SEC Number 93269-A
File Number

ROBINSONS LAND CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

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

(Company's Address)

397-1888

(Telephone Number)

June 30, 2017

(Quarter Ended)

SEC Form 17-Q

(Form Type)

Amendment Designation (If applicable)

CN 000452R - Listed

(Secondary License Type and File Number)

COVER SHEET

9 3 2 6 9 – A

SEC Registration Number

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

(Company's Full Name)

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

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

Cecilia M. Pascual	397-1888
(Contact Person)	(Company Telephone Number)

1 2 / 3 1	1 7 - Q	
Month *Day* (Fiscal Year)	(Form Type)	*Month* *Day* (Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

TABLE OF CONTENTS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2017**

2. Commission identification number **93269-A**

3. BIR Tax Identification No. **000-361-376-000**

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

5. Province, country or other jurisdiction of incorporation or organization
   MANILA, PHILIPPINES

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

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

8. Issuer's telephone number, including area code

   397-1888

9. Former name, former address and former fiscal year, if changed since last report

   Not applicable

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding
Common	**4,093,830,685 shares**
Registered bonds payable	**₱12,000,000,000**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [/] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

PHILIPPINE STOCK EXCHANGE **COMMON STOCK**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein. **See Exhibit II**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

See Exhibit I

PART II--OTHER INFORMATION

The Company’s retained earnings include accumulated equity in undistributed net earnings of investee companies and affiliates amounting to ₱1,474 million as of June 30, 2017 and ₱1,275 million as of December 31, 2016. This amount, plus ₱16,000 million of retained earnings appropriated for expansion, are not available for dividend declaration.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

8-7-17

Issuer	**LANCE Y. GOKONGWEI**
Signature & Title	Vice Chairman & Chief Executive Officer
Date	

8-7-17

Issuer	**FREDERICK D. GO**
Signature & Title	President & Chief Operating Officer
Date	

8-7-17 8-7-17

Issuer	**KERWIN MAX S. TAN**	**CECILIA M. PASCUAL**
Signature & Title	Chief Financial Officer	VP - Group Controller
Date		

ROBINSONS LAND CORPORATION
2nd Quarter CY 2017 PERFORMANCE

I. Consolidated Operations

Consolidated net income attributable to equity holders of Parent Company for the period ended June 30 amounted to ₱2,917.9 million, down by 9%. EBIT and EBITDA increased by 1% and 3% to ₱4,176.2 million and ₱6,044.6 million, respectively, for the six months ended June 30, 2017.

Total real estate revenues were slightly up by 1% to ₱10,096.2 million against last year's ₱10,031.4 million, while hotel revenues were up by 7% to ₱919.2 million. Detailed analyses of the various segments are presented in the succeeding paragraphs.

Real estate costs were slightly down by 2% to ₱4,358.1 million while hotel expenses were up by 4% to ₱676.0 million due to the expenses of the new hotels. General and administrative expenses were up by 7% to ₱1,805.1 million because of higher taxes and licenses, commissions, and salaries, among others.

II. Segment Operations

The Commercial Centers Division contributed 48% or ₱5,247.5 million to the Company's gross revenues, posting a 6% growth due to full-year rental revenue contribution of lifestyle centers opened in 2015 and revenue contribution of the 3 new malls and 2 mall expansions opened in 2016. Amusement revenue went up by 9% to ₱911.9 million. The Division's EBIT and EBITDA both showed positive variances of 7% from ₱1,830.1 million same period last year to ₱1,958.3 million this year; and from ₱3,188.5 million same period last year to ₱3,397.0 million this year, respectively.

The Residential Division contributed 30% or ₱3,343.5 million to the Company's revenues. EBIT and EBITDA decreased by 20% to ₱920.6 million and 18% to ₱949.9 million, respectively.

The Office Buildings Division contributed 14% or ₱1,505.2 million to the Company's revenues, up by 9% from last year's ₱1,380.1 million. EBIT and EBITDA increased by 12% to ₱1,054.2 million and 10% to ₱1,364.4 million, respectively.

The Hotels Division contributed 8% or ₱919.2 million to the Company's revenues, up by 7% versus last year of the same period. The Division posted a system-wide occupancy rate of 68% as of June 30, 2017. The Division's EBIT and EBITDA showed positive variances of 14% from last year's ₱213.1 million to ₱243.2 million this year; and 12% from ₱296.3 million same period last year to ₱333.3 million this year, respectively, due to company-owned brands, Summit Hotels and Go Hotels.

III. Financial Resources and Liquidity

Cash and Cash Equivalents increased by 59% to ₱2,276.6 million due to additional long-term loans. Subdivision Land and Condominium and Residential Units slightly increased by 2% to ₱26,437.1 million. Receivables (current and non-current) slightly increased by 1% from ₱9,558.5 million last year to ₱9,698.3 million this year. Other assets (current and non-current) increased by 3% to ₱8,581.6 million due to additional utility deposits made for new malls and offices. Accounts payable and accrued expenses were lower by 5% to ₱9,638.7 million due to payment of liabilities. Deposits and Other Liabilities (current and non-current) increased by 9% to ₱10,128.6 million due to additional buyers' deposits. Total loans increased by ₱4,547.8 million to ₱43,919.3 million mainly due to availment of additional long-term loans.

As of June 30, 2017, total assets of the Company stood at ₱130,904.2 million while total equity amounted to ₱64,288.9 million.

RLC's financial position remains solid, with a debt to equity ratio of 0.69:1 as of June 30, 2017 and 0.63:1 as of December 31, 2016. Cash stood at ₱2,276.6 million and ₱1,436.2 million as of June 30, 2017 and December 31, 2016, respectively. Current ratio stood at 1.81:1 from last year's 1.34:1. Earnings per share for the first half of this year decreased to ₱0.71 per share from last year's ₱0.79 per share. Net book value excluding minority interest in consolidated subsidiary stood at ₱15.64 per share as of June 30, 2017 compared to ₱15.29 per share as of December 31, 2016.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
June 30, 2017 and for the Six Months Ended June 30, 2017 and 2016
(With Comparative Audited Consolidated Statement of
Financial Position as of December 31, 2016)

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱2,276,598,489**	₱1,436,210,577
Receivables (Note 7)	**7,263,961,680**	7,166,097,227
Subdivision land, condominium and residential units for sale (Note 8)	**26,437,081,922**	25,983,487,629
Other current assets (Note 9)	**6,079,190,820**	6,075,315,674
Total Current Assets	**42,056,832,911**	40,661,111,107
Noncurrent Assets		
Noncurrent receivables (Note 7)	**2,434,373,059**	2,392,386,437
Land held for future development	**18,683,562,320**	17,730,922,918
Investment properties (Note 10)	**59,397,856,491**	56,081,968,929
Property and equipment (Note 11)	**5,829,136,229**	5,345,968,790
Other noncurrent assets (Note 12)	**2,502,452,568**	2,219,800,218
Total Noncurrent Assets	**88,847,380,667**	83,771,047,292
	₱130,904,213,578	₱124,432,158,399
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 15)	**₱8,738,900,000**	₱16,010,000,000
Accounts payable and accrued expenses (Note 13)	**9,638,724,342**	10,187,435,686
Deposits and other current liabilities (Note 14)	**4,795,434,760**	4,126,768,201
Total Current Liabilities	**23,173,059,102**	30,324,203,887
Noncurrent Liabilities		
Loans payable (Note 15)	**35,180,365,520**	23,361,477,678
Deposits and other noncurrent liabilities (Note 16)	**5,333,189,503**	5,197,721,257
Deferred tax liabilities - net	**2,928,730,072**	2,693,450,046
Total Noncurrent Liabilities	**43,442,285,095**	31,252,648,981
Total Liabilities	**66,615,344,197**	61,576,852,868
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 17)	**4,111,528,685**	4,111,528,685
Additional paid-in capital	**20,392,532,781**	20,392,532,781
Treasury stock (Note 17)	**(221,834,657)**	(221,834,657)
Other equity reserve (Note 17)	**(87,597,873)**	(87,597,873)
Other comprehensive income:		
Remeasurements of net defined benefit liability - net of tax	**(131,292,935)**	(131,292,935)
Cumulative translation adjustment	**25,245,649**	36,329,484
Retained earnings (Note 18)		
Unappropriated	**23,921,753,200**	22,477,650,126
Appropriated	**16,000,000,000**	16,000,000,000
	64,010,334,850	62,577,315,611
Non-controlling interest	**278,534,531**	277,989,920
	64,288,869,381	62,855,305,531
	₱130,904,213,578	₱124,432,158,399

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Period April to June		For the Period January to June	
	2017	2016	**2017**	2016
REVENUES				
Real Estate Operations				
Rental income	**₱2,740,892,114**	₱2,599,703,554	**₱5,509,093,751**	₱5,196,699,313
Real estate sales	**1,694,250,535**	1,593,871,071	**3,020,921,537**	3,435,351,122
Amusement income	**427,431,402**	463,414,250	**911,875,520**	838,414,556
Others	**255,872,930**	320,549,582	**654,345,251**	560,895,692
	5,118,446,981	4,977,538,457	**10,096,236,059**	10,031,360,683
Hotel Operations	**463,185,124**	434,032,074	**919,167,887**	862,508,460
	5,581,632,105	5,411,570,531	**11,015,403,946**	10,893,869,143
COSTS				
Real Estate Operations				
Cost of rental services	**1,044,503,270**	967,502,365	**2,111,140,615**	1,931,469,589
Cost of real estate sales	**876,290,807**	836,739,287	**1,606,573,595**	1,705,325,420
Cost of amusement services	**197,345,474**	210,939,264	**417,662,509**	375,963,848
Others	**117,736,305**	217,656,629	**222,723,616**	420,294,430
	2,235,875,856	2,232,837,545	**4,358,100,335**	4,433,053,287
Hotel operations	**337,443,566**	329,736,333	**676,012,581**	649,382,627
	2,573,319,422	2,562,573,878	**5,034,112,916**	5,082,435,914
	3,008,312,683	2,848,996,653	**5,981,291,030**	5,811,433,229
GENERAL AND ADMINISTRATIVE EXPENSES	**800,359,639**	818,732,148	**1,805,054,864**	1,683,311,111
OPERATING INCOME	**2,207,953,044**	2,030,264,505	**4,176,236,166**	4,128,122,118
OTHER INCOME (LOSSES)				
Interest income	**7,433,635**	(703,296)	**18,058,847**	5,624,969
Gain (loss) on foreign exchange	**(5,276,751)**	42,690,062	**(8,715,141)**	21,172,176
Gain on sale of investment property	**–**	–	**–**	7,281,855
Gain from insurance claims	**3,225,068**	110,034,810	**14,510,130**	205,651,072
Interest expense	**(191,745,045)**	(28,508,333)	**(356,383,192)**	(54,949,725)
	(186,363,093)	123,513,243	**(332,529,356)**	184,780,347
INCOME BEFORE INCOME TAX	**2,021,589,951**	2,153,777,748	**3,843,706,810**	4,312,902,465
PROVISION FOR INCOME TAX	**483,852,576**	484,915,265	**925,280,079**	1,094,592,854
NET INCOME	**1,537,737,375**	1,668,862,483	**2,918,426,731**	3,218,309,611
OTHER COMPREHENSIVE INCOME (LOSS)				
Cumulative translation adjustment	**(17,339,785)**	–	**(11,083,835)**	–
TOTAL COMPREHENSIVE INCOME	**₱1,520,397,590**	₱1,668,862,483	**₱2,907,342,896**	₱3,218,309,611
Net Income Attributable to:				
Equity holders of Parent Company	**₱1,537,625,525**	₱1,670,363,507	**₱2,917,882,120**	₱3,219,052,163
Non-controlling interest in consolidated subsidiaries	**111,850**	(1,501,024)	**544,611**	(742,552)
	₱1,537,737,375	₱1,668,862,483	**₱2,918,426,731**	₱3,218,309,611
Total Comprehensive Income Attributable to:				
Equity holders of Parent Company	**₱1,520,285,740**	₱1,670,363,507	**₱2,906,798,285**	₱3,219,052,163
Non-controlling interest in consolidated subsidiaries	**111,850**	(1,501,024)	**544,611**	(742,552)
	₱1,520,397,590	₱1,668,862,483	**₱2,907,342,896**	₱3,218,309,611
Basic/Diluted Earnings Per Share (Note 19)	**₱0.38**	₱0.41	**₱0.71**	₱0.79

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED JUNE 30, 2017 AND 2016

	Attributable to Equity Holders of the Parent Company									
	Capital Stock	**Additional Paid-in Capital**	**Treasury Stock (Note 17)**	**Other Equity Reserve**	**Remeasurements of Net Defined Benefit Liability (Note 3)**	**Cumulative Translation Adjustment**	**Unappropriated Retained Earnings** (Note 18)	**Appropriated Retained Earnings**	**Non-controlling Interest**	**Total Equity**
Balances at January 1, 2017	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱131,292,935)**	**₱36,329,484**	**₱22,477,650,126**	**₱16,000,000,000**	**₱277,989,920**	**₱62,855,305,531**
Comprehensive income										
Net income	–	–	–	–	–	–	**2,917,882,120**	–	**544,611**	**2,918,426,731**
Other comprehensive income	–	–	–	–	–	**(11,083,835)**	–	–	–	**(11,083,835)**
Total comprehensive income	–	–	–	–	–	**(11,083,835)**	**2,917,882,120**	–	**544,611**	**2,907,342,896**
Cash dividends (Note 18)	–	–	–	–	–	–	**(1,473,779,046)**	–	–	**(1,473,779,046)**
Balances at June 30, 2017	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱131,292,935)**	**₱25,245,649**	**₱23,921,753,200**	**₱16,000,000,000**	**₱278,534,531**	**₱64,288,869,381**

	Attributable to Equity Holders of the Parent Company								
	Capital Stock	**Additional Paid-in Capital**	**Treasury Stock (Note 17)**	**Other Equity Reserve**	**Remeasurements of Net Defined Benefit Liability (Note 3)**	**Unappropriated Retained Earnings (Note 18)**	**Appropriated Retained Earnings**	**Non-controlling Interest**	**Total Equity**
Balances at January 1, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱76,401,362)	₱17,193,563,651	₱17,000,000,000	₱132,951,806	₱58,444,743,031
Total comprehensive income	–	–	–	–	–	3,219,052,163	–	(742,552)	3,218,309,611
Cash dividends (Note 18)	–	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at June 30, 2016	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱76,401,362)	₱18,938,836,768	₱17,000,000,000	₱132,209,254	₱60,189,273,596

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,843,706,810**	₱4,312,902,465
Adjustments for:		
Depreciation and amortization	**1,868,319,290**	1,763,616,269
Interest expense	**356,383,192**	54,949,725
Provision for impairment losses	**–**	1,634,383
Gain on sale of investment property	**–**	(7,281,855)
Interest income	**(35,774,342)**	(5,624,969)
Operating income before working capital changes	**6,032,634,950**	6,120,196,018
Decrease (increase) in:		
Receivables - trade	**(128,118,842)**	65,678,269
Subdivision land, condominium and residential units for sale	**(464,678,128)**	(213,232,741)
Other current assets	**142,108,830**	(185,623,325)
Increase in:		
Accounts payable and accrued expenses and other noncurrent liabilities	**48,324,501**	(840,708,978)
Customers' deposits	**890,728,372**	(78,837,666)
Cash generated from operations	**6,520,999,683**	4,867,471,577
Income tax paid	**(1,294,475,795)**	(1,778,019,869)
Net cash flows provided by operating activities	**5,226,523,888**	3,089,451,708
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from cash and short-term investments	**35,756,241**	5,782,472
Decrease (increase) in:		
Advances to lot owners	**(79,033,301)**	133,114,207
Advances to suppliers and contractors	**(99,001,739)**	(575,657,279)
Receivables from affiliated companies	**(11,714,132)**	4,252,159
Other noncurrent assets	**(266,046,533)**	(68,204,493)
Additions to:		
Investment properties (inclusive of capitalized borrowing cost)	**(5,820,177,974)**	(6,163,239,823)
Property and equipment	**(772,864,730)**	(529,490,818)
Proceeds from sale of investment property	**–**	33,610,500
Net cash flows used in investing activities	**(7,013,082,168)**	(7,159,833,075)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of:		
Short-term loans	**1,797,000,000**	5,095,139,300
Loans payable	**11,864,862,100**	–
Payments of:		
Short-term loans	**(9,068,100,000)**	–
Debt issue cost	**(57,500,000)**	–
Interests	**(371,524,648)**	(53,987,480)
Cash dividends	**(1,473,779,047)**	(1,472,627,311)
Increase (decrease) in payable to affiliated companies and other noncurrent liabilities	**(64,012,213)**	27,638,295
Net cash flows provided by financing activities	**2,626,946,192**	3,596,162,804
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**840,387,912**	(474,218,563)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,436,210,577**	1,583,452,245
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱2,276,598,489**	1,109,233,682

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED 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.

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

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

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

On July 18, 2016, the Parent Company filed its Amended By-Laws with SEC, amending the Parent Company's year end from fiscal year ending September 30 to calendar year ending December 31 and the said amendments were approved by the SEC on the same day. On August 1, 2016, the BIR issued a certificate granting the Parent Company the change in accounting period.

2. Basis of Preparation

The interim condensed consolidated financial statements as of June 30, 2017 and December 31, 2016 and for the six months ended June 30, 2017 and 2016 have been prepared in compliance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2016.

The interim condensed consolidated financial statements have been prepared under the historical cost convention method and are presented in Philippine Pesos (₱), the Group's functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Group (see Note 1) as of June 30, 2017 and December 31, 2016 and for the six months ended June 30, 2017 and 2016.

All intercompany balances, transactions, income and expense and profit and loss are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date such control ceases.

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.

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting October 1, 2016. Adoption of these pronouncements did not have any significant impact on the consolidated financial position or performance unless otherwise indicated.

- Amendments to PFRS 10, PFRS 12 and PAS 28, *Investment Entities: Applying the Consolidation Exception*
- Amendments to PFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*
- PFRS 14, *Regulatory Deferral Accounts*
- Amendments to PAS 1, *Disclosure Initiative*
- Amendments to PAS 16 and PAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization*
- Amendments to PAS 27, *Equity Method in Separate Financial Statements*
- Annual Improvements to PFRSs 2012 - 2014 Cycle
  - Amendment to PFRS 5, *Changes in Methods of Disposal*
  - Amendment to PFRS 7, *Servicing Contracts*
  - Amendment to PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  - Amendment to PAS 19, *Discount Rate: Regional Market Issue*
  - Amendment to PAS 34, *Disclosure of Information 'Elsewhere in the Interim Financial Report'*

<u>Standards Issued But Not Yet Effective</u>
The Group has not applied the following PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations which are not yet effective as of December 31, 2016. This list consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Unless otherwise indicated, adoption of these standards and interpretations are not expected to have any significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2017

- Amendment to PFRS 12, *Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)
  The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

- Amendments to PAS 7, *Statement of Cash Flows*, *Disclosure Initiative*
  The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted.

- Amendments to PAS 12, *Income Taxes*, *Recognition of Deferred Tax Assets for Unrealized Losses*
  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

  Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application of the amendments is permitted.

Effective beginning on or after January 1, 2018

- Amendments to PFRS 2, *Share-based Payment*, *Classification and Measurement of Share-based Payment Transactions*
  The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

  On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

- Amendments to PFRS 4, *Insurance Contracts*, *Applying PFRS 9, Financial Instruments, with PFRS 4*
  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021.

  The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9.

- PFRS 15, *Revenue from Contracts with Customers*
  PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue.

  The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018.

  The Group is currently assessing the impact of adopting this standard.

- PFRS 9, *Financial Instruments*
  PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9.
  The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting and on the amount of its credit losses.

  The Group is currently assessing the impact of adopting this standard.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)
  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

- Amendments to PAS 40, *Investment Property*, *Transfers of Investment Property*
  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in

use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*
  The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Effective beginning on or after January 1, 2019

- PFRS 16, *Leases*
  Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17, *Leases*. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

  The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

  Entities may early adopt PFRS 16 but only if they have also adopted PFRS 15. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs.

  The Group is currently assessing the impact of adopting PFRS 16.

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Significant Accounting Judgments and Estimates

The preparation of the interim condensed 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.

5. Operating Segment

Business Segments

The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest, income tax, depreciation and amortization and other income (losses) (EBITDA). The Group does not report its results based on geographical segments because the Group currently only has revenue generating activities in the Philippines as the real estate development in China is still in the initial development stage.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS except for EBITDA.

Cost and expenses exclude interest, taxes, depreciation and amortization.

The Group derives its revenue from the following reportable units:

Commercial Centers 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 soffice 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:

Six Months Ended June 30, 2017 (Unaudited)

	Commercial Centers Division	Residential Division	Office Buildings Division	Hotels Division	Total
Revenue	**₱5,247,529,815**	**₱3,343,534,666**	**₱1,505,171,578**	**₱919,167,887**	**₱11,015,403,946**
Costs and expenses	**1,850,541,895**	**2,393,638,667**	**140,769,878**	**585,898,050**	**4,970,848,490**
Earnings before interest, income tax and depreciation and amortization	**3,396,987,920**	**949,895,999**	**1,364,401,700**	**333,269,837**	**6,044,555,456**
Depreciation and amortization	**1,438,722,604**	**29,325,786**	**310,156,369**	**90,114,531**	**1,868,319,290**
Operating income	**₱1,958,265,316**	**₱920,570,213**	**₱1,054,245,331**	**₱243,155,306**	**₱4,176,236,166**
Total segment assets	**₱65,702,345,065**	**₱44,763,930,850**	**₱15,474,935,024**	**₱4,963,002,639**	**₱130,904,213,578**
Total segment liabilities	**₱55,459,836,654**	**₱7,945,246,914**	**₱2,154,939,747**	**₱1,055,320,882**	**₱66,615,344,197**

Six Months Ended June 30, 2016 (Unaudited)

	Commercial Centers Division	Residential Division	Office Buildings Division	Hotels Division	Total
Revenue	₱4,967,618,221	₱3,683,636,008	₱1,380,106,454	₱862,508,460	₱10,893,869,143
Costs and expenses	1,779,149,990	2,520,805,869	136,014,046	566,160,851	5,002,130,756
Earnings before interest, income tax and depreciation and amortization	3,188,468,231	1,162,830,139	1,244,092,408	296,347,609	5,891,738,387
Depreciation and amortization	1,358,346,940	16,981,497	305,066,056	83,221,776	1,763,616,269
Operating income	₱1,830,121,291	₱1,145,848,642	₱939,026,352	₱213,125,833	₱4,128,122,118
Total segment assets	₱58,865,631,100	₱42,791,636,889	₱11,747,710,292	₱3,595,227,235	₱117,000,205,516
Total segment liabilities	₱47,346,940,696	₱6,657,858,803	₱1,983,492,122	₱822,640,299	₱56,810,931,920

The revenue of the Group consists of sales to domestic customers. Inter-segment revenue accounted for under PFRS and on an arm's length basis arising from lease arrangements are eliminated in consolidation.

6. Cash and Cash Equivalents

This account consists of:

	June 30, 2017	December 31, 2016
Cash on hand and in banks	**₱1,696,312,852**	₱982,439,669
Short-term investments	**580,285,637**	453,770,908
	₱2,276,598,489	₱1,436,210,577

7. Receivables

This account consists of

	June 30, 2017	December 31, 2016
Trade	**₱9,463,243,653**	₱9,300,027,242
Affiliated companies	**29,857,294**	18,143,162
Others	**252,910,393**	287,989,861
	9,746,011,340	9,606,160,265
Less allowance for impairment losses	**47,676,601**	47,676,601
	9,698,334,739	9,558,483,664
Less noncurrent portion	**2,434,373,059**	2,392,386,437
	₱7,263,961,680	₱7,166,097,227

Others amounting to ₱252.9 million and ₱288.0 million as of June 30, 2017 and December 31, 2016, respectively, pertain to advances to officers and employees, accrued interest receivable and advances to brokers.

8. Subdivision Land, Condominium and Residential Units for Sale

This account consists of:

	June 30, 2017	December 31, 2016
Land and condominium units	**₱13,773,946,352**	₱13,861,990,601
Residential units and subdivision land	**1,914,763,753**	1,905,307,277
Land use right and development cost	**10,748,371,817**	10,216,189,751
	₱26,437,081,922	₱25,983,487,629

9. Other Current Assets

	June 30, 2017	December 31, 2016
Advances to suppliers and contractors	**₱2,566,085,032**	₱2,493,347,106
Input VAT - net	**1,335,372,671**	1,413,406,494
Advances to lot owners	**1,941,137,764**	1,862,104,463
Restricted cash - escrow	**60,549,605**	58,631,881
Supplies	**66,254,504**	66,374,903
Prepaid expenses	**89,396,219**	164,710,648
Utility deposits	**12,056,275**	8,401,429
Others	**8,338,750**	8,338,750
	₱6,079,190,820	₱6,075,315,674

10. Investment Properties

	June 30, 2017	December 31, 2016
Land	**₱10,847,879,197**	₱10,847,928,424
Land improvements - net	**112,403,989**	117,495,056
Building and improvements - net	**38,630,610,459**	40,398,683,729
Construction in progress	**9,806,962,846**	4,717,861,720
	₱59,397,856,491	₱56,081,968,929

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. This excludes raw land held for future development.

11. Property and Equipment

This account consists of:

	June 30, 2017	December 31, 2016
Land improvements - net	**₱3,334,133**	₱3,665,494
Building and improvements - net	**4,644,641,083**	4,062,405,695
Other equipments - net	**1,181,161,013**	1,279,897,601
	₱5,829,136,229	₱5,345,968,790

12. Other Noncurrent Assets

This account consists of:

	June 30, 2017	December 31, 2016
Advances to suppliers and contractors	**₱926,547,958**	₱900,284,145
Utility deposits	**883,701,276**	615,808,254
Prepaid rent	**413,191,217**	422,849,213
Advances to lot owners	**190,078,577**	190,078,577
Others	**88,933,540**	90,780,029
	₱2,502,452,568	₱2,219,800,218

13. Accounts Payable and Accrued Expenses

	June 30, 2017	December 31, 2016
Accounts payable	**₱6,107,110,238**	₱6,538,846,206
Accrued taxes and licenses and other liabilities	**2,885,139,842**	3,036,072,265
Accrued rent expense	**630,479,003**	596,495,913
Dividends payable	**15,995,259**	16,021,302
	₱9,638,724,342	₱10,187,435,686

14. Deposits and Other Liabilities

	June 30, 2017	December 31, 2016
Customers' deposits	**₱4,627,816,623**	₱3,957,701,007
Payables to affiliated companies	**167,618,137**	169,067,194
	₱4,795,434,760	₱4,126,768,201

15. **Loans Payable**

Short-term loans

	June 30, 2017	December 31, 2016
Short-term loan obtained from a local bank that will mature in August 2017. Interest rate is at 3.00% per annum.	**₱2,000,000,000**	₱3,000,000,000
Short-term loan obtained from a local bank that will mature in July 2017. Interest rate is at 3.00% per annum.	**4,941,900,000**	10,000,000,000
Short-term loan obtained from a local bank that will mature in August 2017. Interest rate is at 3.00% per annum.	**1,000,000,000**	–
Short-term loan obtained from a local bank that will mature in July 2017. Interest rate is at 2.80% per annum.	**500,000,000**	–
Short-term loan obtained from a local bank that will mature in August 2017. Interest rate is at 2.60% per annum.	**297,000,000**	–
Short-term loan obtained from a local bank that matured in January 2017. Interest rate is at 2.50% per annum.	**–**	1,229,500,000
Short-term loan obtained from a local bank that matured in February 2017. Interest rate is at 2.50% per annum.	**–**	870,500,000
Short-term loan obtained from a local bank that matured in March 2017. Interest rate is at 2.50% per annum.	**–**	910,000,000
	₱8,738,900,000	₱16,010,000,000

Long-term loans

	June 30, 2017	December 31, 2016
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	**₱10,635,500,000**	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears	**7,000,000,000**	–
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	**6,500,000,000**	6,500,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	**5,000,000,000**	5,000,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	**4,500,000,000**	–
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000
Three-year loan maturing in December 2019. Principal of RMB50 million payable upon maturity, with fixed rate at 4.7500%.	**364,862,100**	–
	35,364,862,100	23,500,000,000
Less debt issue costs	**184,496,580**	138,522,322
Long-term portion net of debt issue costs	**₱35,180,365,520**	₱23,361,477,678

16. **Deposits and Other Noncurrent Liabilities**

	June 30, 2017	December 31, 2016
Customers' deposits	**₱2,694,735,981**	₱2,474,123,225
Accrued rent expense	**1,577,720,784**	1,577,720,784
Pension liabilities	**353,240,262**	353,134,746
Advances and others	**707,492,476**	792,742,502
	₱5,333,189,503	₱5,197,721,257

17. **Capital Stock and Other Equity Reserve**

The details of the number of common shares as of June 30, 2017 and December 31, 2016 follow:

	Shares	Amount
Authorized - at ₱1 par value	8,200,000,000	₱8,200,000,000
Issued and outstanding		
Common shares	4,111,528,685	₱4,111,528,685
Treasury shares	(17,698,000)	(221,834,657)
	4,093,830,685	₱3,889,694,028

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 June 30, 2017, the Parent Company has repurchased a total of 17,698,000 shares for 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 June 30, 2017 and December 31, 2016.

	June 30, 2017	December 31, 2016
(a) Loans payable (Note 15)	**₱44,103,762,100**	₱39,510,000,000
(b) Equity	**₱64,010,334,850**	₱62,577,315,611
(c) Debt-to-capital ratio (a/b)	**0.69:1**	0.63:1

The Group's policy is to have a debt-to-capital ratio of not exceeding 2:1 level. This policy is consistent with the requirements under the Group's debt covenants with lenders.

Other Equity Reserve
On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in Altus San Nicolas Corp. (ASNC), increasing its ownership interest from 80% to 100%. Cash consideration of ₱198 million was paid to the non-controlling shareholders. The total carrying value of the net assets of ASNC at the date of acquisition was ₱578 million, and the 20% equivalent of the carrying value of the remaining non-controlling interest acquired was ₱111 million. The difference of ₱88 million between the consideration and the carrying value of the interest acquired was booked in "Other equity reserve" account within equity.

18. Retained Earnings

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting to ₱1,474 million as of June 30, 2017 and ₱1,275 million as of December 31, 2016 are not available for dividend declaration until received in the form of dividends. Also ₱16,000 million of retained earnings appropriated for future and ongoing expansions are also not available for 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:

	2017	2016
Date of declaration	**March 13, 2017**	March 9, 2016
Date of payment	**May 2, 2017**	April 22, 2016
Ex-dividend rate	**April 3, 2017**	March 29, 2016
Dividend per share	**₱0.36**	₱0.36
Total dividends	**₱1,473,779,046**	₱1,473,779,046

Appropriation
On September 27, 2016, the BOD approved the reversal of the retained earnings it appropriated during the fiscal year ended September 2015 amounting to ₱17,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱16,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2017 to 2021.

19. Basic/Diluted Earnings Per Share

Earnings per share for six months ended June 30 were computed as follows:

		2017	2016
a.	Net income attributable to equity holders of Parent Company	**₱2,917,882,120**	₱3,219,052,163
b.	Weighted average number of common shares outstanding adjusted	**4,093,830,685**	4,093,830,685
c.	Earnings per share (a/b)	**₱0.71**	₱0.79

There were no potential dilutive shares in 2017 and 2016.

20. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments, comprise of loans payable, deposit from lessees, receivables from affiliated companies, payables to affiliated companies, receivables and cash and cash equivalents. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks currently arising from the Group's financial instruments are foreign currency market risk, liquidity risk, interest rate risk and credit risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below, together with the related risk management structure.

<u>Risk Management Structure</u>
The Group's risk management structure is closely aligned with that of the Parent Company. The BOD of the Parent Company and the respective BODs of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks.

The risk management framework encompasses environmental scanning, the identification and assessment of business risks, development of risk management strategies, design and implementation of risk management capabilities and appropriate responses, monitoring risks and risk management performance, and identification of areas and opportunities for improvement in the risk management process.

Each BOD has created the board-level Audit Committee (AC) to spearhead the managing and monitoring of risks.

Audit Committee
The AC shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.

The AC also aims to ensure that:
a. financial reports comply with established internal policies and procedures, pertinent accounting and audit standards and other regulatory requirements;
b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management;
c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and
d. the Group's BOD is properly assisted in the development of policies that would enhance the risk management and control systems.

Enterprise Risk Management Group (ERMG)
To systematize the risk management within the Group, the ERMG was created to be primarily responsible for the execution of the enterprise risk management framework. The ERMG's main concerns include:

a. recommending risk policies, strategies, principles, framework and limits;
b. managing fundamental risk issues and monitoring of relevant risk decisions;
c. providing support to management in implementing the risk policies and strategies; and
d. developing a risk awareness program.

Support groups have likewise been created to explicitly manage on a day-to-day basis specific types of risks like trade receivables, supplier management, etc.

Compliance with the principles of good corporate governance is also one of the objectives of the BOD. To assist the BOD in achieving this purpose, the BOD has designated a Compliance Officer who shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

Risk Management Policies

The main risks arising from the use of financial instruments are foreign currency risk, liquidity risk, interest rate risk, 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.

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 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.

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.

21. Financial Instruments

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, utility deposits, receivable and payable to affiliated companies and accounts payable and accrued expenses are approximately equal to their fair value due to the short-term nature of the transaction.

Set out below is a comparison of carrying amounts and fair values of installment contracts receivables, deposits from lessees and loans payable that are carried in the consolidated financial statements.

	June 30, 2017		December 31, 2016	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contracts receivables	**₱7,448,051,329**	**₱7,140,480,152**	₱7,826,804,227	₱7,503,592,251
Deposits from lessees	**4,305,916,604**	**3,945,505,686**	4,033,457,966	3,695,852,197
Loans payable	**43,919,265,520**	**58,872,601,830**	39,371,477,678	52,776,413,753

The fair values of installment contracts receivables, deposits from lessees 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.

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.

22. Commitments and Contingencies

Under the contract to sell covering the sale of subdivision land and houses, residential condominium units, office building units, the Group is obligated to complete and deliver the sold units on agreed delivery dates. Moreover, estimated costs to complete sold units amounted to ₱1,187.2 million and ₱979 million as of June 30, 2017 and December 31, 2016, respectively.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

AGING OF RECEIVABLES AND PAYABLES
As of June 30, 2017

	Total	Due within Six months	Due over Six months
Receivables - net	₱9,698,334,739	₱2,424,583,685	₱7,273,751,054
Accounts Payable and Accrued Expenses	₱9,638,724,342	₱2,409,681,085	₱7,229,043,257

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATOR

		June 30, 2017	December 31, 2016
Current ratio	Total Current Assets / Total Current Liabilities	1.81	1.34
Debt-to-Equity ratio	Total Loans Payable / Total Equity	0.69	0.63
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	15.64	15.29
Asset to equity ratio	Total Assets / Total Equity	2.04	1.98

		June 30, 2017	June 30, 2016
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	0.71	0.79
Interest coverage ratio	EBIT / Interest expense	4.95	5.98
Operating margin ratio	Operating Income (EBIT) / Revenue	0.38	0.38

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

PART 1- FINANCIAL INFORMATION

Item 1. Financial Statements required under SRC Rule 68.1		**Remarks**
7. The following information, as a minimum, should be disclosed in the notes to financial statements, if material and if not disclosed elsewhere in the interim financial report.		
h.	Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period;	not applicable
i.	The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations;	not applicable
j.	Changes in contingent liabilities or contingent assets since the last annual balance sheet date.	not applicable
k.	Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.	Note 22
Item 2. Management's Discussion and Analysis (MDA) of Financial Condition and Results of Operations ((Part 111, par. (A) (2) (b))		
2. Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:		
(a)(i)	Any known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing liquidity.	not applicable
(a)(ii)	Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;	not applicable
(a)(iii)	All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.	not applicable
(a)(iv)	Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.	not applicable
(a)(v)	Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.	not applicable
(a)(vi)	Any significant elements of income or loss that did not arise from the issuer's continuing operations.	not applicable
(a)(viii)	Any seasonal aspects that had a material effect on the financial condition or result of operations.	not applicable
PART 11 - OTHER INFORMATION		
1. Disclosure not made under SEC Form 17-C		not applicable

SEC FORM 17-Q		
CHECKLIST OF REQUIRED DISCLOSURES		
REGISTRANT: ROBINSONS LAND CORPORATION		
For the Quarter Ended:		
SUMMARY OF COMMENTS	Page No.	Remarks
General Instruction: If any of the following is not applicable, please state/explain in a separate covering letter.		
PART I - FINANCIAL INFORMATION		
Item 2. Management's Discussion and Analysis (MDA) of Financial Condition and Results of Operations [Part III, Par. (A)(2)(b)].		
FINANCIAL RISK DISCLOSURE		
b. Evaluate whether the company could provide clearer and more transparent disclosure regarding its financial instruments including but not limited to the following information:		
1. A description of the financial instruments of the company and the classification and measurements applied for each. If material in amount, provide detailed explanation on complex securities particularly on derivatives and their impact on the financial condition of the company;		
2. The amount and description of the company's investments in foreign securities;		
3. The significant judgments made in classifying a particular financial instrument in the fair value hierarchy;		Note 21
4. An explanation of how risk is incorporated and considered in the valuation of assets or liabilities;		
5. A comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods; and		Note 21
6. The criteria used to determine whether the market for a financial instrument is active or inactive, as defined under PAS 39-Financial Instruments.		
c. If any one of the foregoing disclosure is not applicable to the company, so state in the report and provide a brief explanation.		
ADDITIONAL REQUIREMENTS (SRC Rule 68, as amended October 2011)		
A schedule showing financial soundness indicators in two comparative period as follows: 1) current/ liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) asset-to-equity ratio; 4)interest rate coverage ratio; 5) profitability ratio and 6)other relevant ratio as the Commission may prescribe		Page 27