the historical cost basis and are presented in Philippine peso, which is the Company's functional and presentation currency.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). The Company is exempted from applying PFRS for Small and Medium-sized Entities since it is part of a group that is reporting under the full PFRS.

Changes in Accounting Policies and Disclosures

Standards Issued But Not Yet Effective
The Company has not applied the following PFRS, Philippine Accounting standards (PAS) and Philippine Interpretations which are not yet effective as of December 31, 2016. This list consists of standards and interpretations issued, which the Company reasonably expects to be applicable in the future. The Company intends to adopt these standards when they become effective. Unless otherwise indicated, adoption of these standards and interpretations are not expected to have impact on the Company's financial statements.

Effective January 1, 2016
- PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS -28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (Amendments)*
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests (Amendments)*
- PFRS 14, *Regulatory Deferral Accounts*
- PAS 1, *Presentation of Financial Statements - Disclosure Initiative (Amendments)*
- PAS 16, *Property, Plant and Equipment,* and PAS 41, *Agriculture - Bearer Plants*

- PAS 16, *Property, Plant and Equipment,* and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*
- Annual Improvements to PFRSs (2012-2014 cycle)
  - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  - PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  - PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  - PAS 19, *Employee Benefits - Regional Market Issue regarding Discount Rate*
  - PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

Effective January 1, 2017

- PAS 7, *Cash Flow Statements*, PFRS 12, *Disclosure Initiative (Amendments)*
- PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)*

Effective January 1, 2018

- PFRS 9, *Financial Instruments*
  In July 2014, the International Accounting Standards Board (IASB) issued the final version of International Financial Reporting Standards (IFRS) 9, *Financial Instruments*. The new standard (renamed as PFRS 9) reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement* and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Early application of previous versions of PFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Company did not early adopt PFRS 9.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Company's financial liabilities. The Company is currently assessing the impact of adopting this standard.

<u>*Effective January 1, 2019*</u>

- PFRS 16, *Leases*
  On January 13, 2016, the IASB issued its new standard, PFRS 16, Leases, which replaces PAS 17, the current leases standard, and the related Interpretations.

  Under the new standard (renamed as PFRS 16), lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statements of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is not permitted until the FRSC has adopted the new revenue recognition standard. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Company plans to adopt the new standard on the required effective date. It is currently assessing the impact of the new standard and expects it to significantly impact its lease arrangements wherein the Company is a lessee as it will already recognize the related assets and liabilities in its statements of financial position.

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Company is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

  The principals in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

  The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

<u>Summary of Significant Accounting and Financial Reporting Policies</u>

<u>Cash Equivalents</u>
Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and are subject to insignificant risk of changes in value.

<u>Financial Assets and Financial Liabilities</u>
Financial assets within the scope of PAS 39 are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investments, or available-for-sale (AFS) financial assets, as appropriate, while financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at FVPL, directly attributable transaction costs. The Company determines the classification of its financial assets after

initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest rate method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Other financial liabilities
Financial liabilities are initially recognized at the fair value of the consideration received less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

As of December 31, 2016, and 2015, the Company's other financial liabilities consists of amounts owed to RLC (see Note 5).

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets
The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost
The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Derecognition of Financial Assets and Liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;

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

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

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

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Equity
Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value. Subscription receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings represent accumulated earnings of the Company, dividends distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Revenue Recognition
Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of the revenue can be measured reliably.

Expenses
Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies
Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Events After the Reporting Period
Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. **Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the Company's financial statements prepared in accordance with PFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the financial statements and notes.

Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any change in judgments and estimates are reflected in the financial statements, as they become reasonably determinable.

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

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

Determination of functional currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the sale of services and the cost of providing the services.

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

Deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized. Significant management judgment is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The Company has not recognized deferred tax assets in 2016 and 2015 since management believes that sufficient taxable income will not be available to allow the carry forward benefits of deferred tax assets to be utilized (see Note 6).

4. Cash Equivalents

Cash equivalents pertain to short-term deposits which are made for varying periods or up to three months depending on the immediate cash requirements of the Company, and earn interest at 1.0% in 2016 and 2015. Interest income from short-term deposits amounted to ₱12,481 and ₱12,956 in 2016 and 2015, respectively.

5. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Company, in the normal course of business, engages in transactions with RLC primarily consisting of cash advances, which are due and demandable.

The summary of outstanding balances resulting from transactions with RLC follows:

Category	Year	Amount/ Volume	Outstanding balance	Terms	Conditions
Advances	**2016**	**₱73,204**	**₱62,466,647**	Due and demandable;	Unsecured
	2015	₱73,204	₱62,393,443	non-interest bearing	

As stated in Note 1, the Company is a wholly owned subsidiary of RLC.

6. Income Taxes

There is no provision for current income tax in 2016 and 2015 since the Company is in tax loss position. The Company did not recognize deferred tax assets from deductible temporary differences since management believes that sufficient taxable income will not be available to allow the carry forward benefits of deferred tax assets to be utilized. The temporary differences pertain to carry forward of unused NOLCO.

7. Financial Instruments

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash equivalents and amounts owed to RLC. The main purpose of these financial instruments is to raise fund for the Company's acquisition of properties.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The BOD reviews and agrees policies for managing each of these risks and they are summarized below:

Liquidity risk
The Company manages its liquidity profile to be able to service the maturing debts. To cover financing requirements, the Company intends to use internally generated funds and proceeds from intercompany advances.

The table below summarizes the maturity profile of the Company's financial liability and financial asset as of December 31, 2016 and 2015, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

As of December 31, 2016

	On demand	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial liability:					
Amounts owed to RLC	**₱62,466,647**	**₱–**	**₱–**	**₱–**	**₱62,466,647**
Financial asset:					
Cash equivalents	**₱–**	**₱1,549,749**	**₱–**	**₱–**	**₱1,549,749**

As of December 31, 2015

	On demand	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial liability:					
Amounts owed to RLC	₱62,393,443	₱–	₱–	₱–	₱62,393,443
Financial assets:					
Cash equivalents	₱–	₱1,537,268	₱–	₱–	₱1,537,268

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. With respect to credit risk arising from financial assets of the Company, which comprise cash equivalents with interest receivable, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

The Company has no significant concentration of credit risk.

A financial asset is past due when a counterparty has failed to make payment when contractually due. Impaired financial assets are those assets identified by the Company that need to be provided with allowance. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts.

The Company has no impaired financial assets as of December 31, 2016 and 2015.

Fair Values
The Company has determined that the carrying amounts of cash equivalents and amounts owed to RLC reasonably approximate their fair values due to the relatively short-term maturity of these financial instruments.

Fair Value Hierarchy
The Company uses the following hierarchy in determining the fair value of financial instruments by valuation technique:

- Quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1);

- Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices (Level 2);
- Those with inputs for the asset or liability that are not based on observable market data which are from unobservable inputs. (Level 3)

As of December 31, 2016, and 2015, the Company has no financial instruments to be presented under the fair value hierarchy required by PFRS 7.

8. Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for the years ended December 31, 2016 and 2015.

The Company is not subject to externally imposed capital requirements.

ALTUS MALL VENTURES, INC.

SUPPLEMENTARY SCHEDULE ON DISCLOSURES REQUIRED UNDER REVENUE REGULATIONS NO. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 which amends certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements accompanying the tax returns. It recognizes the disclosures of taxes, duties and licenses paid or accrued during the taxable year.

The Company reported and/or paid the following types of taxes in 2016:

Value Added Tax (VAT)
The Company has no transactions subject to value added tax in 2016.

Information on the Company's Importation
The Company has no importations in 2016.

Excise Tax
The Company has no excise tax paid in 2016 since the Company has no transactions relating to purchase of locally produced excisable items and imported excisable items.

Documentary Stamp Tax
The Company has no transactions subject to documentary stamp tax in 2016.

Taxes and Licenses
Taxes and licenses, local and national, include real estate taxes, licenses and permit fees for 2016:

Included in Operating Expenses:	
Real property taxes	₱72,204
License and permits fees	1,000
	₱73,204

Withholding Taxes
The Company has no transactions subject to withholding tax in 2016.

Tax Assessments and Cases
The Company did not receive any Final Assessment Notice and Formal Letter of Demand from the Bureau of Internal Revenue for alleged deficiency income tax, VAT and withholding tax. The Company also does not have any pending tax cases.

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ANNEX “E”

Annex "E"

Management Discussion and Analysis (MD&A) or Plan of Operations of the Corporation and AMVI

Robinsons Land Corporation and Subsidiaries

i. Year ended December 31, 2018 versus same period in 2017

RLC generated total gross revenues of ₱29.55 billion for calendar year 2018, an increase of 31.2% from ₱22.52 billion total gross revenues for calendar year 2017. EBIT grew 38.8% to ₱11.88 billion while EBITDA posted a 30.9% growth to ₱16.34 billion. Net income stood at ₱8.22 billion, up by 39.8% compared to last year.

The Commercial Centers Division accounted for ₱11.94 billion of the real estate revenues for the year versus ₱10.79 billion last year or a 10.7% increase. The increase in rental revenues was brought about by the full year impact of new malls that opened during the second half of 2017, as well as the opening of four new malls in Ormoc, Iloilo, Tuguegarao and Bukidnon. Robinsons Galleria in Ortigas also contributed to the rental growth as tenants' occupancy and sales had started to pick up since the completion of its redevelopment. Cinema revenues also improved with the opening of new branches. The Division's EBIT and EBITDA grew by 6.2% and 8.9%, respectively.

Revenues of Office Buildings Division grew by 31.4% to ₱4.29 billion from ₱3.27 billion over the same period last year. Revenue growth was mainly attributable to rental escalations and high renewal rates, as well as contribution from the offices completed in 2017 namely Cyber Sigma, Cybergate Delta, Cybergate Naga and Robinsons Luisita office and offices completed in 2018 namely Exxa Tower, Zeta Tower and Cyberscape Gamma. The Division's EBIT and EBITDA showed positive variances of 33.3% and 28.3%, respectively.

The Residential Division realized revenues is at ₱8.69 billion this year versus ₱6.55 billion last year, an increase of 32.6%, due to higher level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion and sale of parcels of land. EBIT and EBITDA increased by 21.2% and 21.5%, respectively.

The Hotels and Resorts Division registered gross revenues of ₱1.98 billion as against last year's ₱1.89 billion. The 4.7% increase in hotel revenues principally came from the new hotels namely Summit Galleria Cebu, Summit Hotel Tacloban and Go Hotels Iligan. Hotels and Resorts Division EBIT and EBITDA declined by 21.6% and 6.9%, respectively, as the division continues to redevelop some of the existing hotels and incurrence of a much accelerated pre-operating expenses on hotels to be opened in 2019 as well as higher overhead expense in the Head Office.

The IID Division accounted for ₱2.64 billion revenues, with 95% attributed to the sale of the commercial lots and the remainder 5% is the revenue generated from lease of warehouse facilities. Further gains will be realized from the selling of lots with joint ventures. EBIT and EBITDA for calendar year 2018 stood at ₱2.02 billion and ₱2.03 billion, respectively.

Interest income increased to ₱196.3 million from ₱36.8 million last year due to higher average balance of cash and cash equivalents during the calendar year 2018.

Real estate costs went up by 30.6% to ₱12.11 billion from ₱9.28 billion last year. The higher level of realized sales of residential units and sale of parcels of land brought cost of real estate sales to increase by ₱1.79 billion or 56.9%. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱380.2 million or 12.5%; while completion of new office buildings increased depreciation expense of the Office Buildings Division by ₱64.2 million or 10.2%. Furthermore, cinema expense rose by 10.4% or ₱85.2 million in line with the increase in cinema revenues.

Hotel expenses rose by 15.3% to ₱1.56 billion due substantially to higher level of property and maintenance cost, depreciation, salaries and wages, contracted services, which were all due to higher level of operations brought about by higher room revenues and pre-operating expenses on hotels to be opened in 2019.

General and administrative expenses went up by 20.1% to ₱4.00 billion due to higher commission, rent, advertising and promotions and salaries, among others.

Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of the Company's foreign subsidiary.

As of December 31, 2018, total assets of the Group stood at ₱174.16 billion, a growth of 17.6% from ₱148.13 billion last year.

Cash and cash equivalents increased by 22.6% or ₱0.47 billion due to the proceeds from the SRO, cash generated from operations; offset by payments of dividends, loans, and capital expenditures for new and ongoing projects.

Receivables (current and noncurrent-net) decreased by 61.9% or ₱5.78 billion to ₱3.56 billion due to reclassification to 'Contract assets' account amounting to ₱5.09 billion in 2018.

Subdivision land, condominium and residential units for sale grew by 9.0% to ₱31.46 billion due to higher level of capital expenditures for new and ongoing projects under the Residential division.

Contract assets (current and noncurrent) totaling ₱11.53 billion refer to the right to consideration in exchange for goods or services transferred to the customers. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contract receivables when the monthly amortization is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period, increase in percentage of completion, less reclassification of installment contract receivable.

Other current assets went up by 176.3% to ₱11.74 billion from ₱4.25 billion last year mainly due to increase in cash under escrow which will mainly be used for the construction of real estate inventories.

Investment properties and Property and equipment increased by 7.8% to ₱99.32 billion and 17.2% to ₱7.84 billion, respectively. Increase in Investment properties is due to reclassification of land from 'Subdivision land, Condominium and Residential units for Sale' account and costs incurred for the construction of new malls and office developments. On the other hand, the increase in Property and equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International. Investments in joint venture consist of investments in stocks of joint venture companies intended to acquire, develop, sell and lease real estate properties.

Contract liabilities (current and noncurrent) totaling ₱15.31 billion consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on percentage of completion. The movement in the 'Contract liability' account is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold from increase in percentage of completion.

Loans payable (current and noncurrent) decreased by 27.2% to ₱37.39 billion due to settlement of a significant portion of short-term borrowings.

The increase in deferred tax liabilities - net of 25.0% to ₱3.58 billion is mainly attributed to excess of real estate revenues based on percentage-of-completion over real estate revenues based on collections.

Deposits (current and noncurrent) and Other liabilities went down by 29.0% to ₱8.60 billion primarily due to reclassification of deposits from real estate buyers to contract liabilities beginning 2018.

Equity attributable to equity of the Parent Company as of December 31, 2018 stood at ₱93.51 billion, up by 39.4% from ₱67.09 billion last year due to successful SRO during the year, current earnings of ₱8.22 billion, net of payment of dividends of ₱1.87 billion.

A summary of RLC's key performance indicators for the calendar year follows:

	2018	2017
Gross revenues	₱29.55 billion	₱22.52 billion
EBIT	11.88 billion	8.56 billion
EBITDA	16.34 billion	12.48 billion
Net income	8.22 billion	5.88 billion
Earnings per share	1.62	1.44
Net book value per share	18.00	16.39
Current ratio	1.65:1	1.20:1
Debt-to-equity ratio	0.40:1	0.77:1
Interest coverage ratio	6.71:1	4.72:1
Asset to equity ratio	1.85:1	2.20:1
Operating margin ratio	0.40:1	0.38:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the calendar year ended December 31, 2018 amounted to ₱19.31 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

ii. Year ended December 31, 2017 versus same period in 2016

	For the Years Ended December 31 2017	2016
REVENUE		
Real Estate Operations		
Rental income	**₱11,581,560,401**	₱10,746,626,900
Real estate sales	**5,973,248,023**	6,973,938,019
Amusement income	**1,802,643,181**	1,673,249,242
Others	**1,266,492,267**	1,608,619,627
	20,623,943,872	21,002,433,788
Hotel Operations	**1,892,873,758**	1,806,612,441
	22,516,817,630	22,809,046,229
COSTS		
Real Estate Operations		
Cost of rental services	**4,499,595,017**	4,273,894,548
Cost of real estate sales	**3,143,037,387**	4,153,220,627
Cost of amusement services	**820,824,802**	751,257,456
Others	**812,417,065**	538,388,429
	9,275,874,271	9,716,761,060
Hotel Operations	**1,350,512,369**	1,308,841,469
	10,626,386,640	11,025,602,529
	11,890,430,990	11,783,443,700
GENERAL AND ADMINISTRATIVE EXPENSES	**3,328,016,547**	3,510,879,439
OPERATING INCOME	**8,562,414,443**	8,272,564,261
OTHER INCOME (LOSSES)		
Interest income	**36,809,915**	19,340,620
Gain from insurance claims	**28,397,634**	208,713,905
Gain (loss) on foreign exchange	**(14,019,285)**	68,410,856
Interest expense and finance charges	**(778,194,869)**	(943,109,383)
Gain on sale of investment property	–	7,281,855
	(727,006,605)	(639,362,147)
INCOME BEFORE INCOME TAX	**7,835,407,838**	7,633,202,114
PROVISION FOR INCOME TAX	**1,950,969,880**	1,877,886,479
NET INCOME	**5,884,437,957**	5,755,315,635

RLC generated total gross revenues of ₱22.52 billion for calendar year 2017, a slight decrease of 1.3% from ₱22.81 billion total gross revenues for calendar year 2016. EBIT grew 3.5% to ₱8.56 billion while EBITDA posted a 3.6% growth to ₱12.48 billion. Net income stood at ₱5.88 billion, up by 2.2% compared to last year.

The Commercial Centers Division accounted for ₱10.79 billion of the real estate revenues for the year versus ₱10.14 billion last year or a 6.4% increase. Rental revenues increased due to opening of new malls in Iligan, Naga and North Tacloban and expansion of Robinsons Place Antique and Robinsons Butuan this year. Also, the full year impact of Robinsons Place General Trias, Robinsons Place Tagum, Robinsons Place Jaro and the expansion of Robinsons Ilocos Norte last year, contributed to the growth, despite renovation of Robinsons Galleria, one of our largest revenue contributors. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 3.3% and 3.4%, respectively.

Revenues of Office Buildings Division grew by 8.8% to ₱3.27 billion from ₱3.00 billion over the same period last year. Revenue growth was mainly attributable to sustained occupancy rates, and escalation of rents in existing offices and contribution from the new offices namely Cyber Sigma, Galleria Cebu Office, Robinsons Luisita Office and Cybergate Delta. The Division's EBIT and EBITDA showed positive variances of 10.3% and 7.9%, respectively.

The Residential Division realized revenues is at ₱6.57 billion this year versus ₱7.86 billion last year, a decrease of 16.5%, due to lower level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA decreased by 5.4% and 3.8%, respectively.

The Hotels and Resorts Division, a major contributor to the Group's recurring revenues, registered gross revenues of ₱1.89 billion as against last year's ₱1.81 billion. The 4.8% increase in hotel revenues principally came from the new hotels Go Hotels Davao and Summit Galleria Cebu. The hotel average occupancy rate is 66% in 2017. Hotels and Resorts Division EBIT and EBITDA grew by 9.0% and 7.5%, respectively.

Interest income increased to ₱36.8 million from ₱19.3 million last year due to higher average balance of cash and cash equivalents during the calendar year 2017.

Real estate costs went down by 4.5% to ₱9.28 billion from ₱9.72 billion last year. The lower level of realized sales of residential units brought cost of real estate sales to decrease by ₱1.01 billion or 24.3%. Furthermore, cinema expense rose by 9.3% or ₱69.6 million as a result of increase in cinema revenues.

Gain from insurance is lower this year by 86% to ₱28.4 million from ₱208.7 million last year, which basically included insurance proceeds from Typhoon Yolanda. Finance charge amounting to ₱147.0 million last year pertain to pretermination of loans. Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of RLC's foreign subsidiary.

Asset and liability balances as of December 31, 2017 were as reported in 2017 and not the reclassified accounts as result of adoption of PFRS 15 in 2018.

Total assets of the Group stood at ₱148.13 billion, a growth of 19.0% from ₱124.43 billion in 2016.

Investment properties and Property and equipment increased by 27.9% to ₱94.38 billion and 25.2% to ₱6.69 billion, respectively. Increase in Investment properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Naga, Iligan, Tagum, North Tacloban, redevelopment of Robinsons Galleria, expansion of malls in Antique and Butuan and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons malls in San Pedro, Bridgetowne, Pavia-Iloilo, Tuguegarao, Ormoc and Cabanatuan, and ongoing expansion of Starmills-Pampanga and Magnolia malls contributed to the increase in Investment properties. On the other hand, the increase in Property and equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Accounts payable and accrued expenses went up by 48.6% to ₱13.88 billion due to higher level of operating expenses this year.

Loans payable (current and noncurrent) increased by 30.4% to ₱51.35 billion due to availment of additional long term loans to fund the Group's property constructions and developments. Deposits (current and noncurrent) and Other liabilities went up by 29.9% to ₱12.11 billion primarily due to payable to JG Summit Holdings for the purchase of an investment property.

Equity attributable to equity of the Parent Company as of December 31, 2017 stood at ₱67.09 billion, up by 7.2% from ₱62.58 billion last year due to the earnings during the year of ₱5.88 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators for the calendar year follows:

	2017	2016
Gross revenues	₱22.52 billion	₱22.81 billion
EBIT	8.56 billion	8.27 billion
EBITDA	12.48 billion	12.05 billion
Net income	5.88 billion	5.76 billion
Earnings per share	1.44	1.41
Net book value per share	16.39	15.29
Current ratio	1.21:1	1.34:1
Debt-to-equity ratio	0.77:1	0.63:1
Interest coverage ratio	4.72:1	5.66:1
Asset to equity ratio	2.20:1	1.98:1
Operating margin ratio	0.38:1	0.36:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the calendar year ended December 31, 2017 amounted to ₱28.86 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

iii. Year ended September 30, 2016 versus same period in 2015

RLC generated total gross revenues of ₱22.51 billion for fiscal year 2016, an increase of 14.2% from ₱19.71 billion total gross revenues for fiscal year 2015. EBIT grew 12.2% to ₱8.45 billion while EBITDA posted a 12.5% growth to ₱12.02 billion. Net income stood at ₱6.15 billion, up by 7.9% compared to last year.

The Commercial Centers Division accounted for ₱9.96 billion of the real estate revenues for the year versus ₱9.10 billion last year or a 9.4% increase. Rental revenues increased due to opening of new malls in Cebu City, Tagum (Davao), General Trias (Cavite) and Jaro (Iloilo). Also, the full year impact of Robinsons Place Antique and the expansion of Robinsons Novaliches, as well as the expansion of Robinsons Ilocos this year, contributed to the growth. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. The Division's EBIT and EBITDA grew by 5.2% and 8.5%, respectively.

Revenues of Office Buildings Division grew by 30% to ₱2.91 billion from ₱2.24 billion over the same period last year. Revenue growth was mainly attributable to the contribution from new office developments completed in 2014 and 2015 namely Cyberscape Alpha, Cyberscape Beta and Tera Tower. System-wide occupancy rate ended at 96% as of

September 30, 2016. The Division's EBIT and EBITDA showed positive variances of 27.9% and 25.0%, respectively.

The Residential Division realized revenues rose to ₱7.83 billion for the year versus ₱6.62 billion last year, an increase of 18.2%, due to higher level of buyers meeting the equity requirement of 15% in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 13.8% and 13.5 %, respectively.

The Hotels and Resorts Division, a major contributor to the Group's recurring revenues, registered gross revenues of ₱1.81 billion as against last year's ₱1.75 billion. The 3.5% increase in hotel revenues principally came from the relatively new hotels namely Go Hotels Iloilo, Go Hotels Ortigas Center, Go Hotels Butuan, and Summit Hotels Magnolia. The hotel average occupancy rate is 68% in 2016. Hotels and Resorts Division EBIT and EBITDA grew by 8.3% and 6.7%, respectively.

Interest income decreased to ₱18.1 million from ₱39.3 million last year due to lower average balance of cash and cash equivalents during the fiscal year 2016 resulting from higher level of capital expenditures and operating expenses.

Real estate cost and expenses went up by 19% to ₱9.34 billion from ₱7.84 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱330 million or 14% while opening of new office buildings increased depreciation expense of the Office Buildings Division by ₱87 million or 16%. In addition, the higher level of realized sales of residential units brought cost of real estate sales to increase by ₱775.0 million or 24%. Furthermore, cinema expense rose by 10% or ₱69.8 million as a result of increase in cinema revenues.

General and administrative expenses went up by 11% to ₱3.40 billion due to higher taxes and licenses, salaries, insurance, donations, advertising and promotions and supplies expense, among others.

Interest expense significantly increased to ₱571.6 million due to higher level of short-term and long-term borrowings.

Total assets of the Group stood at ₱120.04 billion, a growth of 21% from ₱99.07 billion in 2015. Receivables (current and noncurrent net) increased by 30% or ₱2.29 billion to ₱10.02 billion due substantially to higher level of installment contracts receivables.

Subdivision land, condominium and residential units for sale increased by 67% to ₱25.85 billion due to purchase of land rights located in Chengdu Province, China, and higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment properties and Property and equipment both increased by 12% to ₱71.90 billion and 27% to ₱4.46 billion, respectively. Increase in Investment Properties is due to acquisition of several land properties both for residential and commercial development. Moreover, the completion of construction of Robinsons malls in Maxilom-Cebu, Tagum, Jaro-Iloilo, Ilocos (expansion), General Trias-Cavite, redevelopment of Robinsons Galleria and installation of Solar Power facility in various malls, as well as the on-going construction of Robinsons Iligan, Naga and Pavia-Iloilo contributed to the increase in Investment Properties. On the other hand, the increase in Property and Equipment is due to expansion projects from all three hotel segments namely Go Hotels, Summit Hotels, and International.

Other current assets increased by 13% to ₱4.45 billion due to increase in advances to suppliers and contractors for mall, office buildings and residential constructions. On the other hand, other noncurrent assets decreased by 31% to ₱2.21 billion mainly due to return of bid deposit for land use rights amounting to ₱1.4 billion.

Accounts payable and accrued expenses went up by 34% to ₱7.94 billion due to higher level of capital expenditures and operating expenses this year.

Loans Payable (current and noncurrent) increased by 50% to ₱37.34 billion due to availment of additional term loans totaling ₱11.5 billion and short-term loans totaling ₱0.99 billion in 2016. Deposits (current and noncurrent) and Other liabilities went up by 16% to ₱9.83 billion due to higher level of deposits from from real estate buyers.

Equity attributable to equity of the Parent Company as of September 30, 2016 stood at ₱61.34 billion, up by 8% from ₱56.66 billion last year due to the earnings during the year of ₱6.15 billion net of payment of dividends of ₱1.47 billion.

A summary of RLC's key performance indicators follows:

	2016	2015
Gross revenues	₱22.51 billion	₱19.71 billion
EBIT	8.45 billion	7.54 billion
EBITDA	12.02 billion	10.69 billion
Net income	6.15 billion	5.70 billion
Earnings per share	1.50	1.39
Net book value per share	14.98	13.84
Current ratio	2.25:1	1.98:1
Debt-to-equity ratio	0.61:1	0.44:1
Interest coverage ratio	6.06:1	7.91:1
Asset to equity ratio	1.95:1	1.74:1
Operating margin ratio	0.38:1	0.38:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the fiscal year ended September 30, 2016 amounted to ₱26.7 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

Plan of Operations

AMVI has been dormant for the past seventeen (17) years since. Management had planned to operate AMVI should new business opportunities arise.

ANNEX “F”

Annex “F”

Directors and Executive Officers of the Corporation and AMVI

A. Directors and Executive Officers of the Corporation

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company’s executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of eleven members, of which four are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of December 31, 2018:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.	92	Director, Chairman Emeritus and Founder	Filipino
James L. Go	79	Director, Chairman Emeritus	Filipino
Lance Y. Gokongwei	52	Director, Chairman	Filipino
Frederick D. Go	49	Director, President & Chief Executive Officer	Filipino
Patrick Henry C. Go	48	Director	Filipino
Johnson Robert G. Go, Jr.	53	Director	Filipino
Robina Y. Gokongwei-Pe	57	Director	Filipino
Artemio V. Panganiban	82	Director (Independent)	Filipino
Roberto F. de Ocampo.	72	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr.	83	Director (Independent)	Filipino
Omar Byron T. Mier……………	73	Director (Independent)	Filipino
Kerwin Max S. Tan	49	Chief Financial Officer	Filipino
Faraday D. Go………………….	43	Executive Vice President and in a concurrent capacity Business Unit General Manager	Filipino
Arlene G. Magtibay.........................	56	Senior Vice President and Business Unit General Manager	Filipino
Henry L. Yap…………………..	56	Senior Vice President and Business Unit General Manager	Filipino

Name	Age	Position	Citizenship
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	46	Senior Vice President and Business Unit General Manager	Filipino
Arthur Gerrard D. Gindap....…..	57	Senior Vice President and Business Unit General Manager	Filipino
Corazon L. Ang Ley……………	51	Business Unit General Manager	Filipino
Elizabeth Kristine D. Gregorio..	46	General Manager - Go Hotels & Summit Hotels	Filipino
Bach Johann M. Sebastian……	57	Senior Vice President and Chief Strategist	Filipino
Anna Katrina C. De Leon ……..	33	Vice President - Group Controller	Filipino
Joanna N. Laiz…………………	46	Vice President	Filipino
Ernesto B. Aquino………...……	57	Vice President	Filipino
Emmanuel G. Arce……………..	60	Vice President	Filipino
Constantino C. Felipe………….	56	Vice President	Filipino
Catalina M. Sanchez…………..	40	Vice President	Filipino
Sylvia B. Hernandez…………...	55	Vice President - Treasurer	Filipino
Rosalinda F. Rivera.......................	48	Corporate Secretary	Filipino
Arlene S. Denzon..........................	51	Compliance Officer	Filipino

The above directors and officers have served their respective offices since May 30, 2018. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 92, founded RLC in 1980 and has been the Chairman Emeritus and Founder of RLC effective January 1, 2002. He continues to be a member of RLC's Board and is the Chairman Emeritus and Founder of JG Summit Holdings, Inc. and Universal Robina Corporation. He is currently the Chairman of the Gokongwei Brothers Foundation, Inc., and a director of Cebu Air, Inc., Robinsons Retail Holdings, Inc. and Oriental Petroleum and Minerals Corporation. He was elected a director of Manila Electric Company on March 31, 2014. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Master's degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 79, is the Chairman Emeritus and member of the Board of Directors of RLC. He is the Chairman of JG Summit Holdings, Inc. and Cebu Air, Inc. He is also the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Marina Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei, 52, is the Chairman of RLC. He is the President and Chief Executive Officer of JG Summit Holdings, Inc., He is the Chairman of Universal Robina Corporation, Robinsons Retail Holdings, Inc., JG Summit Petrochemical Corporation, JG Summit Olefins Corporation and Robinsons Bank Corporation. He is the President and Chief Executive Officer of Cebu Air, Inc. He is a director and Vice Chairman of Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is also a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Frederick D. Go, 49, is the President and Chief Executive Officer of RLC. He is also the President of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank Corporation, JG Summit Petrochemical Corporation, and Cebu Light Industrial Park. He is also the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 48, was elected as a director of RLC on January 17, 2000. He is also a Vice President of URC. He is the President and Chief Executive Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, and Robinsons Bank Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 53, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 57, was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., and Robinsons Bank Corporation. She is currently the President and Chief Executive Officer of Robinsons Retail Holdings, Inc. consisting of Robinsons Supermarket, Robinsons Department Store, Handyman, True Value, Robinsons Builders, Robinsons Specialty Stores, Robinsons Appliances, Toys R Us, Daiso Japan, Ministop, South Star Drug and The

Generics Pharmacy. She is a Trustee of the Gokongwei Brothers Foundation Inc. and the Immaculate Concepcion Academy Scholarship Fund. She was also a member of the University of the Philippines Centennial Commission and was a former Trustee of the Ramon Magsaysay Awards Foundation. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 82, was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 72, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 83, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Unicon Insurance Brokers Corporation. Mr. Rojas previously served as Independent Director of Robinsons Bank and Legaspi Savings Bank for about one year in 2013. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and CFC Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the

Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. before joining the Group in 1962. He was with IBM Philippines prior to becoming a CPA.

Omar Byron T. Mier, 73, was appointed as an Independent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. He is also a director of Paymaya since 2016 and Chairman of the Board Audit Committee. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Guest Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Kerwin Max S. Tan, 49, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President - Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Faraday D. Go, 43, was appointed as Executive Vice President and in a concurrent capacity, Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective June 1, 2018. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years' experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Arlene G. Magtibay, 56, is the Senior Vice President and Business Unit General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 28 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Master's in Business Management, with distinction, from the Asian Institute of Management.

Henry L. Yap*,* 55, is the Senior Vice President and Business Unit General Manager of Robinsons Luxuria, Residences and Communities of RLC's Residential Division. Prior to assuming this post, he served the group/company as the Country Business Unit General Manager of Ding Feng Real Estate Companies (China), Business Unit General Manager of the Office Buildings Division, Vice President of RLC's Property Planning and Design Department and member of the Investors Relations Team. Before joining RLC, he headed the Property Planning and Design Group of Fort Bonifacio Development Corporation and sat on the Boards of seven subsidiaries, affiliates and foundation of FBDC. He worked as Manager for Metro Manila Camps of the Bases Conversion and Development Authority where he was involved in the planning, design, privatization and implementation of the Bonifacio Global City, among others. He also lent his expertise to Government by serving as the head of the National Committee on Architecture and the Allied Arts and member of the Sub-Commission on the Arts of the National Commission for Culture and the Art. He also taught at the University of the Philippines where he was Senior Lecturer at the School of Urban and Regional Planning and at the College of Architecture. He holds a Master's of Science in Urban Planning in Developing Countries from the University of Wales College of Cardiff (UK), Bachelor of Science in Architecture, cum laude, and earned units for his Ph.D. in Urban and Regional Planning, both from UP. Henry Yap is Philippine-licensed Architect and Environmental Planner.

Ma. Soccorro Isabelle V. Aragon-Gobio, 46, was appointed as Senior Vice President and Business Unit General Manager of Industrial and Integrated Developments Division effective October 1, 2016. She has been with RLC for 25 years and is concurrently director of Manhattan Building Management Corporation, Manchego Food Corporation, and various condominium corporations of the Company's projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University and is a PRC licensed Real Estate Broker.

Arthur Gerrard D. Gindap, 57, is Senior Vice President and Business Unit General Manager of Robinsons Hotels & Resorts. Prior to joining RLC in 2018, he was Regional Vice President, Philippines & Thailand, and Vice President, Global Operations & Customer Service for The Ascott Ltd. For the period 1989 to 2004, he held various senior and general management positions with Mandarin Oriental Hotels, Shangri-La Hotels, Swiss-Belhotel International and The Mulia Group. He received a Hotel & Restaurant Diploma from Sheridan College in Brampton, Ontario, Canada in 1980.

Corazon L. Ang Ley, 51, is the Business Unit General Manager for Robinsons Homes concurrent to her role as Property Acquisition Head for RLC. She's held various positions and functions within RLC during her 25 years of service including her 3 year stint in China. She graduated from the University of the Philippines - Asian Institute of Tourism in 1987.

Elizabeth Kristine D. Gregorio, 46, was appointed as General Manager-Go Hotels & Summit Hotels of Robinsons Hotels and Resorts on January 1, 2014. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Bach Johann M. Sebastian, 57, is Senior Vice President and Chief Strategist of RLC. He is also the Senior Vice President - Digital and Strategic Investments Group of JG Summit Holdings, Inc. He is also a Senior Vice President of Universal Robina Corporation, and is the Senior Vice President and Chief Strategist Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business Administration degree from the Asian Institute of Management in 1986.

Anna Katrina C. De Leon*,* 33, was appointed as Vice President - Group Controller of RLC. Concurrently, she handles RLC's subsidiaries. She is also an active member of RLC's Investor Relations Team since 2013. A Certified Public Accountant, she had a three-year stint in SGV & Co. (a member firm of Ernst & Young) as an external auditor with a broad audit client base including publicly-listed and privately-held real estate entities prior joining RLC in 2011. A consistent Dean's Lister, she received a Bachelor's Degree in Accountancy from the University of the East in 2008.

***Joanna N. Laiz**,* 48, is currently taking the position of Vice President, Lease of RLC. She had over 25 years of experience in Real Estate covering the areas of Leasing, Tenant Relations and Networking, Business Development, Advertising and Promotions, Mall Operations, Asset Management and Site Development. Her most recent job before RLC was in Vista Malls between 2013 and 2018. Followed by Filinvest Land in 2012. She also worked for Viscal Development Corp (Metro Gaisano) briefly between 2010 and 2011. Additionally, she worked for Landco Pacific Corp and Golden Arches Development Corp between 1992 and 2009. She received a Bachelor of Science in Computer Science degree from AMA Computer College in 1991.

***Ernesto "Boyong" Aquino, Jr.**,* 51, is Vice President of Corporate Property Planning Dept Project Office of RLC Commercial Center Division. He joined RLC in 2000 as the head of Store Planning, Visuals and Engineering department of Big R Stores Inc and was moved in 2004 to Hotels and Resorts Division as Senior Project Director. Prior to joining RLC, he was a Creative Manager of Store Planning Department in Robinsons Retail Group for 8 years. He graduated in Mapua Institute of Technology in 1990 with a degree of BS Architecture.

Emmanuel G. Arce, 60, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 56, is the Vice President for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Catalina Mallari-Sanchez, 39, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC. She has over 19 years of experience in the real estate industry particularly in the residential, office and flexible workspace segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Sylvia B. Hernandez, 55, was appointed as Vice President - Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc, Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Rob. Equitable Tower Condo Corp., Rob. Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP - Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in Accountancy. She is a Certified Public Accountant.

Rosalinda F. Rivera, 48, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit

Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

Arlene S. Denzon, 51, is the Compliance Officer of RLC and Vice President of the Corporate Governance and Management Systems (CGMS) of JGSHI. She is also the Compliance Officer of JG Summit Holdings, Inc. and Universal Robina Corporation. Prior to rejoining the RLC in February 2013, she was the Senior Vice President in charge of the Enterprise-wide Risk Management Group of Digitel Mobile Philippines, Inc. (DMPI, more popularly known as Sun Cellular) until December, 2012. Ms Denzon started her career in the Gokongwei Group in 1991 and performed various roles including Accounting Manager of JGSHI until 1997, Assistant Vice President-Special Assistant to the Chairman until 2001, Vice President-Treasurer and Acting Chief Financial Officer of URC International until 2003 before she was seconded to DMPI in 2004. Prior to RLC, Ms. Denzon had three years working experience as external auditor in Sycip, Gorres, Velayo & Co. She was a Certified Public Accountant Board topnotcher and obtained her Bachelor of Accountancy degree, Magna Cum Laude, from Polytechnic University of the Philippines.

B. Directors and Executive Officers of Altus Mall Ventures, Inc. (AMVI)

The table below sets forth the Directors and Key Officers of AMVI as of August 15, 2018:

Name	Position	Citizenship
Frederick D. Go	Director, Chairman and President	Filipino
Faraday D. Go	Director	Filipino
Patrick Henry C. Go	Director	Filipino
Corazon L. Ang Ley	Director	Filipino
Carmen M. Viloria	Director	Filipino
Kerwin Max S. Tan	Treasurer	Filipino
Rosalinda F. Rivera	Corporate Secretary	Filipino

ANNEX “G”

PLAN OF MERGER

This Plan of Merger ("Plan") made and entered into this _____ day of ________________, 2019, in Pasig City, Metro Manila, Philippines, by and among:

ROBINSONS LAND CORPORATION, a corporation duly organized and existing under and by virtue of Philippine laws, with office address at Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, herein represented by its Chairman, Mr. Lance Y. Gokongwei, hereinafter referred to as "RLC", the "Surviving Corporation";

-and-

ALTUS MALL VENTURES, INC., a corporation duly organized and existing under and by virtue of Philippine laws, with office address at Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, herein represented by its Chairman and President, Mr. Frederick D. Go, hereinafter referred to as "AMVI", the "Absorbed Corporation".

WITNESSETH: That

WHEREAS, the Parties to this Plan of Merger have determined that it is to their best interest to merge into one corporation, and that such merger will redound to the advantage and welfare of RLC and AMVI (herein collectively referred to as the "Constituent Corporations"), and their respective Stockholders. The merger by and among the said Constituent Corporations, considering that AMVI is a wholly-owned subsidiary of RLC, will result in enhanced operating efficiencies and economies, increased financial strength through pooling of resources, and more favorable financing and credit facilities.

NOW, THEREFORE, the Parties herein hereby set forth and agree as follows:

ARTICLE I

MERGER AND ITS EFFECTS

1.1 Agreement to Merge

AMVI shall be merged with and into RLC in accordance with the Corporation Code of the Philippines and the terms and conditions set forth under this Plan of Merger. The corporation that is to survive the Merger is RLC which shall upon effectivity of the Merger, continue under the name "ROBINSONS LAND CORPORATION", retain all the purposes and powers of RLC, and have the rights, privileges, immunities and franchises of AMVI to the extent allowed by law and existing rules and regulations.

1.2 Corporate Approvals

After the approval of this Plan of Merger by the Board of Directors of each of RLC and AMVI, it shall be submitted to the stockholders of RLC and AMVI pursuant to Section 77 of the Corporation Code of the Philippines for ratification and upon approval and adoption thereof of the stockholders owning at least two-thirds (2/3) of the outstanding capital stock of each of RLC and AMVI respectively, RLC and AMVI shall proceed to implement the Merger as herein provided.

1.3 Effective Date of Merger

Upon approval of this Plan of Merger by the respective stockholders of RLC and AMVI, the Articles of Merger with the attached Plan of Merger shall be filed by RLC and AMVI with the Securities and Exchange Commission ("SEC"). The Merger shall take effect on December 31, 2019 or upon the approval of the Merger and the issuance of the Certificate of Filing of the Articles and Plan of Merger by the SEC, whichever comes later ("**Effective Date**")

1.4 Effects of Merger

On the effective date of the Merger:

(a) AMVI shall be merged with and into RLC, the surviving corporation.

(b) The separate existence of AMVI shall cease.

(c) RLC shall continue to possess all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under the Corporation Code of the Philippines.

(d) RLC's Articles of Incorporation and By-Laws shall not be affected by the Merger.

(e) RLC thereupon and thereafter shall, by operation of law, possess all the rights, privileges, immunities, and franchises of AMVI; and all property, real or personal, and all receivables due on whatever account and all and every other interest of, or belonging to, or due to AMVI appearing in the audited financial statements of AMVI as of December 31, 2018 ("FS-1") up to the effective date, shall be taken and deemed transferred to and vested in RLC without further act and deed.

(f) RLC shall be responsible and liable for the liabilities and obligations, whether actual or contingent, of AMVI appearing on the FS-1 up to the effective date in the same manner as if RLC had itself incurred such liabilities or obligations; and any claim, action or proceeding pending by or against AMVI shall be prosecuted by or against RLC. Neither the rights of creditors nor any lien upon the property of AMVI shall be impaired by the Merger; provided, however, that RLC shall have all the right to exercise all of the defenses, rights, privileges, set-offs and counterclaims of every kind and nature which AMVI may have under the premises.

(g) The herein parties hereby agree that the final exchange value between RLC and AMVI shall be based on the companies' net assets as reflected in the audited financial statements as of December 31, 2018. RLC shall issue to the stockholders of AMVI Thirty Seven Thousand Six Hundred Sixty Seven (37,667) shares with a par value of Thirty Seven Thousand Six Hundred Sixty Seven (P37,667.00) in exchange for the book value of AMVI's net assets as of December 31, 2018. The difference in the total par value of the shares to be issued and the net assets of AMVI, if any, shall be treated in the accounting records of RLC as additional paid-in capital. All shares to be issued by RLC shall be allotted to the stockholders of AMVI.

(h) All existing employees of AMVI shall *ipso facto* become employees of RLC and shall accordingly receive compensation and benefits in accordance with the employment plan, arrangement or practice or RLC. RLC shall *ipso facto* assume all the employment contracts of AMVI with its existing employees and shall be responsible and liable for the liabilities and obligations, whether actual or contingent, of AMVI to all its existing employees, in the same manner as if RLC had itself entered into such contracts and incurred such liabilities or obligations. Any employee claims, action, or proceeding pending by or against AMVI shall be prosecuted by or against RLC. No vested employment right held by any AMVI employee shall be impaired by the Merger.

(i) All assets and liabilities of AMVI that are not included in its audited financial statements as of December 31, 2018 and which were acquired or incurred by AMVI after December 31, 2018 shall be for the account of RLC by virtue of the Merger.

ARTICLE II

CONDITIONS OF THE MERGER

2.1 Conditions

The consummation of the Merger shall be subject to the fulfillment, on or before the Effective Date, of each of the following conditions:

(a) The Board of Directors and stockholders of each of RLC and AMVI shall have approved the Merger; and

(b) The representations and warranties contained in Article III hereof shall be true on and as of the Effective Date as though such representations and warranties were made on and as of such date.

2.2 Interim Obligations

Prior to the Effective Date, each of RLC and AMVI shall preserve their business organizations intact, and maintain satisfactory relationship with customers having business relations with them.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of RLC

In connection with this Plan of Merger, RLC has represented and warranted to AMVI as follows:

(a) RLC is a corporation duly organized, validly existing and in good standing under Philippine Laws, and has the corporate power to own its properties and to carry on its business as now being conducted.

(b) The execution, delivery and performance of this Plan of Merger have been duly authorized by the Board of Directors and stockholders of RLC.

(c) As of the date hereof, RLC has authorized capital stock of Eight Billion Two Hundred Million Pesos (₱8,200,000,000.00) consisting of Eight Billion Two Hundred Million (8,200,000,000) common shares with a par value of One Peso (₱1.00) per share. Of the authorized capital stock, Five Billion One Hundred Ninety Three Million Eight Hundred Thirty Thousand Six Hundred Eighty Five (5,193,830,685) shares are issued and outstanding.

(d) No representation or warranty by RLC contained herein, nor any written statement or certificate furnished or to be furnished by RLC pursuant hereto, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

3.2 Representations and Warranties of AMVI

In connection with this Plan of Merger, AMVI has represented and warranted to RLC as follows:

(a) AMVI is a corporation duly organized, validly existing and in good standing under Philippine Laws, and has the corporate power to own its properties and to carry on its business as now being conducted.

(b) The execution, delivery and performance of this Plan of Merger have been duly authorized by the Board of Directors and stockholders of AMVI.

(c) As of the date hereof, AMVI has authorized capital stock of Four Million Pesos (₱4,000,000.00) consisting of Four Million (4,000,000) common shares with a par value of One Peso (₱1.00) per share. Of the authorized capital stock, One Million (1,000,000) shares have been subscribed and paid up at par value.

(d) AMVI has heretofore furnished RLC with a copy of the audited financial statements of AMVI as of December 31, 2018, which is certified by Mr. Eduardo D. Ignacio. Such audited financial statements present fairly the financial condition and results of operations of AMVI for the said period in conformity with generally accepted accounting principles, applied consistently throughout such period.

(e) AMVI has heretofore furnished RLC with a list and description of contracts and other instruments to which AMVI is a party.

(f) No representation or warranty by AMVI contained herein, nor any written statement or certificate furnished or to be furnished by AMVI pursuant hereto, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE IV

MISCELLANEOUS

4.1 <u>Confidentiality</u>

Each of RLC and AMVI will use its best efforts to keep confidential any information obtained from the other party in connection herewith, and, in the event that the Merger is abandoned or not consummated, RLC and AMVI shall, each upon the request of the other, return all statements, documents and other written information and material obtained in connection herewith and all copies thereof.

4.2 <u>Notice</u>

Any notice or other communication required or permitted hereunder shall be sufficiently given if in writing sent by personal delivery or by registered email addressed as follows:

If to RLC:

Address: Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City
Fax No.: none
Email: www.robinsonsland.com.ph

Attention: Mr. Lance Y. Gokongwei

If to AMVI:

Address: Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City
Fax No.: none
Email: none

Attention: Mr. Frederick D. Go

Any such notice or other communication shall be deemed delivered when actually received by the addressee in the case of personal delivery or when properly mailed to the addressee in the case of registered mail.

4.3 Headings

The section headings herein are inserted only as a matter of convenience and for reference and not a part hereof.

4.4 Waiver

None of the provisions hereof may be amended, waived, discharged or terminated except by a statement in writing signed by the party against which the enforcement of the amendment, waiver, discharge or termination is sought.

4.5 Further Assurances

Each of RLC and AMVI has agreed to, from time to time, execute and deliver such other and further instruments and take all such other action as may be necessary or appropriate to more effectively effectuate the Merger.

4.6 Costs and Expenses

RLC, as the surviving corporation, shall bear the costs and expenses, including legal and professional fees and expenses, in connection with the Merger.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have signed these presents on the date and place first above written.

ROBINSONS LAND CORPORATION
By:

LANCE Y. GOKONGWEI
Chairman

ALTUS MALL VENTURES, INC.
By:

FREDERICK D. GO
Chairman and President

Certified by:

Rosalinda F. Rivera
Corporate Secretary

Signed in the presence of:

___________________________ ___________________________

ACKNOWLEDGMENT

Republic of the Philippines)
Pasig City) s.s.

BEFORE ME, a Notary Public for and in Pasig City, this _____ day of __________ 2019, personally appeared the following:

Name	*CTC No./ Passport No.*	*Date of Issue/ Valid Until*	*Place of Issue*
Robinsons Land Corporation			
Altus Mall Ventures, Inc.			

Mr. Lance Y. Gokongwei			
Mr. Frederick D. Go			

who are known to me and to me known to be the same persons who executed the foregoing Plan of Merger, and they acknowledged to me that the same is their free and voluntary act and deed, and that of the corporations they respectively represented.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this ____ day of _____________ 2019.

NOTARY PUBLIC

Doc. No. ______;
Page No. ______;
Book No. _____;
Series of 2019.

ANNEX "H"

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Artemio V. Panganiban**, Filipino, of legal age and a resident of 1203 Acacia St., Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Robinsons Land Corporation and have been its independent director since May 14, 2008.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period of Service
GMA Network, Inc.	Independent Director	2007 - present
First Philippine Holdings Corp.	Independent Director	2007 - present
Metro Pacific Investments Corp.	Independent Director	2007 - present
Manila Electric Company	Independent Director	2008 - present
GMA Holdings, Inc.	Independent Director	2009 – present
Petron Corporation	Independent Director	2010 – present
Asian Terminals, Inc.	Independent Director	2010 - present
Philippine Long Distance Tel.Co.	Independent Director	2013 – present
Jollibee Foods Corporation	Non-executive Director	2012 - present
Metropolitan Bank and Trust Co.	Senior Adviser	2007 – present
Double Dragon Properties Corp.	Adviser	2014 - present
Bank of the Philippine Islands	Member, Advisory Council	2016 - present
(For my full bio-data, log to my personal website: cjpanganiban.ph)		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Robinsons Land Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/ officer/ substantial shareholder of Robinsons Land Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of director/ officer/ substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any criminal or administrative investigation or proceeding pending in court:

Name of director/ officer/ substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Robinsons Land Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this ____________, at ____________.

ARTEMIO V. PANGANIBAN
Affiant

SUBSCRIBED AND SWORN to before me this APR 12 2019 at PASIG CITY affiant personally appeared before me and exhibited to me his Tax Identification No. 106-197-693.

Doc No. 481;
Page No. 98;
Book No. 4;
Series of 2019.
/lbo

ATTY. PATRICK ARNOLD P. TETANGCO
Notary Public for Pasig City
Commission No. 187 (2018-2019)
40th Flr., Robinsons Equitable Tower,
Ortigas Center, Pasig City
IBP No. 012638; Quezon City Chapter
Roll No. 63825; 05/08/2014
PTR No. 5858740; 01/31/2018; Q.C.
MCLE No. VI-0007708; 04/11/2018.

ANNEX “I”

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Roberto F. de Ocampo**, Filipino, of legal age and a resident of 121 Victoria corner Homonhon Streets, Magallanes Village, 1232 Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Robinsons Land Corporation and have been its independent director since May 28, 2003.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Date Assumed
RFO Center for Public Finance and Regional Economic Cooperation	Chairman of the Board of Advisors	2006
Philippine Veterans Bank	Chairman and CEO	2013
Money Tree Publishing Inc.	Chairman	2007
Stradcom Corporation	Chairman	2003
Tollways Association of the Philippines	Chairman	2003
Public Finance Institute of the Philippines	Chairman	2007
Intervest Project Inc. (IPI)	Chairman	2013
British Alumni Association	Chairman	
AIM – AIM Conference Center Manila (ACCM)	Chairman	
Liberal International Advisory Board (London)	Chairman	2013
Foundation for Economic Freedom	Chairman	2012
Philam Fund Inc., Philam Bond Fund Inc., Philam Strategic Growth Fund Inc., Philam Managed Income Fund Inc., PAMI Global Bond Fund, Inc. Philam Dollar Bond Fund Inc.	Chairman	2014
Governance Commission for Governement Owned or Controlled Corporations (GCG) Multi-Sectoral Governance Council	Chairman	2014
Montalban Methane Power Corporation	Vice-Chairman	2007
Agus 3 Hydro Power Corporation	Vice-Chairman	2007
La Costa Development	Vice-Chairman	2007
Makati Business Club	Vice-Chairman	2006
Center for Philippine Futuristics Studies and Management Inc.	Vice-President	2010
AIM – Gov. Jose B. Fernandez Jr. Center for Banking and Finance	Executive Director	2004
Centennial Group (Washington), D.C.	Founding Director	1999
Emerging Market Forum	Founding Director	2005
Pacific Gaming Investments Pte. Ltd.	Independent Director	2010
Alaska Milk Corp.	Independent Director	1999
Bankard, Inc.	Independent Director	2006
EEI Corporation	Independent Director	2005
House of Investments	Independent Director	2000
Beneficial Life Insurance Co., Inc.	Independent Director	2008

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding:

Name of director/ officer/ substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Robinsons Land Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this ______________, at ______________.

ROBERTO F. DE OCAMPO
Affiant

SUBSCRIBED AND SWORN to before me this APR 12 2019 at PASIG CITY, affiant personally appeared before me and exhibited to me his Tax Identification No. 120-115-828.

Doc No. 474;
Page No. 98;
Book No. 8;
Series of 2019.

ATTY. PATRICK ARNOLD P. TETANGCO
Notary Public for Pasig City
Commission No. 187 (2018-2019)
40th Flr., Robinsons Equitable Tower,
Ortigas Center, Pasig City
IBP No. 012638; Quezon City Chapter
Roll No. 63825; 05/08/2014
PTR No. 5858740; 01/31/2018; Q.C.
MCLE No. VI-0007709; 04/11/2018

ANNEX “J”

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Emmanuel C. Rojas, Jr.**, Filipino, of legal age and a resident of 18 Encarnacion Street, B.F. Homes, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Robinsons Land Corporation and have been its independent director since September 28, 2005.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	**Position/ Relationship**	**Period of Service**
Unicon Insurance Brokers Corporation	Independent Director	2008 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Robinsons Land Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/ officer/ substantial shareholder of Robinsons Land Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of director/ officer/ substantial shareholder	**Company**	**Nature of relationship**
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any criminal or administrative investigation or proceeding pending in court:

Name of director/ officer/ substantial shareholder	**Company**	**Nature of relationship**
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Robinsons Land Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this ______________, at ______________.

EMMANUEL C. ROJAS, JR.
Affiant

SUBSCRIBED AND SWORN to before me this APR 12 2019 at PASIG CITY, affiant personally appeared before me and exhibited to me his Tax Identification No.194-294-275.

Doc No. 482;
Page No. 98;
Book No. 4;
Series of 2019.
/lbo

ATTY. PATRICK ARNOLD P. TETANGCO
Notary Public for Pasig City
Commission No. 187 (2018-2019)
40th Flr., Robinsons Equitable Tower,
Ortigas Center, Pasig City
IBP No. 012638; Quezon City Chapter
Roll No. 63825; 05/08/2014
PTR No. 5858740; 01/31/2018; Q.C.
MCLE No. VI-0007708; 04/11/2018.

ANNEX “K”

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Omar Byron T. Mier**, Filipino, of legal age and a resident of 26 San Pablo Rd., Philamlife Homes, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Robinsons Land Corporation and have been its independent director since August 13, 2015.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period of Service
Robinsons Bank Corporation	Director	February 2, 2015 to present
Legazpi Savings Bank	Director	February 2, 2015 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Robinsons Land Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/ officer/ substantial shareholder of Robinsons Land Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of director/ officer/ substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any criminal or administrative investigation or proceeding pending in court:

Name of director/ officer/ substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Robinsons Land Corporation of any changes in the above-mentioned information within five days from its occurrence.

Done, this ______________, at ______________.

OMAR BYRON T. MIER
Affiant

SUBSCRIBED AND SWORN to before me this APR 12 2019 at PASIG CITY, affiant personally appeared before me and exhibited to me his Tax Identification No. 106-905-398.

Doc No. 483;
Page No. 98;
Book No. 8;
Series of 2019.
/lbo

ATTY. PATRICK ARNOLD P. TETANGCO
Notary Public for Pasig City
Commission No. 187 (2018-2019)
40th Flr., Robinsons Equitable Tower,
Ortigas Center, Pasig City
IBP No. 012638; Quezon City Chapter
Roll No. 63825; 05/08/2014
PTR No. 5858740; 01/31/2018; Q.C.
MCLE No. VI-0007708; 04/11/2018