2015
ANNUAL REPORT

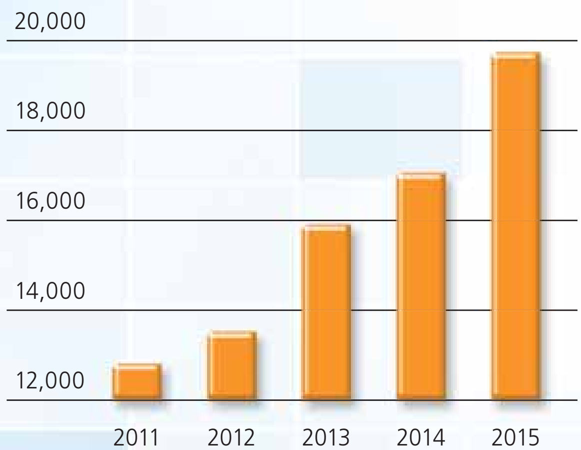
ROBINSONS LAND CORPORATION

CONTENTS

FINANCIAL HIGHLIGHTS

FOR THE FISCAL YEARS ENDED SEPTEMBER 30 *(in Million Pesos)*	**2015**	2014	2013	2012	2011
Gross Revenues	**19,732.55**	17,051.18	15,904.49	13,515.06	12,806.72
Cost and Expenses	**12,178.06**	10,809.44	9,922.27	8,277.56	8,280.94
Operating Income	**7,554.49**	6,241.74	5,982.22	5,237.50	4,525.78
Other Income	**34.06**	14.63	9.16	366.20	327.89
Income Before Income Tax	**7,588.55**	6,256.37	5,991.38	5,603.70	4,853.66
Net Income	**5,701.03**	4,734.90	4,476.82	4,247.35	3,972.02
FOR THE FISCAL YEARS ENDED SEPTEMBER 30 *(in Million Pesos)*					
Total Assets	**99,068.14**	85,369.42	74,886.05	70,646.75	64,966.01
Total Liabilities	**42,273.56**	32,799.32	25,582.08	24,138.37	25,929.41
Minority Interest	**134.37**	133.05	135.16	227.75	230.52
Stockholders' Equity	**56,794.58**	52,570.10	49,303.97	46,508.38	39,036.60

GROSS REVENUES
(in Million Pesos)



NET INCOME
(in Million Pesos)

TOTAL ASSETS
(in Million Pesos)

STOCKHOLDERS' EQUITY
(in Million Pesos)

MESSAGE TO THE SHAREHOLDERS

In fiscal year 2015, Robinsons Land Corporation posted a remarkable increase in net income of 20% to Php5.70 billion from Php4.73 billion.

The Philippine economy remains resilient and continues to grow albeit at a slower pace than previous years. It grew by 5.8% in 2015 backed by robust consumer spending as well as increases in investments by the private sector coupled with the steady flow of overseas Filipino workers (OFW) remittances, business process outsourcing (BPO) growth and increased tourist visitor arrivals.

In fiscal year 2015, Robinsons Land Corporation (RLC) posted a remarkable increase in net income of 20% to Php5.70 billion from Php4.73 billion. This is due to double digit revenue growth of 16% to Php19.73 billion from Php17.05 billion the previous year. Total Company EBITDA expanded by 19% to Php10.70 billion from Php8.97 billion. Our investment portfolio, composed of our commercial centers, offices and hotels businesses, contributed 83% of the total RLC EBITDA while our development portfolio, composed of the four residential brands, accounted for the remaining 17%. EBIT climbed by 21% to Php7.55 billion from Php6.24 billion in 2014.

Our **Commercial Centers Division** contributed 46% to the Company's total revenues. Its revenues increased by 13% to Php9.12 billion from Php8.10 billion in the previous year. The increase was attributed to the steady growth in lease revenue of our existing malls and the contribution of newly opened malls, namely, Robinsons Place Las Piñas and Robinsons Place Antique, and expansion of Robinsons Novaliches. Our malls' enterprise-wide occupancy rate was at 96%. Same mall revenue growth stood at 7%. EBITDA rose by 12% to Php6.20 billion while EBIT grew by 10% to Php3.79 billion. As of end of fiscal year September 2015, our total gross leasable space increased by 4% to 1,095,000 sqm from previous year's 1,056,000 sqm with a total of 40 shopping malls, 9 of which are located within Metro Manila and 31 of which are located in other urban areas in the country.

Our **Office Buildings Division** registered the biggest growth in fiscal year 2015 with a revenue increase of 45% to Php2.24 billion from the previous year's Php1.54 billion. This accounted for 11% of the Company's total

James L. Go
Chairman

Lance Y. Gokongwei
Director, Vice Chairman and CEO

revenues. EBITDA expanded by 43% to Php2.11 billion and EBIT was up by 50% to Php1.57 billion. This is due to the full year revenue contribution of the 2 new office buildings, namely, Cyberscape Alpha and Cyberscape Beta which were completed in March 2014. We are happy to announce that we finished ahead of schedule the construction of Tera Tower located in our newest 8-hectare mixed-use development, Bridgetowne, in Quezon City. This has increased our total leasable space by 13% to 310,000 sqm in fiscal year 2015 from the previous year's 275,000 sqm. Our Company continues to be a leading provider of office spaces to BPOs in the country, with approximately 70% of our office building space occupied by BPO tenants. To date, we have 11 completed office buildings in our portfolio, 10 of which are located within Metro Manila and 1 in Cebu City. All our office buildings have a system-wide occupancy rate of 99%.

Our **Hotels Division** generated revenues of Php1.75 billion, an increase of 14% from Php1.53 billion in fiscal year 2014, a 9% contribution to total group revenues. This was attributed to the positive performance of all our hotel properties. We opened our first Go Hotels branch in Mindanao in Butuan City last December 2014 and our first Summit Hotel in Metro Manila, Summit Hotel Magnolia, in the Magnolia Town Center last January 2015 bringing our total room count for our 14 hotel properties to 2,174 rooms. This is an increase of 15% from last year. Our chain-wide occupancy stood at 69%. The Division's EBITDA was up by 18% to Php618.9 million while EBIT increased by 26% to Php453.3 million.

Our **Residential Division** reported a realized revenue growth of 13% to Php6.62 billion from Php5.87 billion the previous year. The residential division accounted for 34% of the total Company's revenues. EBITDA grew by 25% to Php1.78 billion from the previous year's Php1.42 billion. EBIT was up by 25% to PhP1.74 billion from Php1.39 billion in 2014. Our net reservation sales were slightly down at Php8.97 billion. Our flattish sales are quite notable considering we did not launch any new residential projects in fiscal year 2015. The

Robinsons Residences brand contributed the most in terms of net sales reservations comprising 56% of total sales.

Total assets of the Company stood at Php99.07 billion as of September 2015, growing 16% compared to previous year's Php85.37 billion. In February 2015, RLC issued Php12 billion fixed rate bonds with rates of 4.8% per annum for 7-year tenor and 4.9% per annum for 10-year tenor. These borrowing rates are record lows as far as RLC is concerned and even for the JG Summit group. At the end of the fiscal year 2015, debt to equity ratio was at 0.44:1, and net financial debt to equity ratio remained healthy at 0.42:1. Net book value per share increased by 8% to Php13.84 in fiscal year 2015 from Php12.81 in fiscal year 2014.

Our Company's total capital expenditures amounted to Php16.8 billion in fiscal year 2015.

OUTLOOK

We remain optimistic on the growth prospects of our company as we continue to expand all our businesses.

For our **Commercial Centers Division**, we will target to open 4 new malls and expand 1 existing mall in fiscal year 2016. All our locations are carefully selected in the fast-growing cities in the country. We opened our third and largest mall in Cebu City last December 2015 and we will be opening new malls in Tagum City (Davao), General Trias (Cavite) and Iloilo City, and will be expanding our existing mall in San Nicolas, Ilocos Norte. By the end of September 2016, our total leasable space will increase by 15% to 1,260,000 sqm compared to previous year's 1,095,000 sqm. In fiscal year 2017, we plan to add 4 new malls and expand 2 existing malls, resulting to an increase in leasable space by 11% to 1,395,000 sqm.

We continue to be bullish on the growth prospect of our **Office Buildings Division** backed by the robust BPO growth in the country. Since we completed Tera Tower ahead of schedule and have fully leased it out prior to its completion, we will be adding 5% leasable space in fiscal year 2016 with the completion of office spaces within our malls. In fiscal year 2017, we will be completing our first office building in the Bonifacio Global City, Cyber Sigma, adding 15% of office leasable space. In fiscal year 2018, we will be adding 2 new office buildings, Gamma Tower in the Ortigas Central Business District and Exxa Tower in the Bridgetown complex, to our office portfolio. By end of fiscal year 2018, we aim to have a total of approximately 455,000sqm of office leasable space across our 16 office developments.

Frederick D. Go
Director, President and COO

We will be expanding as well our **Hotels Division**. By the end of fiscal year 2016, we will have a total of 15 hotel properties with the addition of Go Hotels in Davao City, increasing our hotel room portfolio by 8% year on year. The most important hotel project in the pipeline is a new hotel under the Westin brand as RLC and the Starwood Group have entered into an agreement for The Westin Manila Sonata Place and The Residences at The Westin Manila Sonata Place, which will be located in the heart of the Ortigas Central Business District. All of our hotel properties are adjacent to our shopping malls or within our mixed-use developments.

We remain conservative but cognizant of the strong demand in our **Residential Division** business. The demand for housing units remains resilient supported by the steady OFW inflows, attractive lending rates, and the availability of mortgage financing from banks. For fiscal year 2016, we are ready to launch approximately Php15 billion worth of project launches in terms of sales value across all our four residential brand segments, namely, Robinsons Luxuria, Robinsons Residences, Robinsons Communities and Robinsons Homes. The actual launch of projects, however, will be phased and dependent on market conditions.

As of fiscal year 2015, our land bank in the country registered a total of 587 hectares. One major land acquisition we made during the year is an 18-hectare property located along Ortigas Avenue Extension in Cainta, Rizal. This will be our largest ever mixed-use urban development. We intend to acquire more land to replenish those used to sustain the current level of development and will continue to selectively participate in government land auctions as the opportunity arises.

In October 2015, we disclosed that we acquired a property in Chengdu, China through a public action by the government. We are quite excited as this is RLC's first international foray. The development plan is to put up a residential development with a minor commercial component. We are currently working on the master plan of this project target pre-selling activities to commence after 2 years.

To date, we have grown our business to 41 shopping centers, 11 office buildings, 14 hotel properties and almost 100 residential projects. With a pipeline in place, RLC continues to be focused on improving and growing its portfolio anchored on our core expertise in shopping malls, office buildings, hotels and residential businesses.

ACKNOWLEDGEMENT

Through the years, we have become one of the leading and most trusted real estate property developers. This is possible because of your support and patronage to RLC. We would like to extend our gratitude to our Board for their guidance, and to our team for their commitment to bring Robinsons Land to where it is now. We would also like to express our sincerest thanks to our shareholders, business partners, patrons and customers who have been with us for all these years and who continue to believe in RLC to build your dreams.

Maraming salamat po.

James L. Go
Chairman

Lance Y. Gokongwei
Director, Vice Chairman and CEO

Frederick D. Go
Director, President and COO

COMMERCIAL CENTERS DIVISION

As one of the largest shopping mall chains in the country, Robinsons Malls continues to delight its customers with fun and exciting shopping experiences. This year saw the opening of 2 new malls, Robinsons Place Las Piñas and Robinsons Place Antique, and 1 mall expansion, Robinsons Novaliches.

Robinsons Place Las Piñas, the first Robinsons Mall in southern Metro Manila, is part of a mixed-use complex in the heart of a bustling neighborhood along Alabang-Zapote Road. With 2 levels of local and global brands and well-loved dining concepts, the compact mall is a convenient alternative to the large commercial developments within the area. The mall's sprawling design incorporates bright interiors with al fresco spaces, creating the perfect indoor and outdoor experience.

Robinsons Malls' 40th mall, Robinsons Place Antique, has been fully leased out since its opening in July 2015. The first phase of the mall brings a new shopping and leisure hotspot to Antiqueños, introducing new brands to the province. Shoppers can expect more stores and attractions with the opening of its second phase in 2017.

The opening of new malls, the full year impact of malls introduced in 2014 and the reopening of Robinsons Place Tacloban fueled the growth in revenues. Robinsons Place Tacloban bounced back with an upbeat financial performance as the community returned to their beloved mall with renewed optimism. The International

Council of Shopping Centers recognized the dedication invested in the Tacloban mall's reopening campaign with a Silver Award for Marketing Excellence, besting other entries from all over Asia Pacific.

Robinsons Galleria Cebu, the newest shopping destination in the Queen City of the South, held its grand opening last December 2015. Incorporating world-class architecture and vibrant indoor landscapes, the six-storey commercial complex houses more than 200 tenants offering an eclectic mix of international, national and local brands showcasing the best of the region. Robinsons Galleria Cebu, as the centerpiece of a well-designed mixed-use development, brings a new and vibrant shopping experience to the Cebuanos, who have complemented it as the nicest mall in town.

The year also saw the move towards clean and renewable energy with the installation of off-grid rooftop solar panels in Robinsons Place Palawan. With Robinsons Malls' commitment to preserving the environment and reducing its carbon footprint, it has continued with installing solar panels for malls in Iloilo, Dumaguete, Roxas and Antique. Plans to install more solar rooftops are underway.

Robinsons Malls is further beefing up its presence outside Metro Manila with the ongoing construction of 4 new provincial malls and 1 mall expansion. These new retail destinations will offer growth opportunities to retailers and local players, while bringing the Robinsons Malls experience throughout the country. Committed to elevating its customers' shopping experience, Robinsons Malls will continue to provide memorable and delightful destinations that will surely be loved by all.

RESIDENTIAL DIVISION

ROBINSONS LUXURIA

Luxuriate: Pampered living, your way.

Robinsons Luxuria continues to provide distinct urban luxury as the brand entered into a contract to build a hotel and branded residences complex with Starwood Hotels and Resorts Worldwide Inc., a global leader in wellness and hospitality management. Located in the heart of the Ortigas Central Business District, The Westin Manila Sonata Place and The Residences at The Westin Manila Sonata Place will mark the Westin brand's first mixed-use development in Southeast Asia.

The first building of Signa Designer Residences, RLC's joint-venture development with Security Land Corporation, continues to deliver a seamless pampered experience to its residents as unit turnover advances. This year also highlights the full operation of the project's retail component showcasing artisanal and gourmet finds such as Starbucks Reserve and Sprout.

ROBINSONS RESIDENCES

CITY LIVING DONE RIGHT

Robinsons Residences demonstrates its "City Living Done Right" mantra through the ease and comfort of efficient living spaces, convenient locations, stress-busting amenities and unique perks and privileges for its residents.

The year 2015 was highlighted with significant construction milestones including the groundbreaking of The Magnolia Residences Tower C and topping-off of The Sapphire Bloc West Tower and Azalea Place in Cebu. Project delivery and turnover commenced for key developments in prime addresses – The Magnolia Residences Tower A, The Trion Towers 2 and Woodsville Residences.

As testament to providing superior quality projects, Robinsons Residences bagged numerous awards and recognitions under both local and international categories.

Robinsons Land Corporation emerged as this year's "Outstanding Developer" (Residential-Vertical) for The Trion Towers, Robinsons Residences' topnotch development in Bonifacio Global City, in the 2015 Property and Real Estate Awards hosted by the International Real Estate Federation (FIABCI) Philippine chapter.

The Sapphire Bloc bagged the "Best Condo Development" (Philippines) and "Best Mid-Range Condo Development" at the 2015 Philippine Property Awards. The project was also honored with the "Best Residential High-Rise Development" (Philippines) award at the Asia Pacific Property Awards.

During the same event, Robinsons Land Corporation's RingRob Concierge, the country's first and only extensive online service request platform exclusive to RLC residents, was recognized by the Asia Pacific Property Awards as a "Highly Commended Marketing Development" (Philippines).

RING•ROB

RESIDENTIAL DIVISION

ROBINSONS COMMUNITIES
Affordable quality condos

Robinsons Communities is the smart home option for emergent young professionals and start-up families looking at buying their first home in a relaxed community setting. Easily accessible locations, amenities ideal for fun family gatherings plus retail conveniences tucked into the development all contribute to a rewarding home experience for the Robinsons Communities homeowner.

This year, comfortable living for Robinsons Communities was taken a notch higher with access to Ring Rob, Robinsons Land's cutting-edge on-line concierge service that liberates one from daily household chores. Through this application, residents are connected to different services, ranging from housekeeping, laundry, carwash, repairs and preventive maintenance, storage, trucking, and online food delivery.

Key project milestones were also achieved for fiscal year 2015. The Pearl Place successfully created a new dining destination in the Ortigas Center, while Escalades South Metro was given a "Highly Commendable" recognition in the Residential Development Category by the 2015 International Property Awards for Asia Pacific. Topping–off for Acacia Escalades Building A, groundbreaking for Chimes Greenhills, and the turnover for Escalades East Tower were among the other highlights for the brand for the year.

In the coming years, Robinsons Communities will continue to skillfully craft blueprints to serve the best deals to its market savvy clientele looking for affordable and quality condo homes.

Robinsons Homes receives satisfaction in building nurturing environments for people who aspire to have their own address, growing families who want to improve their lifestyle and accomplished individuals who deserve the best setting to live in. Dedicated to quality and value, Robinsons Homes offers choice residential lots in master-planned subdivisions in key urbanized cities and provinces nationwide with different sub-brands catering to the unique lifestyle of discerning homebuyers.

Fiscal year 2015 is a year of celebration as Robinsons Homes celebrated its 20th year in the industry and looks towards a brighter future where it continues to provide families the opportunity to start the good life. This year saw the launch of new and elegant house models for the Bloomfields, Brighton and Springdale sub-brands of Robinsons Homes that can truly be called "pamana" (heritage). As part of its plan to expand its reach, it has begun development for future projects in Bacolod and Puerto Princesa.

Robinsons Homes invites homeowners to create lasting memories with those they love and start the good life.

OFFICE BUILDINGS DIVISION

Robinsons Offices is one of the leading developers of office buildings for the outsourcing and offshoring industry as well as for corporate headquarter locators. It offers thriving businesses buildings with world-class engineering designs, strategic locations, and efficient and modern offices that are PEZA registered, making it the preferred address for many of the largest local and international companies expanding in the Philippines.

Built to cater to the most demanding of customers, the buildings are equipped with highly efficient and modern facilities and amenities such as high-speed elevators, 100% back-up power, 24/7 security and surveillance systems, and VRF air conditioning systems. Robinsons Offices also offers large floor plates providing space-efficiency and flexibility in the workplace design.

Robinsons Offices opened its first Pre-Certified Leadership in Energy and Environmental Design (LEED) Gold Core & Shell building, Tera Tower, in Robinsons Land's latest mixed-use complex called Bridgetowne, a PEZA registered I.T. Park located along E. Rodriguez Jr. Avenue (C-5) and Ortigas Avenue in Quezon City. The 20–storey office building is aiming for LEED Gold certification for Core & Shell under the globally recognized U.S. Green Building Council's LEED green building program.

Robinsons Offices currently has 11 completed buildings in its growing portfolio within the main business districts of Metro Manila and Cebu City, namely, Galleria Corporate Center, Robinsons Equitable Tower, Cyberscape Alpha and Cyberscape Beta in the Ortigas Central Business District; Robinsons Summit Center in Makati City; Robinsons Cybergate Plaza and Towers 1, 2, and 3 in Mandaluyong City; Tera Tower on C-5, Quezon City; and Robinsons Cybergate Cebu in Cebu City.

As part of its expansion plans, Robinsons Offices is scheduled to complete 2 office developments in Cebu City, Cebu and San Nicolas, Ilocos Norte by fiscal year 2016. With the robust demand for office spaces, Robinsons Offices launched 2 more projects in fiscal year 2015. Cyberscape Gamma, which has a net leasable area of 45,000 sqm, is located in the Ortigas Central Business District, while the Exxa Tower with a net leasable area of 35,000 sqm is strategically located in its latest I.T. Park, Bridgetowne.

Robinsons Offices is committed to providing an exceptional experience to its tenants as they enjoy easy access to major transportation modes and hubs as well as the convenience of being near shopping malls, residential developments, hotels and other business establishments.

HOTELS DIVISION

Robinsons Hotels and Resorts 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, it has Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria, both managed by the Intercontinental Hotels Group. In the mid-market category, the Summit Hotels and Resorts brand operates Summit Ridge Tagaytay City, Summit Circle Cebu and the recently opened Summit Hotel Magnolia. The third brand segment is the popular Go Hotels that is present in 9 key cities across the Philippines. Summit Hotels and Resorts and Go Hotels are brands owned and managed by RLC. Robinsons Hotels and Resorts offers almost 2,200 rooms to date. Its mission is to build a reputation for great hotels by making every guest's stay a pleasant and positively memorable experience.

SUMMIT HOTELS AND RESORTS

Summit Hotels and Resorts represents the new and powerful collection of unique boutique hotels and resorts that aims to be the top-of-mind choice of business and leisure travelers who appreciate the live-work-play lifestyle. Each hotel is uniquely designed for both local and global travelers looking for strategic locations, better-than-home guest room ambiance, complete facilities for business and social venues, a satisfying culinary experience, wellness facilities and excellent Filipino service at competitive rates.

This year, the first Summit Hotel in Metro Manila, Summit Hotel Magnolia, was opened. As the hotel component of the Magnolia Town Center in Quezon City, Summit Hotel Magnolia delivers with its contemporary-designed guest rooms the live-work-play promise of the complex.

Spurred by the positive response to the company's mid-scale hotel brand and the growing demand in the country for quality venues for business and social events, more Summit Hotels and Resorts are earmarked for development.

GO HOTELS

The first of its kind in the Philippines, Go Hotels aims to be the preferred hotel choice for domestic and foreign travelers seeking value accommodation in the key cities of the Philippines. Serving over 1.4 million guests over the last 5 years, every Go Hotel room is equipped with 5-star quality beds, airconditioning, cable television, a safety deposit box, a private bathroom with hot and cold super showers, Wi-Fi and more. Go Hotels also has meeting facilities in locations where there is high demand for meeting and social venues.

This fiscal year, it opened its first branch in the Mindanao region, Go Hotels Butuan, bringing the total room count of the Go Hotels chain to 1,226. Go Hotels is also present in Mandaluyong, Tacloban, Dumaguete, Bacolod, Puerto Prinsesa, Iloilo, Pasig and Manila.

Over the next years, more Go Hotels will open in major cities of the country by co-locating within the Robinsons Land mixed-use complexes and also through its franchising program.

CORPORATE SOCIAL RESPONSIBILITY

THE GIFT OF CHANGE (TGOC)

The Gift of Change is an annual coin bank campaign started in 1997 that encourages mall shoppers to donate loose change for a greater cause. To date, the campaign has given assistance to 23 communities from all over the Philippines. These include Jaime Cardinal Sin (JCS) Village; Villa Maria Aeta Communities in Angeles; Hearts of Jesus and Mary Parish in Bulacan; Caritas Cavite; Youth Scholarship Program of the Apostolic Vicariate of Puerto Princesa; Sacred Heart Parish, Cebu; and St. John the Evangelist Theology Foundation in Tacloban, among others. To reach out to even more people, more programs were launched during the last quarter of the year such as *Pailaw sa Barangay* and *Libreng Bakuna*. *Pailaw sa Barangay* worked towards a brighter future for every home as LED bulbs were donated to 900 families of JCS Village during a turnover ceremony in Robinsons Place Manila. Through *Libreng Bakuna*, 150 free flu vaccinations were given to indigent beneficiaries of Brgy. Tinajeros, Brgy. Acacia and Brgy. Poterero in Malabon City with the help of doctor volunteers from the city health department.

THE GIFT OF CHANGE: THE GIFT OF SIGHT

Launched in 2015, The Gift of Sight is a program providing free eye screening and prescription eyeglasses to underserved communities, helping beneficiaries have clear eyesight so they can be more efficient in their daily undertakings and have the opportunity to live quality lives. To date, the program has served 1,763 beneficiaries and provided free eyeglasses to communities in Metro Manila, Pangasinan, Bacolod and Dumaguete.

TGOC RELIEF OPERATIONS: GIVING ASSISTANCE TO THE VICTIMS OF TYPHOON LANDO

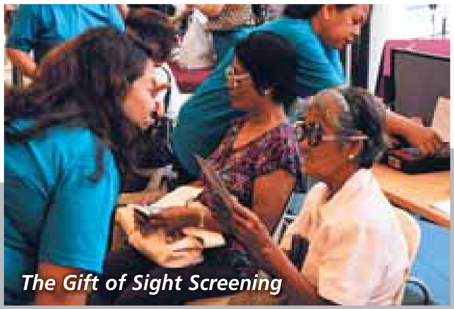
Robinsons Malls is committed to bringing immediate assistance to those who need it the most. Through The Gift of Change relief operations, Robinsons Malls was able to reach out to victims of Typhoon Lando by providing bags of relief goods, toiletries and clothing to the afflicted families in Pangasinan and Pampanga.

ROBINSONS MALLS ENTREP CORNER: CHAMPIONING THE ENTREPRENEURIAL SPIRIT, HONING FUTURE BUSINESS LEADERS

The Robinsons Malls Entrep Corner was established as a platform for college and university students to showcase innovative business ideas and groom them for business operations. The Robinsons Malls Entrep Corner gives them a holistic retail experience by providing prime exhibit spaces, mentorship from industry professionals, marketing and media coverage. Since its launch in 2005, the program has helped over 3,000 students and the number continues to grow. Partner schools include St. Paul University in Quezon City, De La Salle University in Dasmariñas and Lipa, Mapua Institute of Technology and the E.T. Yuchengco School of Business. This year, Ateneo de Manila University and University of Sto. Tomas held their Entrep Corner exhibits at Robinsons Galleria and Silliman University held its 5th Entrep Corner exhibit at Robinsons Place Dumaguete.

ROBINSONS MALLS LINGKOD PINOY CENTER (RMLPC): A DEDICATION TO SERVE THE PUBLIC

Lingkod Pinoy Centers in select Robinsons Malls provide a one-stop shop where many essential government services are conveniently housed under one roof. The center helps citizens securely and comfortably transact with government agencies such as the Social Security System (SSS); Government Service Insurance System



The Gift of Sight Screening

The Gift of Change

Segunda Mana Program

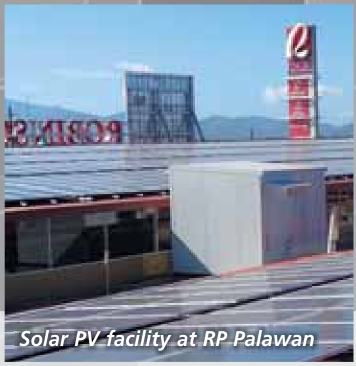
Entrep Corner with Siliman University

COMELEC Voter's Registration at RP Manila

Apolinario Mabini Awards


Typhoon Lando Relief Operations


The Gift of Sight



Solar PV facility at RP Palawan

(GSIS); Land Transportation Office (LTO); Home Development Mutual Fund (PAG-IBIG); Land Registration Authority (LRA); National Bureau of Investigation (NBI); Philippine Health Insurance Corporation (PhilHealth); Department of Foreign Affairs (DFA); Securities and Exchange Commission (SEC); Department of Trade & Industry (DTI); Tourism Infrastructure and Enterprise Zone Authority (TIEZA) and Technical Education and Skills Development Authority (TESDA). This year, Robinsons Malls Lingkod Pinoy Center in partnership with the Commission on Elections (COMELEC) has made it possible to register inside the malls. There are currently 27 Robinsons Malls Lingkod Pinoy Centers nationwide with 6 more set to open next year. To date, Robinsons Malls Lingkod Pinoy Centers have serviced over 14 million Filipinos nationwide.

ROBINSONS MALLS IS A PWD-FRIENDLY MALL

Robinsons Malls was recognized by the Philippine Foundation for the Rehabilitation of the Disabled as it awarded the Bronze Compliance Apolinario Mabini Awards to Robinsons Place Pangasinan, Robinsons Place Las Piñas and Robinsons Place Palawan. These malls were recognized as Disabled-Friendly Establishments of the Year by the Apolinario Mabini Awards held in the Malacañang Palace. Robinsons Malls proved its passion for customer service by incorporating architectural features and facilities accessible to people with disabilities, creating ease and comfort in their malling experience.

ROBINSONS HOTELS AND RESORTS PARTNERS WITH CARITAS MANILA

Go Hotels and Summit Hotels and Resorts, under Robinsons Land's Hotels and Resorts division, are proud to commit their support to Caritas Manila's Youth Leadership & Education Program (YSLEP). YSLEP provides financial and scholastic assistance to scholars and trains and hones the youth to be exemplary in academic, social and spiritual aspects. YSLEP is sustained through various activities, one of which is Segunda Mana, the donations-in-kind program of Caritas Manila. Proceeds from Segunda Mana are channeled to YSLEP to provide further financial assistance to their students. Through Segunda Mana, items no longer being used from the different branches of Go Hotels and Summit Hotels and Resorts will be donated to fund the YSLEP.

ENVIRONMENTAL SUSTAINABILITY PROGRAMS

RLC installs off-grid solar panels

RLC continues its strong stand in helping preserve the environment by embarking on a renewable energy program to install off-grid rooftop solar PV (photo voltaic) panels on feasible malls nationwide. This development of clean energy will not only aid in addressing the looming power shortage by reducing energy consumption from the grid but will also serve as the company's contribution to be part of the global solution to avert global warming and lessen our country's dependence on imported fossil fuels. To jumpstart the program, RLC installed a solar PV system in Robinsons Place Palawan this year. Robinsons Iloilo also inaugurated its solar PV system in December 2015. Installations of systems are ongoing in RLC's malls in Dumaguete, Roxas and Antique, targeted for completion in the early part of 2016. Robinsons Novaliches will be the first RLC mall in Metro Manila to be fitted with solar PV system and is expected to be operational by 2016. Plans to roll out more solar PV systems in both existing and future malls are underway.

Energy Conservation Program (ENERCON)

The ENERCON program is implemented in all RLC projects, involving simple but highly effective energy measures such as purchasing low energy consumption equipment. RLC has also invested in new technology, including ozone-friendly refrigerants, which prevent further ozone depletion. Airconditioning systems in older malls are being upgraded to automated, energy-efficient equipment. LED lighting fixtures are also now widely used in Robinsons Malls with existing malls being retrofitted.

Non-chemical Water Treatment Program

In certain malls, no chemicals are used in the treatment of condenser water in cooling towers. This means that no harmful chemicals are released which could contaminate ground and other water sources, resulting in more efficient recycling of wastewater.

Wastewater Recovery Program

RLC recognizes the importance of the intelligent use of water resources. Through this program, wastewater is treated, filtered and reused; leading to zero wastewater discharge to public sewer. Several RLC hotels and malls now use 100% recycled wastewater for their toilets and irrigation requirements. Good water quality is ensured through monthly testing by RLC's Corporate Laboratory which is accredited by DENR and recognized by DOH. In addition to this, several malls collect rainwater for the mall's use.

BOARD OF DIRECTORS

John L. Gokongwei, Jr.
Chairman Emeritus

James L. Go
Chairman

Lance Y. Gokongwei
Director, Vice Chairman & CEO

Frederick D. Go
Director, President & COO

Robina Y. Gokongwei-Pe
Director

Patrick Henry C. Go
Director

Johnson Robert G. Go, Jr.
Director

Chief Justice Artemio V. Panganiban *(Ret.)*
Director

Roberto F. De Ocampo
Director

Emmanuel C. Rojas, Jr.
Director

Omar Byron T. Mier
Director

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 8, 2016

Securities and Exchange Commission
SEC Building, EDSA, Greenhills
Mandaluyong City

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements for the year(s) ended September 30, 2015, 2014 and 2013, 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

Constante T. Santos
SVP – Corporate Controller

Signed this JAN 12 2016 day of ______.

ATTY. BENJAMIN F. ALFONSO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2016
PTR NO. 2147797 1/4/2016 - QUEZON CITY
IBP NO. 1015954 1/4/2016 - QUEZON CITY
ROLL NO. 13296
COMMISSION NO. NP-144 (2015-2016) QUEZON CITY
TIN NO. 177-967-619
MCLE EXEMPTED

Doc. No. 241;
Page No. 49;
Book No. 10A;
Series of 2016

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, Metromanila

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, 2015 and 2014 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, 2015, 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.

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, 2015 and 2014 and their financial performance and their cash flows for each of the three years in the period ended September 30, 2015, 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. 5321703, January 4, 2016, Makati City

January 8, 2016

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20, 31 and 32)	**₱1,192,954,018**	₱1,054,955,189
Receivables (Notes 5, 8, 20, 31 and 32)	**5,020,966,811**	3,983,874,197
Subdivision land, condominium and residential units for sale (Notes 5 and 9)	**15,474,711,341**	15,174,707,862
Other current assets (Notes 5, 10, 31 and 32)	**3,947,155,835**	3,157,760,954
Total Current Assets	**25,635,788,005**	23,371,298,202
Noncurrent Assets		
Noncurrent receivables (Notes 5, 8, 20, 31 and 32)	**2,708,934,759**	2,715,423,991
Investment properties (Notes 5 and 11)	**64,015,563,680**	54,855,468,262
Property and equipment (Notes 5 and 12)	**3,507,217,416**	3,121,744,886
Other noncurrent assets (Notes 5, 13, 31 and 32)	**3,200,637,142**	1,305,479,943
Total Noncurrent Assets	**73,432,352,997**	61,998,117,082
	₱99,068,141,002	₱85,369,415,284
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 16, 31 and 32)	**₱3,048,897,460**	₱8,101,450,000
Accounts payable and accrued expenses (Notes 14, 31 and 32)	**5,904,742,249**	5,661,547,834
Income tax payable	**695,427,560**	222,122,991
Deposits and other current liabilities (Notes 15, 20, 31 and 32)	**3,310,858,559**	2,601,624,799
Total Current Liabilities	**12,959,925,828**	16,586,745,624
Noncurrent Liabilities		
Loans payable (Notes 16, 31 and 32)	**21,833,056,539**	9,920,301,468
Deferred tax liabilities - net (Note 27)	**2,336,240,033**	1,974,212,221
Deposits and other noncurrent liabilities (Notes 17, 29, 31 and 32)	**5,144,338,426**	4,318,054,882
Total Noncurrent Liabilities	**29,313,634,998**	16,212,568,571
Total Liabilities	**42,273,560,826**	32,799,314,195
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	**(87,597,873)**	(87,597,873)
Other comprehensive income		
Remeasurements of the net defined benefit liability - net of tax (Note 29)	**(76,401,362)**	(73,626,667)
Retained earnings (Note 18)		
Unappropriated	**15,541,979,334**	11,316,048,848
Appropriated	**17,000,000,000**	17,000,000,000
Treasury stock (Note 19)	**(221,834,657)**	(221,834,657)
	56,660,206,908	52,437,051,117
Non-controlling interest in consolidated subsidiaries	**134,373,268**	133,049,972
	56,794,580,176	52,570,101,089
	₱99,068,141,002	₱85,369,415,284

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended September 30		
	2015	2014	2013
REVENUE (Notes 6 and 21)			
Real Estate Operations			
Rental income (Notes 11 and 20)	**₱9,287,978,214**	₱7,956,129,097	₱7,417,282,135
Real estate sales	**6,313,458,917**	5,646,638,459	5,300,508,087
Amusement income	**1,531,671,101**	1,259,795,201	1,016,315,050
Others	**853,589,092**	654,864,078	673,589,978
	17,986,697,324	15,517,426,835	14,407,695,250
Hotel Operations	**1,745,849,675**	1,533,748,393	1,496,797,769
	19,732,546,999	17,051,175,228	15,904,493,019
COSTS (Notes 6 and 22)			
Real Estate Operations			
Cost of rental services	**3,444,107,903**	3,013,142,880	2,690,490,080
Cost of real estate sales (Note 9)	**3,207,254,788**	3,071,340,402	3,060,144,718
Cost of amusement services	**694,919,851**	575,239,755	485,315,516
Others	**489,023,816**	403,144,880	327,734,935
	7,835,306,358	7,062,867,917	6,563,685,249
Hotel Operations	**1,292,572,691**	1,174,094,303	1,156,363,383
	9,127,879,049	8,236,962,220	7,720,048,632
	10,604,667,950	8,814,213,008	8,184,444,387
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6 and 23)	**3,050,178,736**	2,572,474,729	2,202,226,146
OPERATING INCOME	**7,554,489,214**	6,241,738,279	5,982,218,241
OTHER INCOME (LOSSES)			
Interest income (Note 26)	**39,347,029**	14,634,631	113,397,276
Interest expense (Notes 16 and 26)	**(5,288,926)**	–	(14,097,197)
Mark to market loss on derivative assets (Note 31)	**–**	–	(90,143,152)
	34,058,103	14,634,631	9,156,927
INCOME BEFORE INCOME TAX	**7,588,547,317**	6,256,372,910	5,991,375,168
PROVISION FOR INCOME TAX (Note 27)	**1,887,514,489**	1,521,473,093	1,514,556,462
NET INCOME	**5,701,032,828**	4,734,899,817	4,476,818,706
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements of the net defined benefit liability (Note 29)	**(3,963,850)**	7,159,184	(49,077,326)
Income tax effect	**1,189,155**	(2,147,755)	14,723,198
TOTAL COMPREHENSIVE INCOME	**₱5,698,258,133**	₱4,739,911,246	₱4,442,464,578
Net Income Attributable to:			
Equity holders of Parent Company	**₱5,699,709,532**	₱4,737,013,328	₱4,478,403,024
Non-controlling interest in consolidated subsidiaries	**1,323,296**	(2,113,511)	(1,584,318)
	₱5,701,032,828	₱4,734,899,817	₱4,476,818,706
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱5,696,934,837**	₱4,742,024,757	₱4,444,048,896
Non-controlling interest in consolidated subsidiaries	**1,323,296**	(2,113,511)	(1,584,318)
	₱5,698,258,133	₱4,739,911,246	₱4,442,464,578
Basic/Diluted Earnings Per Share (Note 28)	**₱1.39**	₱1.16	₱1.09

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	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 1)	Other Comprehensive Income (Note 29)	Unappropriated Retained Earnings (Notes 1 and 18)	Appropriated Retained Earnings (Note 18)		
	For the Year Ended September 30, 2015								
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**

	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 1)	Other Comprehensive Income (Note 29)	Unappropriated Retained Earnings (Notes 1 and 18)	Appropriated Retained Earnings (Note 18)		
	For the Year Ended September 30, 2014								
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

	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 1)	Other Comprehensive Income (Note 29)	Unappropriated Retained Earnings (Notes 1 and 18)	Appropriated Retained Earnings (Note 18)		
	For the Year Ended September 30, 2013								
Balances at beginning of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	₱–	(₱44,283,968)	₱11,542,689,389	₱10,500,000,000	₱227,749,000	₱46,508,381,230
Comprehensive income									
Net income	–	–	–	–	–	4,478,403,024	–	(1,584,318)	4,476,818,706
Other comprehensive income	–	–	–	–	(34,354,128)	–	–	–	(34,354,128)
Total comprehensive income	–	–	–	–	(34,354,128)	4,478,403,024	–	(1,584,318)	4,442,464,578
Incorporation of a subsidiary (Note 1)	–	–	–	–	–	–	–	24,500,000	24,500,000
Reversal of appropriation (Note 18)	–	–	–	–	–	10,500,000,000	(10,500,000,000)	–	–
Appropriation (Note 18)	–	–	–	–	–	(11,200,000,000)	11,200,000,000	–	–
Acquisition of non-controlling interest	–	–	–	(87,597,873)	–	5,501,199	–	(115,501,199)	(197,597,873)
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)	(₱78,638,096)	₱13,852,814,566	₱11,200,000,000	₱135,163,483	₱49,303,968,889

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱7,588,547,317**	₱6,256,372,910	₱5,991,375,168
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 22, and 24)	**3,150,437,260**	2,731,972,693	2,458,900,922
Accretion expense on security deposits (Notes 15 and 26)	**63,905,363**	78,279,804	58,504,429
Interest expense on loans payable (Note 26)	**5,288,926**	–	14,097,197
Loss on retirement of investment properties and property and equipment (Notes 11 and 12)	**12,750**	324,018,712	63,912,586
Mark to market loss on derivative assets (Note 31)	**–**	–	90,143,152
Provision for impairment losses (Notes 8 and 23)	**–**	–	167,188
Interest income (Notes 21 and 26)	**(580,755,622)**	(513,959,506)	(590,683,523)
Operating income before working capital changes	**10,227,435,994**	8,876,684,613	8,086,417,119
Decrease (increase) in:			
Receivables - trade	**(1,029,716,677)**	(1,647,765,560)	(589,125,031)
Subdivision land, condominium and residential units for sale	**(773,883,181)**	(1,393,081,568)	(1,028,462,520)
Prepaid expenses and value-added input tax	**(133,404,192)**	(636,849,482)	95,446,457
Other current assets	**(37,935,575)**	729,821,292	(460,757,709)
Increase (decrease) in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**1,110,913,927**	985,452,905	10,254,307
Net pension liabilities	**36,669,861**	34,833,887	(43,509,466)
Customers' deposits	**685,769,144**	389,238,067	424,978
Cash generated from operations	**10,085,849,301**	7,338,334,154	6,070,688,135
Interest received from installment contract receivables (Notes 21 and 26)	**541,408,593**	499,324,875	477,286,247
Income tax paid	**(1,052,182,108)**	(1,246,860,762)	(857,331,961)
Net cash flows provided by operating activities	**9,575,075,786**	6,590,798,267	5,690,642,421
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from cash and short-term investments	**39,275,826**	14,617,135	121,853,006
Decrease (increase) in:			
Receivables from affiliated companies (Notes 8 and 20)	**(815,502)**	(272,007)	13,332,804
Advances to suppliers and contractors (Notes 10 and 13)	**(1,517,400,009)**	(494,045,948)	(1,568,573)
Other noncurrent assets	**(1,539,044,096)**	(95,339,495)	(207,892,792)
Advances to lot owners	**475,054,329**	(395,611,155)	(375,800,497)
Additions to:			
Investment properties (inclusive of capitalized borrowing cost) (Notes 11and 35)	**(11,902,649,055)**	(9,045,673,756)	(8,428,831,615)
Property and equipment (Notes 12 and 35)	**(635,124,068)**	(587,097,540)	(673,566,135)
Cash received from noncontrolling interest for newly incorporated subsidiary	**–**	–	24,500,000
Purchase of noncontrolling interest (Note 1)	**–**	–	(197,597,873)
Net cash flows used in investing activities	**(15,080,702,575)**	(10,603,422,766)	(9,725,571,675)

(Forward)

	Years Ended September 30		
	2015	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans payable (Note 16)	**₱12,000,000,000**	₱10,000,000,000	₱–
Availment of short-term loans (Note 16)	**3,048,897,460**	8,101,450,000	2,678,400,000
Increase (decrease) in payable to affiliated companies and other liabilities (Note 15)	**211,582,612**	147,680,169	98,011,616
Interest paid and expensed out	**69,038,405**	(34,074,420)	(64,582,191)
Payments of loans payable (Note 16)	**–**	(10,000,000,000)	(2,000,000,000)
Payments of debt issue cost (Note 16)	**(111,924,327)**	(79,698,532)	–
Payments of cash dividends (Note 18)	**(1,472,518,532)**	(1,470,911,440)	(1,473,241,143)
Payments of short-term loans (Note 16)	**(8,101,450,000)**	(2,678,400,000)	–
Net cash flows provided by (used in) financing activities	**5,643,625,618**	3,986,045,777	(761,411,718)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**137,998,829**	(26,578,722)	(4,796,340,972)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,054,955,189**	1,081,533,911	5,877,874,883
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱1,192,954,018**	₱1,054,955,189	₱1,081,533,911

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 will collectively be 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.

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.

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, 2015 and 2014 and for each of the three years in the period ended September 30, 2015 were authorized for issue by the Parent Company's Board of Directors (BOD) on January 8, 2016.

2. Basis of Preparation

The consolidated financial statements have been prepared under the historical cost convention method 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 compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as of September 30, 2015 and 2014, and for each of the three years in the period ended September 30, 2015.

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.

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

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.

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 assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained

- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

As of September 30, 2015, 2014 and 2013, the consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries:

	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.	Phillippines	100%
Robinson's Land (Cayman), Ltd.	Cayman Islands	100%
Altus Angeles, Inc. (AAI)	Philippines	51%
Altus San Nicolas Corporation (ASNC)	Philippines	100%
GoHotels Davao, Inc.	Philippines	51%
RLC Resources Ltd.	British Virgin Island	100%
Kingdom Pacific Ltd.	Hong Kong	100%
Land Century Holdings Ltd.	Hong Kong	100%
World Century Enterprise Ltd.	Hong Kong	100%
Crown Harbour Holdings Ltd.	Hong Kong	100%
First Capital Development Ltd.	Hong Kong	100%

As of September 30, 2015, 2014 and 2013, the Group has no subsidiary with 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 following new and amended PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations which became effective on October 1, 2014. Except as otherwise indicated, the adoption of these new accounting standards and amendments have no material impact on the Group's consolidated financial statements.

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

- Investment Entities (Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 27, *Separate Financial Statements*)
  These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments must be applied retrospectively, subject to certain transition relief.

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments)
  PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the

period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. It is not expected that this amendment would be relevant to the Group, since the Group has no defined benefit plans with contributions from employees or third parties.

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)
  These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively.

- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
  These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required.

- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)
  These amendments remove the unintended consequences of PFRS 13, *Fair Value Measurement*, on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period.

- Philippine Interpretation IFRIC 21, *Levies* (IFRIC 21)
  IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. The adoption of this interpretation did not impact the Group because it has been applying the same principle contained in this interpretation in current and past transactions.

<u>Annual Improvements to PFRSs (2010-2012 cycle)</u>
The Annual Improvements to PFRSs (2010-2012 cycle) are effective for annual periods beginning on or after July 1, 2014 and are not expected to have a material impact on the Group. They include:

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
  - A performance condition must contain a service condition
  - A performance target must be met while the counterparty is rendering service
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
  - A performance condition may be a market or non-market condition
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39, *Financial Instruments: Recognition and Measurement*. The Group shall consider this amendment for future business combinations.

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  The amendments are applied retrospectively and clarify that:
  - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
  - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
  The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- PAS 24, *Related Party Disclosures - Key Management Personnel*
  The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

<u>Annual Improvements to PFRSs (2011-2013 cycle)</u>
The Annual Improvements to PFRSs (2011-2013 cycle) are effective for annual periods beginning on or after July 1, 2014 and are not expected to have a material impact on the Group. They include:

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
  - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
  - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*
  The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.

- PAS 40, *Investment Property*
  The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

New standards and interpretations issued but not yet effective
The Group will adopt the following standards and interpretations when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*
  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts* or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

  The adoption of this interpretation may significantly affect the determination of the Group's revenue from real estate sales and the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings account.

Effective January 1, 2016

- PAS 1, *Presentation of Financial Statements - Disclosure Initiatives*
  The amendments clarify, rather than significantly change, existing PAS 1 requirements. The amendments clarify:
  - The materiality requirements in PAS 1
  - That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
  - That entities have flexibility as to the order in which they present the notes to financial statements
  - That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

  Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments)
  The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments)
  The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the agricultural amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments)
  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

- PFRS 10, 12 and PAS 28, *Investment Entities - Applying the Consolidation Exception*
  The amendments address issues that have arisen in applying the investment entities exception under PFRS 10. The amendments to PFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

  Furthermore, the amendments to PFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to PAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments)
  The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- PFRS 14, *Regulatory Deferral Accounts*
  PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.

Annual Improvements to PFRSs (2012-2014 cycle)
The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that

the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - regional market issue regarding discount rate*
  This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report'*
  The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

<u>Effective January 1, 2018</u>

- PFRS 9, *Financial Instruments* (2014 or final version)
  In July 2014, the IASB issued the final version of PFRS 9, *Financial Instruments* that replaces PAS 39, *Financial Instruments: Recognition and Measurement* and all previous versions of PFRS 9. PFRS 9 brings together all three aspects of the accounting for financial instruments project: 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. Except for 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 adoption of PFRS 9 is not expected to have any significant impact on the Group's financial statements.

<u>The following new standard issued by the IASB has not yet been adopted by FRSC, BOA and PRC</u>

- IFRS 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 and 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 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 with early adoption permitted. The Group is engaged in selling activities of real estate projects while construction is still in progress or even before it has started. The standard is expected to impact the revenue recognition of on these pre-completed real estate sales whether revenue will be recognized at a point-in-time or over time. If there will be a change in revenue recognition, this will also impact the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings account.

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. In arrangements where the Group is acting as principal to its customers, revenue is recognized on a gross basis. However, if the Group is acting as an agent to its customers, only the amount of net commission retained is recognized as revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Rental income
The Group leases its commercial real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term 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 full accrual method. In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1, the percentage of completion 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, 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 costs incurred or to be incurred can be measured reliably. Under this 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. Other income from receipts of association dues, penalties from tenants and real estate buyers are recognized when they are received.

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.

Other income incidental to real estate sales are from receipts of penalties from real estate buyers and forfeitures from cancelled sales. These other income are recognized when they are received and are included under the line item ‘Others’ within Real Estate Operations in the consolidated statement of comprehensive income.

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 that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

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.

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
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 and measurement
Financial assets within the scope of PAS 39 are classified as either financial assets at FVPL, loans and receivables, HTM investments and AFS financial assets, as appropriate. Financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and the Group determines the classification of the financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All financial instruments are recognized initially at fair value plus, in the case of investments not at FVPL, directly attributable transaction costs.

The Group's financial instruments are of the nature of loans and receivables and other financial liabilities at amortized cost as of September 30, 2015 and 2014.

'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.

Loans and Receivables
Loans and receivables are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the EIR method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR.

The amortization is included in the "Real estate sales" in the consolidated statement of comprehensive income. The losses arising from impairment of such loans and receivables are recognized in the "General and administrative expenses" in the consolidated statement of comprehensive income.

The Group's loans and receivables include cash and cash equivalents, receivables and refundable utility deposits included under "Other current and noncurrent assets".

Financial assets and financial liabilities at FVPL

Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading purposes, derivative instruments, or those designated by management upon initial recognition as at FVPL, subject to any of the following criteria:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or

- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or

- the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets and financial liabilities at FVPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are reflected in the consolidated statement of comprehensive income. Interest earned or incurred is recorded in interest income or expense, respectively.

The Group's financial asset at FVPL consists of derivative asset that already matured in 2013. As of September 30, 2015 and 2014, the Group has no financial asset and liability at FVPL.

Derivative Financial Instruments

Derivative financial instruments (including bifurcated embedded derivatives), if any, are initially recognized at fair value on the date at which the derivative contract is entered into and is subsequently remeasured at fair value. Any gains or losses arising from changes in fair value of the derivative (except those accounted for as accounting hedges) is taken directly to the consolidated statement of comprehensive income as "Mark to market loss on derivative assets" under "Other income (losses)". The derivative is carried as asset when the fair value is positive and as liability when the fair value is negative.

The Group's interest rate swap agreement entered in 2008 with an international bank to hedge its interest rate exposure on Inverse Floating Rate Notes matured on June 6, 2013. The Group has no outstanding derivative financial instrument as of September 30, 2015 and 2014.

Embedded Derivatives

An embedded derivative is separated from the host financial or non-financial contract and accounted for as a derivative if all of the following conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristic of the host contract;

- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid or combined instrument is not recognized at FVPL.

The Group assesses whether embedded derivatives are required to be separated from host contracts when the Group first becomes a party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Embedded derivatives that are bifurcated from the host contracts are accounted for as financial assets or liabilities at FVPL. Changes in fair values are included in the consolidated statement of comprehensive income.

The Group has no embedded derivatives requiring bifurcation as of September 30, 2015 and 2014.

AFS Financial Assets
AFS financial assets are those which are designated as such and are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. AFS financial assets include equity securities.

After initial measurement, AFS financial assets are measured at fair value. The unrealized gains and losses arising from the fair valuation of AFS financial assets are excluded from reported earnings and are reported in the consolidated statement of financial position and consolidated statement of changes in equity.

When the security is disposed of, the cumulative gain or loss previously recognized in the consolidated statement of changes in equity is recognized in the consolidated statement of comprehensive income. Where the Group holds more than one investment in the same security, these are deemed to be disposed of on a first-in first-out basis. Dividends earned in AFS financial assets are recognized in the consolidated statement of comprehensive income when right to receive payment has been established. The losses arising from impairment of such investments are recognized in the consolidated statement of comprehensive income.

As of September 30, 2015 and 2014, the Group has no AFS financial assets.

HTM Investments
HTM investments are quoted nonderivative financial assets with fixed or determinable payments and fixed maturities for which management has the positive intention and ability to hold to maturity. Where the Group sells other than an insignificant amount of HTM investments, the entire category would be tainted and reclassified as AFS financial assets. After initial measurement, these investments are measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

The amortization is included in interest income in the consolidated statement of income. Gains and losses are recognized in the consolidated statement of income under "Other income (losses)" when the HTM investments are derecognized and impaired, as well as through the amortization process. As of September 30, 2015 and 2014, the Group has no HTM investments.

Other Financial Liabilities
All financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, other financial liabilities are

subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized or impaired, as well as through the amortization process.

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".

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 shall be applied against the total contract price as the contractual obligation of the real estate buyers has begun. 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.

Classification of Financial Instruments between Debt and Equity

A financial instrument is classified as debt, if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount, after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

The Group has no financial instruments that contain both liability and equity elements.

Impairment of Financial Assets

The Group assesses at each reporting date whether a financial or group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event (or events) 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 borrower or a group of borrowers 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 where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables
The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If there is an 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 Group considers in its assessment if impairment exist the fact that title of the real estate properties will only transfer to the buyer if the receivables are fully settled and paid.

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.

The carrying amount of the asset is reduced through the use of an allowance for impairment loss account. The amount of the loss shall be recognized in the consolidated 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 consolidated statement of comprehensive income, to the extent that the carrying value of the asset does not exceed what would have been the amortized cost at the reversal date.

Derecognition of Financial Assets and Liabilities
Financial assets
A financial asset (or where applicable, a part of a group of financial assets) is derecognized when:

- the rights to receive cash flows from the assets have expired;
- the Group has transferred its right 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.

Where the Group has transferred the rights to receive cash flows from an asset or has entered into a pass-through arrangement 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 Group’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 Group could be required to repay.

Financial liabilities
Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or 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 consolidated statement of comprehensive income.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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, amounts paid to contractors for the costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, 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.

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.

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.

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.

Equity

Capital stock is measured at par value for all shared 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.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares.

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.

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 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 carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from excess MCIT and unused NOLCO 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 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. All remeasurements recognized in "Other Comprehensive Income and "Remeasurements of the net defined benefit liability" are not reclassified to another equity account 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.

Costs and General and Administrative Expenses 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 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. The commission expense is recognized upon receipt of down 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 under the deferred cash payment arrangement.

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 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.

Borrowing Costs
Interest and other related financing charges on borrowed funds used to finance the construction of a qualifying asset (included under Subdivision land, condominium and residential units for sale,

Investment properties and Property and equipment accounts) are capitalized to the appropriate asset accounts. Capitalization of borrowing costs commences when the expenditures and borrowing costs are being incurred during the construction and related activities necessary to prepare the asset for its intended use are in progress. It is suspended during extended periods in which active development is interrupted and ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. The capitalization is based on the weighted average borrowing cost.

The borrowing costs capitalized as part of investment properties and property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The borrowing cost capitalized as part of subdivision land, condominium and residential units for sale are expensed when the related assets are sold.

If after capitalization of the borrowing costs, the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded in the consolidated statement of comprehensive income. Interest expense on loans and borrowings is recognized using the EIR method over the term of the loans and borrowings.

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 preb 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.

Foreign Currency Transactions and Translation

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 consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities in their respective functional currencies at the foreign exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated using the closing foreign exchange rate prevailing at the reporting date. All differences are charged to profit or loss in the consolidated statement of comprehensive income.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As of reporting date, the assets and liabilities of foreign subsidiaries, with functional currencies other than the functional currency of the Parent Company, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and their respective income and expenses are translated at the monthly weighted average exchange rates for the year.

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.

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

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which 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 commercial property leases. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased item are not transferred to the Group.

Operating lease commitments - Group as lessor
The Group has entered into commercial 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 commercial 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. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense on these matters and is based upon an analysis 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 estimates 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 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, 2015, 2014 and 2013, the real estate sales amounted to ₱6,313 million, ₱5,647 million and ₱5,301 million, respectively while cost of sales amounted to ₱3,207 million, ₱3,071 million and ₱3,060 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):

	2015	2014
Receivables	**₱7,775,943,787**	₱6,745,340,405
Allowance for impairment losses	**46,042,217**	46,042,217

Fair values of financial assets and financial liabilities
The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates), the amount of changes in fair value would differ if the Group utilized different valuation

methodologies. Any changes in fair value of these financial assets and financial liabilities would affect directly the consolidated statement of comprehensive income (see Note 32).

Where the fair values of certain financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using 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.

As of September 30, 2015 and 2014, the Group has no financial assets and financial liabilities classified under FVPL.

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:

	2015	2014
Investment properties, excluding land (Note 11)		
Cost	**₱58,400,974,146**	₱52,603,256,168
Accumulated depreciation and amortization	**21,341,700,039**	18,778,960,678
Property and equipment (Note 12)		
Cost	**8,074,510,249**	7,107,663,534
Accumulated depreciation and amortization	**4,567,292,833**	3,985,918,648

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 the 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, 2015 and 2014, the Group's subdivision land, condominium and residential units for sale amounted to ₱15,475 million and ₱15,175 million, respectively (see Note 9).

Impairment of nonfinancial assets
Assessing investment properties and property and equipment for impairment includes considering certain indications of impairment such as significant changes in asset usage, significant decline in market value and obsolescence or physical damage of an asset. If such indications are present, and where the carrying amount of the asset exceeds the recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

In 2014, certain investment properties with total carrying value of P=297 million were written off as losses due to typhoons Yolanda and Glenda and Galleria Mall fire (see Note 11).

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, 2015 and 2014 amounted to ₱716 million and ₱653 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 AAI amounting to ₱3 million and ₱7 million as of September 30, 2015 and 2014, respectively. The related deferred tax assets amounted to ₱1 million and ₱2 million as of September 30, 2015 and 2014, respectively.

As of September 30, 2015 and 2014, the Group operates a hotel which enjoys 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 mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

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, 2015 and 2014, the Group's present value of defined benefit obligations is shown in Note 29.

Recoverability of claims receivable
The Group recognized the remaining claims receivable from typhoon damages and mall fire as receivable with a corresponding gain recorded in the consolidated statements of comprehensive income. Management has determined that the collectability of the remaining claim is virtually certain considering the history of the recoverability of past claims, partial settlement received and the status of discussion with insurance companies (see Note 26).

6. **Operating Segment**

Business Segment

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 income tax, and earnings before income tax, depreciation and amortization (EBITDA). The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

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:

	2015					
	Commercial Center Division	**Residential Division**	**Office Buildings Division**	**Hotel Division**	**Intersegment Eliminating Adjustments**	**Consolidated**
Revenue						
Segment revenue	**₱9,121,959,902**	**₱6,623,206,759**	**₱2,241,530,663**	**₱1,745,849,675**	**₱–**	**₱19,732,546,999**
Intersegment revenue	**54,830,516**	**–**	**–**	**–**	**(54,830,516)**	**–**
Total Revenue	**9,176,790,418**	**6,623,206,759**	**2,241,530,663**	**1,745,849,675**	**(54,830,516)**	**19,732,546,999**
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	**6,203,685,851**	**1,776,413,264**	**2,105,912,114**	**618,915,245**	**–**	**10,704,926,474**
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	**₱3,787,528,583**	**₱1,742,032,770**	**₱1,571,650,877**	**₱453,276,984**	**₱–**	**₱7,554,489,214**
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						**₱12,791,561,899**
Additions to subdivision land, condominium and residential units for sale						**₱3,981,137,969**

	2014					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱8,104,816,189	₱5,868,359,025	₱1,544,251,621	₱1,533,748,393	₱–	₱17,051,175,228
Intersegment revenue	46,797,332	–	–	–	(46,797,332)	–
Total Revenue	8,151,613,521	5,868,359,025	1,544,251,621	1,533,748,393	(46,797,332)	17,051,175,228
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
Earnings before interest, taxes and depreciation and amortization	5,552,396,079	1,418,221,379	1,476,834,736	526,258,778	–	8,973,710,972
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	₱1,388,388,771	₱1,047,089,169	₱359,654,090	₱–	₱6,241,738,279
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

	2013					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱7,389,804,470	₱5,577,468,900	₱1,440,421,880	₱1,496,797,769	₱–	₱15,904,493,019
Intersegment revenue	50,269,073	–	–	–	(50,269,073)	–
Total Revenue	7,440,073,543	5,577,468,900	1,440,421,880	1,496,797,769	(50,269,073)	15,904,493,019
Costs and expenses						
Segment costs and expenses	2,314,819,422	4,124,539,439	54,218,321	969,796,674	–	7,463,373,856
Intersegment costs and expenses	–	50,269,073	–	–	(50,269,073)	–
Total Costs and expenses	2,314,819,422	4,174,808,512	54,218,321	969,796,674	(50,269,073)	7,463,373,856
Earnings before interest, taxes and depreciation and amortization	5,125,254,121	1,402,660,388	1,386,203,559	527,001,095	–	8,441,119,163
Depreciation and amortization (Notes 22 and 24)	1,861,166,943	34,391,083	376,776,187	186,566,709	–	2,458,900,922
Operating income	₱3,264,087,178	₱1,368,269,305	₱1,009,427,372	₱340,434,386	₱–	₱5,982,218,241
Assets and Liabilities						
Segment assets	₱39,844,678,878	₱24,589,855,391	₱8,164,696,030	₱2,286,822,397	₱–	₱74,886,052,696
Investment in subsidiaries - at cost	800,287,546	–	–	–	(800,287,546)	–
Total segment assets	₱40,644,966,424	₱24,589,855,391	₱8,164,696,030	₱2,286,822,397	(₱800,287,546)	₱74,886,052,696
Total segment liabilities	₱19,273,308,125	₱4,923,825,778	₱952,648,213	₱432,301,691	₱–	₱25,582,083,807
Other segment information:						
Capital expenditures						₱9,102,397,750
Additions to subdivision land, condominium and residential units for sale						₱4,088,607,238

The revenue of the Group consists mainly of sales to external customers. Inter-segment revenue accounted for under PFRS and on an arm's length basis arising from lease arrangements amounting ₱55 million, ₱47 million and ₱50 million in 2015, 2014 and 2013, respectively, are eliminated in consolidation.

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 ₱1,877 million, ₱1,630 million and ₱1,472 million in 2015, 2014 and 2013, respectively.

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	2015	2014	2013
EBITDA	**₱10,704,926,474**	₱8,973,710,972	₱8,441,119,163
Depreciation and amortization (Note 24)	**(3,150,437,260)**	(2,731,972,693)	(2,458,900,922)
Other income - net	**34,058,103**	14,634,631	9,156,927
Income before income tax	**₱7,588,547,317**	₱6,256,372,910	₱5,991,375,168

7. Cash and Cash Equivalents

	2015	2014
Cash on hand and in banks	**₱597,003,967**	₱492,007,143
Short-term investments	**595,950,051**	562,948,046
	₱1,192,954,018	₱1,054,955,189

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 0.38% to 1.25%, 1.00% to 4.63% and 3.75% to 4.25% in 2015, 2014 and 2013, respectively.

Interest earned from cash in banks and short-term investments for the years ended September 30, 2015, 2014 and 2013 amounted to ₱39 million, ₱14 million and ₱112 million, respectively (see Note 26).

8. Receivables

	2015	2014
Trade		
Installment contract receivables	**₱6,216,079,304**	₱5,402,789,946
Accrued rent receivables	**518,174,550**	415,491,997
Rental receivables	**420,768,745**	348,025,949
Hotel operations	**206,549,903**	173,641,016
	7,361,572,502	6,339,948,908
Affiliated companies (Note 20)	**22,478,004**	21,662,502
Others	**391,893,281**	383,728,995
	7,775,943,787	6,745,340,405
Less allowance for impairment losses	**46,042,217**	46,042,217
	7,729,901,570	6,699,298,188
Less noncurrent portion	**2,708,934,759**	2,715,423,991
	₱5,020,966,811	₱3,983,874,197

The installment contract receivables aggregating to ₱6,216 million and ₱5,403 million as of September 30, 2015 and 2014, 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 receivables amounting to ₱2,709 million and ₱2,715 million as of September 30, 2015 and 2014, respectively, pertain to installment contract receivables. The title of the real estate property, which is the subject of the installment contract receivable due beyond twelve (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.

Rental receivables from affiliated companies included under "Rental receivables" amounted to about ₱103 million and ₱68 million as of September 30, 2015 and 2014, respectively. For the nature, terms and conditions of the receivables from affiliated companies please refer to Note 20 to the consolidated financial statements.

Other receivables consist primarily of insurance claims receivable amounting to ₱169 million and ₱221 million as of September 30, 2015 and 2014 (see Note 26), respectively, 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.

The insurance claims receivable was received by the Group on November 2015.

Allowance for Impairment Losses on Trade Receivables

Allowance for impairment losses on trade receivables as of September 30, 2015 and 2014 follow:

	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

Trade receivables with carrying value of ₱27 million were impaired and fully provided for. No provision for impairment losses were recognized by the Group in 2015 and 2014. In 2013, the Group recognized provision for impairment losses amounting to ₱167,188.

Aging Analysis

The aging analysis of the Group's receivables follows:

	2015						
		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	**₱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**

	2014						
		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	₱5,402,789,946	₱3,782,837,444	₱291,665,594	₱112,021,788	₱70,105,225	₱1,127,159,895	₱19,000,000
Accrued rent receivables	415,491,997	415,491,997	–	–	–	–	–
Rental receivables	348,025,949	139,562,071	36,183,445	34,541,610	15,252,441	108,581,355	13,905,027
Hotel operations	173,641,016	68,016,461	44,939,047	22,830,902	12,553,153	12,164,263	13,137,190
Affiliated companies (Note 20)	21,662,502	21,662,502	–	–	–	–	–
Others	383,728,995	383,728,995	–	–	–	–	–
	₱6,745,340,405	₱4,811,299,470	₱372,788,086	₱169,394,300	₱97,910,819	₱1,247,905,513	₱46,042,217

9. Subdivision Land, Condominium and Residential Units for Sale

	2015	2014
Land and condominium units	**₱9,925,209,029**	₱10,434,181,923
Residential units and subdivision land	**5,549,502,312**	4,740,525,939
	₱15,474,711,341	₱15,174,707,862

The subdivision land, condominium and residential units for sale are carried at cost.

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 ₱3,207 million, ₱3,071 million and ₱3,060 million for the years ended September 30, 2015, 2014 and 2013, respectively (see Note 22).

A summary of the movement in inventory is set out below:

	2015	2014
Balances at beginning of year	**₱15,174,707,862**	₱12,019,619,818
Construction and development costs incurred	**3,981,137,969**	4,464,421,970
Transfers from (to) investment properties and property and equipment (Notes 11 and 12)	**(473,879,702)**	1,762,006,476
Cost of inventory sold (Note 22)	**(3,207,254,788)**	(3,071,340,402)
Balances at end of year	**₱15,474,711,341**	₱15,174,707,862

Borrowing cost capitalized amounted to ₱66 million in 2015. This amount was included in the construction and development costs incurred.

There are no subdivision land, condominium and residential units for sale as of September 30, 2015 and 2014 that are pledged as security to liabilities.

10. Other Current Assets

	2015	2014
Advances to suppliers and contractors	**₱1,801,913,691**	₱711,652,381
Value-added input tax - net	**1,200,051,270**	1,054,026,970
Advances to lot owners	**602,862,614**	1,045,651,481
Restricted cash - escrow	**124,905,880**	217,835,586
Supplies	**69,463,359**	73,427,010
Prepaid expenses	**52,313,625**	40,382,742
Utility deposits (Notes 31 and 32)	**5,386,072**	5,125,017
Others	**90,259,324**	9,659,767
	₱3,947,155,835	₱3,157,760,954

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.

Value-added input tax - net of output VAT can be applied against value-added output tax.

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 in relation to public auction of a certain properties as of September 30, 2015.

11. Investment Properties

	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/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/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**

	2014				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at beginning of year	₱20,633,353,853	₱152,815,947	₱36,288,472,004	₱9,876,100,576	₱66,950,742,380
Additions	1,731,454,418	35,616,726	2,239,852,269	5,038,750,343	9,045,673,756
Write-off	–	(2,133,476)	(461,287,984)	–	(463,421,460)
Reclassifications/transfers (Notes 9, 10 and 12)	(1,333,635,499)	(268,216)	8,723,896,571	(9,288,558,592)	(1,898,565,736)
Balances at end of year	21,031,172,772	186,030,981	46,790,932,860	5,626,292,327	73,634,428,940
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	68,760,004	16,577,490,495	–	16,646,250,499
Depreciation and amortization (Notes 22 and 24)	–	11,543,638	2,297,614,711	–	2,309,158,349
Write-off	–	(647,534)	(165,382,993)	–	(166,030,527)
Reclassifications/transfers (Note 12)	–	(4,470)	(10,413,173)	–	(10,417,643)
Balances at end of year	–	79,651,638	18,699,309,040	–	18,778,960,678
Net Book Value	₱21,031,172,772	₱106,379,343	₱28,091,623,820	₱5,626,292,327	₱54,855,468,262

Investment properties consisted mainly of land held for appreciation, shopping malls/commercial centers and office buildings that are held to earn rentals.

In 2015, the Group transferred ₱1,264 million worth of parcels of land to investment properties from subdivision land, condominium and residential units for sale for the Group's residential projects. In 2014, the Group transferred ₱1,762 million worth of parcels of land from investment properties to subdivision land, condominium and residential units for sale (see Note 9).

For the year ended September 30, 2015 and 2014, ₱268 million and ₱127 million net cost of buildings and improvement, respectively, were transferred from investment properties to property and equipment for use in operations of the Group (see Note 12).

Depreciation and amortization expense charged to operations amounted to ₱2,633 million, ₱2,309 million and ₱2,071 million for the years ended September 30, 2015, 2014 and 2013, respectively (see Notes 22 and 24).

Borrowing costs capitalized amounted to about ₱881 million and ₱897 million in 2015 and 2014, 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 2015 and 2014 is 4.54% and 5.85%, 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, 2015 and 2014 amounted to ₱163,577 million and ₱153,105 million, respectively, which are based on appraisal reports, dated September 30, 2013 which are updated by the management for 2014 and 2015.

The fair value of the investment properties was arrived at using both Income Approach and Market Data Approach in 2015 and 2014, respectively. 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. On the other hand, under market data approach, the value of the investment properties is based on sales and listings of comparable property registered in the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. In 2015, the management elected to use the income approach as the appropriate valuation approach in valuing investment properties, as it mirrors the analysis of typical investors.

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, 2015 and 2014 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 ₱9,288 million, ₱7,956 million, and ₱7,417 million for the years ended September 30, 2015, 2014 and 2013, respectively (see Note 21).

Property operations and maintenance costs arising from investment properties amounted to ₱395 million, ₱369 million and ₱360 million for the years ended September 30, 2015, 2014 and 2013, respectively (see Note 22).

Investment properties with total carrying value of ₱297 million were written off as losses due to typhoons Yolanda and Glenda and the Galleria Mall fire during the year 2014.

There are no investment properties as of September 30, 2015 and 2014 that are pledged as security to liabilities.

12. Property and Equipment

	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/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/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

	2014				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at beginning of year	₱53,053,667	₱3,524,542,736	₱613,625,682	₱2,244,409,905	₱6,435,631,990
Additions	1,994,373	116,204,880	60,074,552	408,823,735	587,097,540
Write-off	(195,170)	(21,157,062)	(3,956,504)	(26,275,761)	(51,584,497)
Reclassifications/transfers (Notes 9 and 11)	(967,365)	97,721,097	15,387,801	24,376,968	136,518,501
Balances at end of year	53,885,505	3,717,311,651	685,131,531	2,651,334,847	7,107,663,534
Accumulated Depreciation and Amortization					
Balances at beginning of year	₱33,895,250	₱1,572,847,143	₱361,702,129	₱1,609,239,616	₱3,577,684,138
Depreciation and amortization (Notes 22 and 24)	5,746,304	124,037,310	78,012,758	215,017,972	422,814,344
Write-off	(195,170)	(4,234,618)	(2,282,552)	(18,244,378)	(24,956,718)
Reclassifications/transfers (Notes 9 and 11)	(36,289)	10,413,173	–	–	10,376,884
Balances at end of year	39,410,095	1,703,063,008	437,432,335	1,806,013,210	3,985,918,648
Net Book Value	₱14,475,410	₱2,014,248,643	₱247,699,196	₱845,321,637	₱3,121,744,886

Depreciation and amortization expense charged to operations amounted to ₱517 million, ₱423 million and ₱388 million for the years ended September 30, 2015, 2014 and 2013, respectively (see Notes 22 and 24).

Property and equipment with carrying value of ₱27 million were written off as losses due to typhoons Yolanda and Glenda and the Galleria fire loss for the year 2014.

The following are the costs of property and equipment that are fully depreciated as of September 30, 2015 and 2014 but still used in operations:

	2015	2014
Building and improvements	**₱626,351,142**	₱626,351,142
Other equipment	**186,051,693**	97,528,661
Theater furniture and equipment	**23,798,234**	23,798,234
Land improvements	**698,241**	698,241
	₱836,899,310	₱748,376,278

There are no property and equipment items as of September 30, 2015 and 2014 that are pledged as security to liabilities.

13. Other Noncurrent Assets

	2015	2014
Deposit for land use right (Note 36)	**₱1,441,097,460**	₱–
Advances to suppliers and contractors	**522,140,862**	95,002,163
Utility deposits (Notes 31 and 32)	**502,712,451**	445,450,098
Prepaid rent	**462,689,924**	487,240,915
Advances to lot owners	**190,078,577**	215,181,554
Others	**81,917,868**	62,605,213
	₱3,200,637,142	₱1,305,479,943

Other noncurrent assets are to be recovered or applied more than twelve months after reporting date.

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 (see Note 36).

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 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

	2015	2014
Accounts payable	**₱3,301,667,947**	₱3,362,782,823
Taxes and licenses payable	**1,276,679,664**	1,289,954,148
Accrued rent expense	**402,160,439**	310,652,227
Accrued salaries and wages	**378,885,631**	310,428,367
Accrued contracted services	**199,867,305**	211,112,998
Accrued interest payable	**172,103,848**	97,776,517
Dividends payable	**14,149,049**	12,888,535
Other accrued payable	**159,228,366**	65,952,219
	₱5,904,742,249	₱5,661,547,834

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

	2015	2014
Deposits from lessees (Notes 17, 31 and 32)	**₱1,674,062,682**	₱1,543,636,379
Deposits from real estate buyers (Note 17)	**1,336,361,420**	817,867,742
Payables to affiliated companies (Notes 20, 31 and 32)	**115,024,457**	94,610,678
Others	**185,410,000**	145,510,000
	₱3,310,858,559	₱2,601,624,799

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 ₱64 million, ₱78 million and ₱59 million in 2015, 2014 and 2013, respectively (see Notes 22 and 26).

Included in the 'Deposit from lessees' are unearned rental income amounting to ₱249 million and ₱218 million as of September 30, 2015 and 2014, respectively. The rental income on amortization of unearned rental income included in "Rental income" amounted to ₱63 million, ₱77 million and ₱54 million in 2015, 2014 and 2013, 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

	Principal Amount	2015	2014
Short-term loan obtained from a local bank with maturity on October 2015. Interest rate is at 1.85% per annum.	**₱1,441,097,460**	**₱1,441,097,460**	₱–
Short-term loan obtained from a local bank with maturity on October 2015. Interest rate is at 2.5% per annum.	**1,607,800,000**	**1,607,800,000**	–
Short-term loan obtained from a local bank which matured on October 2014. Interest rate is at 2.0% per annum payable monthly.	**764,300,000**	**–**	764,300,000
Short-term loan obtained from a local bank which matured on November 2014. Interest rate is at 2.0% per annum payable monthly.	**3,143,550,000**	**–**	3,143,550,000
Short-term loan obtained from a local bank which matured on December 2014. Interest rate is at 2.0% per annum payable monthly.	**803,500,000**	**–**	803,500,000
Short-term loan obtained from a local bank which matured on January 2015. Interest rate is at 2.75% per annum payable monthly.	**2,686,900,000**	**–**	2,686,900,000
Short-term loan obtained from a local bank which matured on December 2014. Interest rate is at 2.5% per annum payable monthly.	**495,200,000**	**–**	495,200,000
Short-term loan obtained from a local bank which matured on January 2015. Interest rate is at 2.25% per annum payable monthly.	**208,000,000**	**–**	208,000,000
	₱11,150,347,460	**₱3,048,897,460**	₱8,101,450,000

Total interest cost expensed out from short-term loans amounted to ₱5 million, nil and ₱14 million for the years ended September 30, 2015, 2014 and 2013, respectively (see Note 26). Interest costs capitalized are disclosed in the applicable notes to the consolidated financial statements.

Long-term loans

	Principal Amount	2015	2014
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**	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**	1,000,000,000
Long-term portion	**22,000,000,000**	**22,000,000,000**	10,000,000,000
Less debt issue costs	**193,964,327**	**166,943,461**	79,698,532
Long-term portion net of debt issue costs	**₱21,806,035,673**	**₱21,833,056,539**	₱9,920,301,468

The Group's loans payable are all unsecured. The credit facility is fully drawn as of September 30, 2015 and 2014.

Debt issue costs are deferred and amortized using effective interest method over the 5-year term of the loans. As of September 30, 2015 and 2014, amortization of debt issue costs recognized as part of capitalized borrowing cost amounted to ₱25 million and ₱2 million respectively.

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 of 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.

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.

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.

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.

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.

Five-year and one-day bonds payable which matured in July 2014
On July 13, 2009, the Group issued ₱5,000 million bonds constituting direct, unconditional, unsubordinated and unsecured obligations of the Group ranking pari-passu in all respects and ratably without any preference or priority with all other outstanding unsecured and unsubordinated obligations of the Group. The proceeds were used for general corporate purposes, such as, but not limited to the financing various capital expenditures. The bond was paid with a lump sum payment last July 14, 2014.

The interest rate was at 8.5% per annum and paid semi-annually, computed based on the outstanding balance with payments commenced on the issue date and ended on the maturity date. The payment of the interest began on January 14, 2010.

Debt Covenant
The Group is required to maintain a debt to equity ratio not exceeding 1.5:1 ratio and interest coverage ratio of at least 1.5:1. The Group has complied with the debt covenant as of September 30, 2013.

Five year and one-day bonds payable which matured in August 2014
On August 26, 2009, the Group issued ₱5,000 million bonds constituting direct, unconditional, unsubordinated and unsecured obligations of the Group ranking pari-passu in all respects and ratably without any preference or priority with all other outstanding unsecured and unsubordinated obligations of the Group. The proceeds were used for general corporate purposes, such as, but not limited to the financing various capital expenditures. The bond was paid with a lump-sum payment last August 27, 2014.

The interest rate was at 8.25% per annum and paid semi-annually, computed based on the outstanding balance with payments commenced on the issue date and ended on the maturity date. The payment of the interest began on February 27, 2010.

Debt Covenant
The Group is required to maintain a debt to equity ratio not exceeding 1:5:1 ratio and interest coverage ratio of at least 1.5:1. The Group has complied with the debt covenant as of September 30, 2013.

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
2015	**₱–**	**₱–**	**₱–**	**₱10,000,000,000**	**₱12,000,000,000**	**₱22,000,000,000**
2014	₱–	₱–	₱–	₱–	₱10,000,000,000	₱10,000,000,000

17. **Deposits and Other Noncurrent Liabilities**

	2015	2014
Deposits from lessees - net of current portion (Notes 15, 31 and 32)	**₱1,896,140,054**	₱1,572,741,843
Accrued rent expense	**1,445,148,519**	1,312,553,101
Retention payable	**604,177,174**	201,956,963
Deposits from real estate buyers - net of current portion (Note 15)	**483,893,906**	706,537,591
Pension liabilities (Note 29)	**252,763,973**	213,319,417
Advances and others	**462,214,800**	310,945,967
	₱5,144,338,426	₱4,318,054,882

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.

Advances and others include payable to suppliers related to marketing activities.

18. **Retained Earnings**

The declarable dividend of Parent Company amounted to ₱18,205 million and ₱13,182 million as of September 30, 2015 and 2014, respectively.

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱977 million and ₱699 million as of September 30, 2015 and 2014, 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:

	2015	2014	2013
Date of declaration	**April 29, 2015**	May 12, 2014	April 18, 2013
Date of payment	**June 9, 2015**	June 25, 2014	June 6, 2013
Ex-dividend rate	**May 14, 2015**	May 29, 2014	May 10, 2013
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 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.

On September 13, 2013, the BOD approved the reversal of the retained earnings it has appropriated in 2009 and 2003 amounting to ₱10,500 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 ₱11,200 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 between April 2009 and August 2013. These projects and acquisitions are expected to be completed in various dates from July 2014 until March 2019.

19. **Capital Stock**

The details of the number of common shares and the movements thereon follow:

	2015	2014	2013
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, 2015:

	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, 2013	4,111,528,685			1,152
Add (deduct) movement	–			(34)
October 1, 2014	4,111,528,685			1,118
Add (deduct) movement	–			(19)
September 30, 2015	4,111,528,685			1,099

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, 2015, 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, 2015 and 2014.

	2015	2014
(a) Loans payable (Note 16)	**₱25,048,897,460**	₱18,101,450,000
(b) Equity	**₱56,660,206,908**	₱52,437,051,117
(c) Debt-to-capital ratio (a/b)	**0.44:1**	0.35:1

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.

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:

	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

(Forward)

	2015			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
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
• Short-term investments	**246,921,403**	**246,981,976**	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**	**–**		
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		

	2014			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
a) Rental income/receivable	₱23,828,944	₱142,921	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	11,456,260	46,062,119	Interest bearing; due and demandable; interest rates ranging from 2% to 4%	Unsecured; no impairment
• Interest income	692,337	–		
b) Advances to	16,367,938	(100,920,442)	Non-interest bearing; due and demandable	Unsecured
Under common control				
c) Cash and cash equivalents				
• Cash in banks	13,502,309	297,265,232	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	319,978,415	319,995,194	Interest bearing at prevailing market rate; at 3.75% to 4.25% per annum due and demandable	Unsecured; no impairment
• Interest income	3,418,053	–		
a) Rental income/receivable	1,606,199,950	68,148,120	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	272,007	21,662,502	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	7,430,083	(39,752,355)	Non-interest bearing; due and demandable	Unsecured
		₱612,603,291		

Outstanding balances consist of the following:

	2015	2014
Cash and cash equivalents (Note 7)	**₱691,761,395**	₱617,260,426
Rental receivables (Note 8)	**102,918,401**	68,291,041
Receivable from affiliated companies (Note 8)	**22,478,004**	21,662,502
Payable to affiliated companies (Note 15)	**(115,024,457)**	(94,610,678)
	₱702,133,343	₱612,603,291

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:

	2015	2014	2013
Short-term employee benefits	**₱826,138,856**	₱738,018,843	₱682,360,017
Post-employment benefits	**39,882,434**	34,833,887	29,616,732
	₱866,021,290	₱772,852,730	₱711,976,749

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**

	2015	2014	2013
Real Estate Operations			
Rental income (Notes 20 and 34)	**₱9,287,978,214**	₱7,956,129,097	₱7,417,282,135
Real estate sale	**6,313,458,917**	5,646,638,459	5,300,508,087
Amusement income	**1,531,671,101**	1,259,795,201	1,016,315,050
Others	**853,589,092**	654,864,078	673,589,978
	17,986,697,324	15,517,426,835	14,407,695,250

(Forward)

	2015	2014	2013
Hotel Operations			
Rooms	**₱1,110,703,894**	₱959,133,430	₱940,469,217
Food and beverage	**590,482,756**	536,740,915	505,969,977
Others	**44,663,025**	37,874,048	50,358,575
	1,745,849,675	1,533,748,393	1,496,797,769
	₱19,732,546,999	₱17,051,175,228	₱15,904,493,019

Real estate sales include interest income from installment contract receivable amounting to ₱541 million, ₱499 million and ₱477 million in 2015, 2014 and 2013, respectively (Note 26).

Other revenue under real estate operations are from receipts of association dues and receipts of penalties from tenants and real estate buyers.

Other revenue under hotel operations includes transport, laundry, valet and other services.

22. Costs

	2015	2014	2013
Real Estate Operations			
Cost of Rental Services			
Depreciation and amortization (Note 24)	**₱2,984,798,999**	₱2,565,368,005	₱2,272,334,213
Property operations and maintenance costs (Note 11)	**395,403,541**	369,495,071	359,651,438
Others (Notes 15 and 26)	**63,905,363**	78,279,804	58,504,429
	3,444,107,903	3,013,142,880	2,690,490,080
Cost of Real Estate Sales (Note 9)	**3,207,254,788**	3,071,340,402	3,060,144,718
Cost of Amusement Services			
Film rentals expense	**694,919,851**	575,239,755	485,315,516
Others	**489,023,816**	403,144,880	327,734,935
	7,835,306,358	7,062,867,917	6,563,685,249
Hotel Operations			
Cost of room services			
Property operations and maintenance costs	**206,005,707**	195,399,258	233,546,408
Depreciation and amortization (Note 24)	**165,638,261**	166,604,688	186,566,709
	371,643,968	362,003,946	420,113,117
Cost of food and beverage	**206,081,289**	194,969,736	177,965,719
Others			
Salaries and wages (Note 25)	**181,077,744**	174,781,984	167,509,230
Management fee	**125,473,656**	94,822,595	91,246,840
Contracted services	**103,325,053**	108,079,136	99,507,759
Supplies	**48,714,688**	42,256,119	37,011,843
Commission	**35,255,649**	25,376,851	23,054,576
Others	**221,000,644**	171,803,936	139,954,299
	714,847,434	617,120,621	558,284,547
	1,292,572,691	1,174,094,303	1,156,363,383
	₱9,127,879,049	₱8,236,962,220	₱7,720,048,632

Others under costs of real estate operations and hotel operations include expenses from contracted services and other overhead expenses.

23. **General and Administrative Expenses**

	2015	2014	2013
Salaries and wages (Notes 20, 25 and 29)	**₱685,083,380**	₱598,070,746	₱544,467,479
Commission	**654,758,492**	454,056,685	343,961,848
Advertising and promotions	**617,459,442**	560,643,583	469,215,355
Taxes and licenses	**468,386,432**	427,647,099	422,522,767
Rent (Note 34)	**198,934,210**	152,181,973	108,587,882
Insurance	**98,607,073**	97,024,210	69,760,402
Supplies	**89,821,085**	73,944,512	56,912,788
Light, water and communication	**87,155,959**	90,166,983	76,318,318
Travel and transportation	**42,825,040**	47,989,393	39,783,781
Association dues	**24,446,708**	16,551,281	23,617,429
Entertainment, amusement and recreation	**16,081,033**	28,938,181	14,918,024
Donation	**9,037,857**	–	2,063,561
Others	**57,582,025**	25,260,083	30,096,512
	₱3,050,178,736	₱2,572,474,729	₱2,202,226,146

24. **Depreciation and Amortization**

	2015	2014	2013
Real estate (Notes 11, 12 and 22)	**₱2,984,798,999**	₱2,565,368,005	₱2,272,334,213
Hotel operations (Notes 11, 12 and 22)	**165,638,261**	166,604,688	186,566,709
	₱3,150,437,260	₱2,731,972,693	₱2,458,900,922

25. **Personnel Expenses**

Personnel expenses consist of (see Notes 22 and 23):

	2015	2014	2013
Salaries, wages and other staff costs	**₱729,257,877**	₱641,755,851	₱586,711,030
Pension expense (Note 29)	**39,944,452**	34,833,887	29,616,732
SSS contributions, PAG-IBIG contributions, premiums and others	**96,958,795**	96,262,992	95,648,947
	₱866,161,124	₱772,852,730	₱711,976,709

The above amounts are distributed as follows:

	2015	2014	2013
General and administrative (Note 23)	**₱685,083,380**	₱598,070,746	₱544,467,479
Hotel operations (Note 22)	**181,077,744**	174,781,984	167,509,230
	₱866,161,124	₱772,852,730	₱711,976,709

26. **Other Income (Losses)**

	2015	2014	2013
Interest income			
Bank deposits (Note 7)	**₱38,847,341**	₱13,942,294	₱112,105,758
Receivable from affiliated companies (Note 20)	**499,688**	692,337	1,291,518
	39,347,029	14,634,631	113,397,276
Interest income from installment contract receivable - recognized under real estate sales (Note 21)	**541,408,593**	499,324,875	477,286,247
	₱580,755,622	₱513,959,506	₱590,683,523

Interest expense consists of (see Notes 15 and 16):

	2015	2014	2013
Short-term loans	**₱5,288,926**	₱–	₱14,097,197
Accretion on security deposits - recognized under cost of rental services (Notes 15 and 22)	**63,905,363**	78,279,804	58,504,429
	₱69,194,289	₱78,279,804	₱72,601,626

Capitalized borrowing costs in 2015 and 2014 are discussed in Notes 9 and 11.

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 in 2014. The Group recorded a gain for the same amount for the claims from the insurance companies for such losses, ₱113 million of which were received during the same year while the remaining ₱211 million was recorded as receivables (Note 8).

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:

	2015	2014	2013
Current			
RCIT	**₱1,518,040,447**	₱998,494,220	₱1,110,200,943
Final tax	**6,016,575**	1,507,346	19,723,327
MCIT	**240,500**	207,883	143,711
	1,524,297,522	1,000,209,449	1,130,067,981
Deferred	**363,216,967**	521,263,644	384,488,481
	₱1,887,514,489	₱1,521,473,093	₱1,514,556,462

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	2015	2014	2013
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.03)**	(0.01)	(0.16)
Tax exempt real estate sales	**(0.85)**	(1.07)	(0.05)
Income subjected to BOI, PEZA and lower tax	**(4.24)**	(4.59)	(4.52)
Effective income tax rate	**24.88%**	24.33%	25.27%

Deferred taxes as of September 30, 2015 and 2014 relate to the tax effects of the following:

	2015	2014
Deferred tax assets:		
Accrued rent expense	**₱454,745,268**	₱414,966,643
Accrued interest expense	**177,772,488**	158,681,249
Accrued retirement payable	**68,166,670**	64,747,128
Allowance for impairment loss	**13,812,665**	13,812,665
MCIT	**1,111,424**	313,633
	715,608,515	652,521,318
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(₱1,419,649,598)**	(₱1,226,444,486)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(1,244,499,193)**	(1,077,765,550)
Accrued rent income	**(187,282,004)**	(148,279,229)
Unamortized debt issuance cost	**(52,848,629)**	(26,675,150)
Prepaid rent (Note 13)	**(147,569,124)**	(147,569,124)
	(3,051,848,548)	(2,626,733,539)
Net deferred tax liabilities	**(₱2,336,240,033)**	(₱1,974,212,221)

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 ₱7 million in 2015 and 2014, respectively.

The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱1 million and ₱2 million as of September 30, 2015 and 2014, respectively.

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, 2015	₱899,847	September 30, 2018
September 30, 2014	1,012,159	September 30, 2017
September 30, 2013	1,272,693	September 30, 2016
	₱3,184,699	

Period of recognition	Amount	Period of expiration
MCIT		
September 30, 2015	₱797,791	September 30, 2018
September 30, 2014	207,883	September 30, 2017
September 30, 2013	143,711	September 30, 2016
	₱1,149,385	

28. **Earnings Per Share**

Earnings per share amounts were computed as follows:

	2015	2014	2013
a. Net income attributable to equity holders of Parent Company	**₱5,699,709,532**	₱4,737,013,328	₱4,478,403,024
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)	**₱1.39**	₱1.16	₱1.09

There were no potential dilutive shares in 2015, 2014 and 2013.

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 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. Robinsons Bank Corporation 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:

	2015	2014	2013
Service cost	**₱29,575,052**	₱28,555,085	₱21,460,566
Net interest cost	**10,369,400**	6,278,802	8,156,166
Pension expense	**₱39,944,452**	₱34,833,887	₱29,616,732

There are no plan amendments, curtailments or settlements for the period ended September 30, 2015 and 2014.

The amounts recognized as pension liabilities included under ‘Deposit and other noncurrent liabilities’ in the consolidated statements of financial position follow:

	2015	2014
Present value of defined benefit obligation	**₱381,649,653**	₱347,007,878
Fair value of plan assets	**(128,885,680)**	(133,688,461)
Pension liabilities	**₱252,763,973**	₱213,319,417

Changes in net defined benefit liability of funded funds in 2015 and 2014 follow:

	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**

	2014		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at beginning of year	₱317,562,564	₱131,917,850	₱185,644,714
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	28,555,085	–	28,555,085
Net interest cost	12,057,765	5,778,963	6,278,802
Subtotal	40,612,850	5,778,963	34,833,887
Benefits paid		–	–

(Forward)

	2014		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Remeasurements in other comprehensive income:			
Return on plan assets	₱–	(₱4,008,352)	₱4,008,352
Actuarial changes arising from experience adjustments	7,009,915	–	7,009,915
Actuarial changes arising from changes in financial/demographic assumptions	(18,177,451)	–	(18,177,451)
Subtotal	(11,167,536)	(4,008,352)	(7,159,184)
Contributions paid	–	–	–
Balance at end of year	₱347,007,878	₱133,688,461	₱213,319,417

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:

	2015	2014
Cash and cash equivalents		
Special deposit account	**₱40,217,000**	₱47,617,750
Savings deposit account	**1,431**	146
Time deposit	**–**	–
	40,218,431	47,617,896
Investment in debt instruments		
Fixed rate bonds	**20,670,165**	20,696,600
Other debt instruments	**9,307,876**	8,089,618
	29,978,041	28,786,218
Accrued interest receivable	**276,522**	279,644
Other assets	**58,418,584**	57,011,093
Accrued trust and management fee payable	**(5,899)**	(6,390)
	₱128,885,679	₱133,688,461

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.

- *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, 2015, 2014 and 2013.

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, 2015 and 2014 is 15 years.

The principal assumptions used to determine the pension benefits of the Group follow:

	2015	2014	2013
Discount rate	**4.65%**	4.52% to 5.02%	3.80% to 4.54%
Rate of salary increase	**5.00%**	5.50%	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	
		2015	2014
Discount rates	+1.00%	**(₱29,238,214)**	(₱30,987,127)
	-1.00%	**33,636,983**	36,043,484
Salary increase rates	+1.00%	**₱32,053,384**	₱34,029,803
	-1.00%	**(28,504,312)**	(29,959,181)

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

	2015	2014
Less than 1 year	**₱65,053,009**	₱64,191,016
More than 1 years to 5 years	**102,498,063**	63,369,174
More than 5 years to 10 years	**233,462,634**	175,391,802
More than 10 years to 15 years	**341,431,675**	386,581,484
More than 15 years to 20 years	**264,126,374**	321,281,192
More than 20 years	**281,247,087**	390,781,446

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. The first phase is expected to be completed on November 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%; FLI-25% and HLRD-25%.

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, other than derivatives, 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.

<u>Risk Management Policies</u>
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			
	2015		2014	
Assets				
Cash and cash equivalents	**$452,009**	**₱21,212,782**	$363,268	₱16,336,162
Liabilities				
Accounts payable and accrued expenses	**100,410**	**4,712,251**	91,282	4,104,952
Net foreign currency-denominated assets	**$351,599**	**₱16,500,531**	$271,986	₱12,231,210

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of September 30, 2015 and 2014 follow:

	2015	2014
US Dollar - Philippine Peso exchange rate	**₱46.93 to US$1.00**	₱44.97 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, 2015 and 2014.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
2015	
2.0% PHP appreciation	**(₱330,011)**
2.0% PHP depreciation	**330,011**
2014	
2.0% PHP appreciation	(₱244,624)
2.0% PHP depreciation	244,624

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, 2015 and 2014, 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.

	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**	**₱1,400,158,284**	**₱1,225,482,055**	**₱1,105,923,489**	**₱6,959,468,130**
Payables to affiliated companies (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**	**₱4,541,384,858**	**₱22,329,529,903**	**₱14,753,346,087**	**₱46,838,551,577**

	2014					
	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	₱492,007,143	₱562,948,046	₱–	₱–	₱–	₱1,054,955,189
Receivables						
Trade	1,914,536,665	447,901,669	1,216,193,852	2,659,623,278	55,651,227	6,293,906,691
Affiliated companies	21,662,502	–	–	–	–	21,662,502
Others	46,330,200	71,589,146	265,660,163	149,486	–	383,728,995
Other assets						
Utility deposits	5,106,072	–	18,945	247,884,198	197,565,900	450,575,115
Total financial assets	₱2,479,642,582	₱1,082,438,861	₱1,481,872,960	₱2,907,656,962	₱253,217,127	₱8,204,828,492
Accounts payable and accrued expenses	₱1,185,385,438	₱1,398,178,395	₱1,788,029,853	₱643,539,179	₱1,084,290,302	₱6,099,423,167
Payables to affiliated companies (included under Deposits and other liabilities account in the consolidated statement of financial position)	240,120,678	–	–	–	–	240,120,678
Deposits from lessees	852,939,794	227,460,782	463,235,803	1,522,658,778	50,083,065	3,116,378,222
Loans payable and future interest payment	–	8,621,282,393	1,501,906,389	5,854,953,555	11,260,275,961	27,238,418,298
Other financial liabilities	₱2,278,445,910	₱10,246,921,570	₱3,753,172,045	₱8,021,151,512	₱12,394,649,328	₱36,694,340,365

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. As of September 30, 2015 and 2014, 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, 2015 and 2014.

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:

	2015	2014
Cash and cash equivalents (net of cash on hand)	**₱1,167,730,897**	₱1,038,865,951
Receivables - net		
Trade receivables		
Installment contract receivable	**6,197,079,304**	5,383,789,946
Accrued rent receivable	**518,174,550**	415,491,997
Rental receivables	**406,863,718**	334,120,922
Hotel operations	**193,412,713**	160,503,826
Affiliated companies	**22,478,004**	21,662,502
Other receivables	**391,893,281**	383,728,995
Other assets		
Utility deposits	**508,098,523**	450,575,115
	₱9,405,730,990	₱8,188,739,254

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, 2015, and 2014, gross of allowance for credit and impairment losses:

	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**

	2014				
	Neither Past Due Nor Impaired			Past Due or	
	High Grade	Standard Grade	Substandard Grade	Individually Impaired	Total
Loans and receivables					
Cash and cash equivalents	₱1,038,865,951	₱–	₱–	₱–	₱1,038,865,951
Receivables:					
Trade receivables					
Installment contract receivables	3,782,837,444	–	–	1,619,952,502	5,402,789,946
Accrued rent receivables	415,491,997	–	–	–	415,491,997
Rental receivables	139,562,071	–	–	208,463,878	348,025,949
Hotel operations	68,016,461	–	–	105,624,555	173,641,016
Affiliated companies	21,662,502	–	–	–	21,662,502
Other receivables	383,728,995	–	–	–	383,728,995
Other assets					
Utility deposits	450,575,115	–	–	–	450,575,115
	₱6,300,740,536	₱–	₱–	₱1,934,040,935	₱8,234,781,471

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.

Derivative Financial Instrument

Interest rate swap
On May 28, 2008, the Group entered into an interest rate swap agreement with a bank, with a total notional amount of ₱2,000 million to fully hedge its interest rate risk exposures from its Inverse Floating Rate Notes, which bears an interest rate of 15.70% less the 3-month benchmark rate (PDST-F).

The interest rate swap has a term of five (5) years and interest exchange is every 5th day of March, June, September and December. Under the agreement, the Group agreed with the counterparty to exchange at quarterly intervals, the Group's floating rate payments on the Inverse Floating Rate Note based on 3M PSDT-F (but not to exceed 15.70%) with fixed rate payments based on a 6.95% coupon rate. The swap agreement effectively fixes the Group's interest rate exposure on the inverse floating note to 8.75%. The interest rate swap matured on June 6, 2013, thus there are no outstanding derivatives as of September 30, 2015 and 2014, respectively. Mark-to-market gain (loss) in applicable years is recorded as part of "Other Income (Losses)".

32. Financial Instruments

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, 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.

	2015		2014	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable	**₱6,197,079,304**	**₱5,929,676,551**	₱5,383,285,676	₱5,159,438,913
Deposits from lessees	**3,570,202,736**	**3,321,479,742**	3,116,378,222	2,968,970,154
Loans payable	**24,881,953,999**	**36,008,446,254**	18,021,751,468	19,121,226,719

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 1.7% to 5.6% in 2015 and 1.7% to 4.0% in 2014.

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.

Summit Ridge Hotel
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-Summit Ridge Hotel)" on a Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2007-139 dated August 6, 2007. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2009 to December 2012.

Escalades at 20th Avenue
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 seven hundred twenty (720) units, under Certificate of Registration No. 2008-216 dated August 13, 2008. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from October 2009 to September 2013.

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.

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. These leases include clauses to enable escalation of rental charges on the agreed dates. Total rent expense amounted to ₱199 million, ₱152 million and ₱109 million in 2015, 2014 and 2013, respectively. There is no contingent rent. Future minimum rentals payable under noncancellable operating leases as of September 30, 2015 are as follows:

	2015	2014	2013
Within one (1) year	**₱75,875,322**	₱60,225,464	₱57,785,146
After one (1) year but not more than five (5) years	**382,304,085**	274,917,570	261,005,269
After more than five (5) years	**6,472,894,986**	5,492,119,217	5,566,256,982
	₱6,931,074,393	₱5,827,262,251	₱5,885,047,397

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 ten (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 ₱9,288 million, ₱7,956 million and ₱7,417 million in 2015, 2014 and 2013, respectively. Total percentage rent recognized as income for 2015, 2014 and 2013 amounted to ₱2,502 million, ₱2,167 million and ₱1,972 million, respectively.

Future minimum rentals receivable under noncancellable operating leases as of September 30, 2015 follows:

	2015	2014	2013
Within one (1) year	**₱5,308,666,374**	₱4,252,470,638	₱3,112,884,935
After one (1) year but not more than five (5) years	**10,472,321,498**	5,915,813,342	4,326,077,400
After more than five (5) years	**1,024,342,237**	437,292,732	352,475,356
	₱16,805,330,109	₱10,605,576,712	₱7,791,437,691

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 ten (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, 2015 follow:

	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 ₱8,214 million and ₱11,551 million as of September 30, 2015 and 2014, respectively. Moreover, the Group has contractual obligations amounting to ₱1,292 million and ₱1,241 million as of September 30, 2015 and 2014, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies
The Group has various collection cases or claims with its customers 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. No provisions were made during the year. 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 P=474 million, P=1,887 million, and P=42 million in 2015, 2014, and 2013, respectively. Also, land amounting to P=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.

Noncash operating activity pertains to the accretion of customers deposit amounting to ₱64 million, ₱78 million and ₱59 million in 2015, 2014 and 2013, respectively.

36. Subsequent Events

On October 27, 2015, the Group won the bidding for the acquisition of land use right to a property located in Chengdu Province, China. The land use right was acquired by entering into a Contract for Assignment of the Right to the Use of State-owned Land (the Contract) with the Land and Resource Bureau of Chengdu Province (Chinese Government). This acquisition is in line with the normal course of the Group's real estate business and its plan to explore opportunities internationally.

Earlier on September 18, 2015, the Group paid the Chinese Government bid deposit for the purchase of land rights amounting to ₱1,440 million. The bid deposit which will be applied against the purchase price of the land use right is presented as "Deposit for land use right" (see Note 13).

The land use right gives the Group access to approximately 85,484 sqm property which will be used for residential projects with minor commercial component. Based on the Contract, total purchase price for the land use right amounted to RMB 1,318 million (approximately ₱9,500 million) payable in three installments on November 2015, January 2016 and April 2016. The first installment of RMB 659 million (approximately ₱4,750 million) was paid on December 9, 2015. After paying up all the assignment charges of the land parcel in accordance with the Contract, the Group may apply for the Certificate of State-owned Construction Land Use Right Assignment to the Chinese Government.

Directory

ROBINSONS LAND CORPORATION

ADDRESS
Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City

TELEPHONE NUMBER
Tel. No. (632) 397-1888

CORPORATE WEBSITE
www.robinsonsland.com

AUDITORS
SyCip Gorres Velayo & Co.
Certified Public Accountants
SGV Bldg., 6760 Ayala Avenue
Makati City

STOCK TRANSFER AGENT
Rizal Commercial Banking Corp.
Trust and Investment Group
G/F Grepalife Bldg.
221 Senator Gil Puyat Avenue
Makati City

INVESTOR RELATIONS
Mara Utzurrum / Catherine Cancio
43/F Robinsons Equitable Tower
ADB Avenue cor. Poveda Road
Ortigas Center, Pasig City
Tel. No. (632) 633-7631 loc. 132 / 352
E-mail Address:
investor.relations@robinsonsland.com

BUSINESS INQUIRIES
Robinsons Malls
Tel. No. (632) 397-1888 / 248-5888
loc. 31261

Robinsons Offices
Tel. No. (632) 395-2177 & (632) 397-0171

Robinsons Luxuria
Tel. No. (632) 397-0292

Robinsons Residences
Tel. No. (632) 636-0888

Robinsons Communities
Tel. No. (632) 248-5888

Robinsons Homes
Tel. No. (632) 397-0358

HOTEL RESERVATIONS
Crowne Plaza Manila Galleria
Tel. No. (632) 633-7222

Holiday Inn Manila Galleria
Tel. No. (632) 633-7111

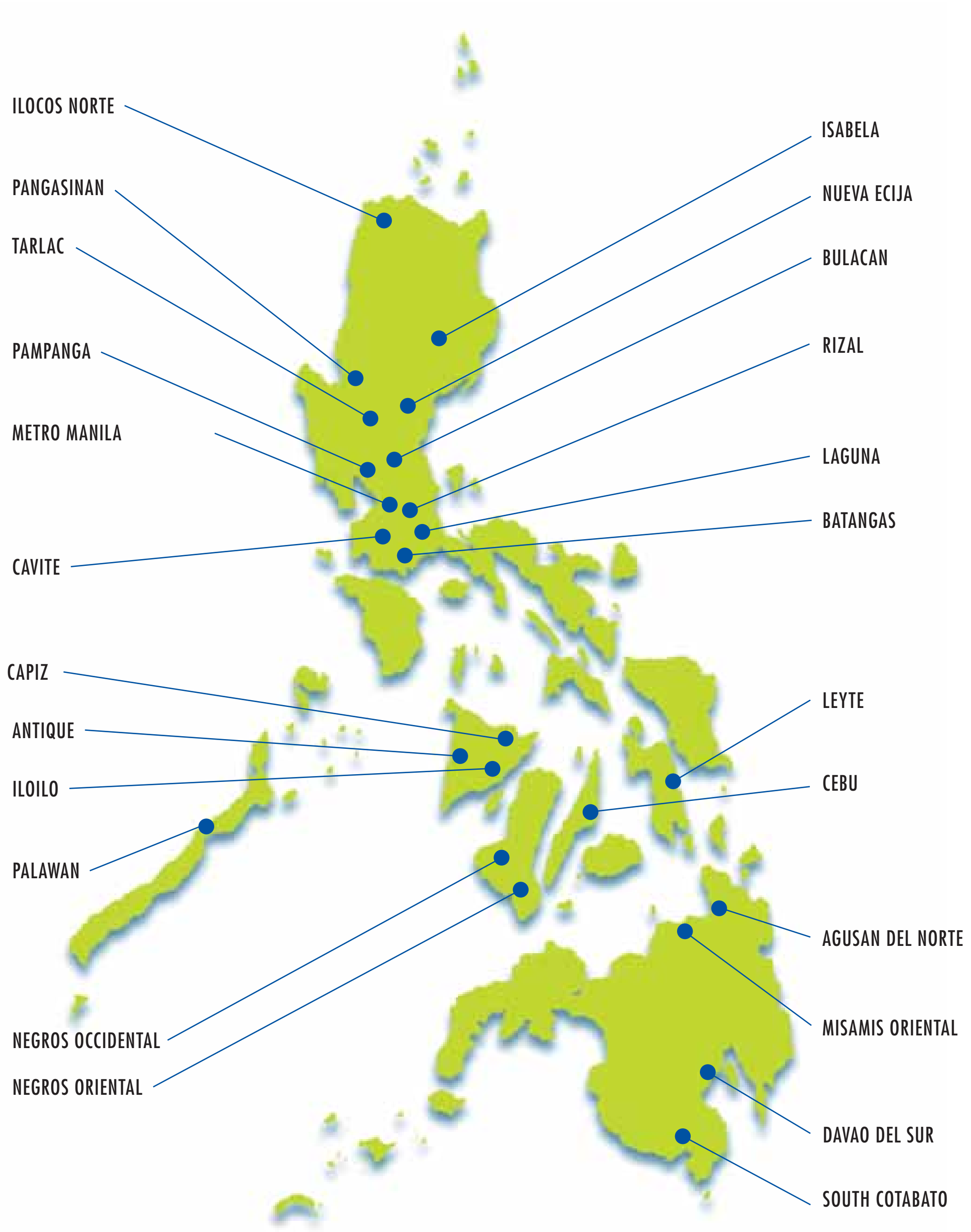
Summit Ridge Tagaytay
Tel. No. (632) 240-6888

Summit Hotel Magnolia
Tel. No. (632) 705-6300

Summit Circle Cebu
Tel. No. (63-32) 239-3000

Go Hotels
Tel. No. (632) 398-8788

Project Locations



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CORPORATION

Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City
www.robinsonsland.com