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)

March 31, 2018
(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)

Kerwin S. Tan

(Contact Person)

397-1888

(Company Telephone Number)

1 2	3 1
Month	*Day*

(Fiscal Year)

1 7 - Q

(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

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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 **March 31, 2018**

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	**5,193,830,685 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 ₱1,879 million as of March 31, 2018 and ₱1,793 million as of December 31, 2017. This amount, plus ₱24,500 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.

Issuer
Signature & Title
Date

LANCE Y. GOKONGWEI
Vice Chairman & Chief Executive Officer
5-9-18

Issuer
Signature & Title
Date

FREDERICK D. GO
President & Chief Operating Officer
5-9-18

Issuer
Signature & Title
Date

KERWIN MAX S. TAN
Chief Financial Officer
5-9-18

CECILIA M. PASCUAL
VP - Group Controller
5-9-18

ROBINSONS LAND CORPORATION
1st Quarter CY 2018 PERFORMANCE

I. Consolidated Operations

Consolidated net income attributable to equity holders of Parent Company for the period ended March 31 amounted to ₱1,542.9 million, up by 12%. EBIT and EBITDA increased by 15% and 14% to ₱2,262.4 million and ₱3,339.1 million, respectively, for the three months ended March 31, 2018.

Total real estate revenues increased by 18% to ₱5,881.8 million against last year's ₱4,977.8 million, while hotel revenues were also up by 4% to ₱474.6 million. Detailed analyses of the various segments are presented in the succeeding paragraphs.

Real estate costs increased by 27% to ₱2,690.2 million while hotel expenses were also up by 9% to ₱370.4 million due to the expenses of the new hotels. General and administrative expenses were up by 3% to ₱1,033.5 million because of higher taxes and licenses, and commissions, among others.

II. Segment Operations

The Commercial Centers Division contributed 46% or ₱2,881.4 million to the Company's gross revenues, posting a 7% growth due to same mall rental revenue growth and rental revenue contribution of the new malls namely Robinsons Place Iligan, Robinsons Place Naga, and Robinsons North Tacloban. Amusement revenue went down by 7% to ₱450.8 million. The Division's EBIT and EBITDA showed positive variances of 5% from ₱983.4 million same period last year to ₱1,033.3 million this year; and 9% from ₱1,722.2 million same period last year to ₱1,869.9 million this year, respectively.

The Residential Division contributed 33% or ₱2,108.0 million to the Company's revenues. EBIT and EBITDA increased by 46% to ₱580.4 million and 44% to ₱594.8 million, respectively.

The Office Buildings Division contributed 14% or ₱864.7 million to the Company's revenues, up by 18% from last year's ₱734.2 million. EBIT and EBITDA both increased by 12% to ₱537.3 million and to ₱710.5 million, respectively.

The Hotels Division contributed 7% or ₱474.6 million to the Company's revenues, up by 4% versus last year of the same period. The Division posted a system-wide occupancy rate of 63% as of March 31, 2018. The Division's EBIT and EBITDA decreased by 11% from last year's ₱117.4 million to ₱104.2 million this year; and by 4% from ₱162.5 million same period last year to ₱156.7 million this year, respectively.

RLC's fifth division, Infrastructure and Integrated Developments Division posted revenues of ₱27.8 million and a positive EBIT of ₱7.2 million.

III. Financial Resources and Liquidity

Cash and Cash Equivalents increased by 70% to ₱3,534.2 million due to the stock rights offering held in February 2018. Receivables (current and non-current) were up by 11% from last year at ₱9,341.0 million to this year at ₱10,357.2 million due to higher volume of buyers meeting the equity requirement needed for revenue recognition. Other assets (current and non-current) slightly decreased by 2% to ₱8,810.8 million due to utilization of value-added input tax. Accounts payable and accrued expenses were lower by 21% to ₱11,361.0 mainly due to installment payment for land purchased in 2017. Deposits and Other Liabilities (current and non-current) increased by 9% to ₱13,155.3 million due to additional buyers' deposits. Total loans decreased by ₱15,385.2 million to ₱35,969.4 million mainly due to payment of short term loans.

As of March 31, 2018, total assets of the Company stood at ₱152,406.8 million while total equity amounted to ₱88,852.7 million.

RLC's financial position remains solid, with a debt to equity ratio of 0.41:1 as of March 31, 2018 and 0.77:1 as of December 31, 2017. Cash stood at ₱3,534.2 million and ₱2,075.5 million as of March 31, 2018 and December 31, 2017, respectively. Current ratio stood at 2.67:1 from last year's 1.21:1. Earnings per share for the three months of this year slightly decreased to ₱0.33 per share from last year's ₱0.34 per share. Net book value excluding minority interest in consolidated subsidiary stood at ₱19.07 per share as of March 31, 2018 compared to ₱16.39 per share as of December 31, 2017.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
March 31, 2018 and for the Three Months Ended March 31, 2018 and 2017
(With Comparative Audited Consolidated Statement of
Financial Position as of December 31, 2017)

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱3,534,190,096**	₱2,075,454,523
Receivables (Note 7)	**6,170,303,658**	5,565,058,271
Subdivision land, condominium and residential units for sale (Note 8)	**26,634,458,181**	26,632,634,568
Other current assets (Note 9)	**6,270,861,458**	6,609,712,081
Total Current Assets	**42,609,813,393**	40,882,859,443
Noncurrent Assets		
Noncurrent receivables (Note 7)	**4,186,851,006**	3,775,948,572
Land held for future development	**25,399,705,929**	24,906,878,858
Investment properties (Note 10)	**70,838,668,521**	69,468,304,004
Property and equipment (Note 11)	**6,831,774,559**	6,692,358,405
Other noncurrent assets (Note 12)	**2,539,979,707**	2,400,198,520
Total Noncurrent Assets	**109,796,979,722**	107,243,688,359
	₱152,406,793,115	₱148,126,547,802
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 13)	**₱11,361,012,726**	₱14,422,474,784
Deposits and other current liabilities (Note 14)	**4,600,889,001**	3,783,534,816
Short-term loans (Note 15)	–	15,693,400,000
Total Current Liabilities	**15,961,901,727**	33,899,409,600
Noncurrent Liabilities		
Loans payable (Note 15)	**35,969,361,438**	35,661,162,154
Deposits and other noncurrent liabilities (Note 16)	**8,554,451,829**	8,328,168,101
Deferred tax liabilities - net	**3,068,393,900**	2,865,190,187
Total Noncurrent Liabilities	**47,592,207,167**	46,854,520,442
Total Liabilities	**63,554,108,894**	80,753,930,042
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 17)	**5,193,830,685**	4,111,528,685
Additional paid-in capital	**39,022,474,643**	20,392,532,781
Treasury stock (17,698,000 shares) (Note 17)	–	(221,834,657)
Other equity reserve (Note 1)	**(87,597,873)**	(87,597,873)
Other comprehensive income:		
Remeasurements of net defined benefit liability - net of tax	**(63,719,597)**	(63,719,597)
Cumulative translation adjustment	**75,347,374**	75,409,464
Retained earnings (Note 18)		
Unappropriated	**19,927,910,896**	18,385,021,808
Appropriated	**24,500,000,000**	24,500,000,000
	88,568,246,128	67,091,340,611
Non-controlling interest	**284,438,093**	281,277,149
	88,852,684,221	67,372,617,760
	₱152,406,793,115	₱148,126,547,802

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For Three Months Ended March 31	
	2018	2017
REVENUES		
Real Estate Operations		
Rental income	**₱3,119,893,310**	₱2,768,201,637
Real estate sales	**2,024,793,815**	1,326,671,002
Amusement income	**450,836,834**	484,444,118
Others	**286,323,385**	398,472,321
	5,881,847,344	4,977,789,078
Hotel Operations	**474,620,027**	455,982,763
	6,356,467,371	5,433,771,841
COSTS		
Real Estate Operations		
Cost of rental services	**1,183,869,337**	1,066,637,345
Cost of real estate sales	**1,115,124,707**	730,282,788
Cost of amusement services	**202,242,609**	220,317,035
Others	**188,918,475**	104,987,311
	2,690,155,128	2,122,224,479
Hotel operations	**370,436,190**	338,569,015
	3,060,591,318	2,460,793,494
	3,295,876,053	2,972,978,347
GENERAL AND ADMINISTRATIVE EXPENSES	**1,033,513,290**	1,004,695,225
OPERATING INCOME	**2,262,362,763**	1,968,283,122
OTHER INCOME (LOSSES)		
Interest income	**17,473,236**	10,625,212
Gain from insurance claims	**–**	11,285,062
Gain (loss) on foreign exchange	**6,993,354**	(3,438,390)
Interest expense	**(205,735,528)**	(164,638,147)
	(181,268,938)	(146,166,263)
INCOME BEFORE INCOME TAX	**2,081,093,825**	1,822,116,859
PROVISION FOR INCOME TAX	**535,043,793**	441,427,503
NET INCOME	**1,546,050,032**	1,380,689,356
OTHER COMPREHENSIVE INCOME		
Cumulative translation adjustment	**(62,090)**	6,255,950
TOTAL COMPREHENSIVE INCOME	**₱1,545,987,942**	₱1,386,945,306
Net Income Attributable to:		
Equity holders of Parent Company	**₱1,542,889,088**	₱1,380,256,595
Non-controlling interest in consolidated subsidiaries	**3,160,944**	432,761
	₱1,546,050,032	₱1,380,689,356
Total Comprehensive Income Attributable to:		
Equity holders of Parent Company	**₱1,542,826,998**	₱1,386,512,545
Non-controlling interest in consolidated subsidiaries	**3,160,944**	432,761
	₱1,545,987,942	₱1,386,945,306
Basic/Diluted Earnings Per Share (Note 19)	**₱0.33**	₱0.34

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2018 AND 2017

	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, 2018	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱63,719,597)**	**₱75,409,464**	**₱18,385,021,808**	**₱24,500,000,000**	**₱281,277,149**	**₱67,372,617,760**
Comprehensive income										
Net income	–	–	–	–	–	–	**1,542,889,088**	–	**3,160,944**	**1,546,050,032**
Other comprehensive income	–	–	–	–	–	**(62,090)**	–	–	–	**(62,090)**
Total comprehensive income	–	–	–	–	–	**(62,090)**	**1,542,889,088**	–	**3,160,944**	**1,545,987,942**
Issuance of capital stock (Note 17)	**1,082,302,000**	**18,629,941,862**	**221,834,657**	–	–	–	–	–	–	**19,934,078,519**
Balances at March 31, 2018	**₱5,193,830,685**	**₱39,022,474,643**	**₱–**	**(₱87,597,873)**	**(₱63,719,597)**	**₱75,347,374**	**₱19,927,910,896**	**₱24,500,000,000**	**₱284,438,093**	**₱88,852,684,221**

	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	–	–	–	–	–	–	1,380,256,595	–	432,761	1,380,689,356
Other comprehensive income	–	–	–	–	–	6,255,950	–	–	–	6,255,950
Total comprehensive income	–	–	–	–	–	6,255,950	1,380,256,595	–	432,761	1,386,945,306
Cash Dividends	–	–	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at March 31, 2017	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱131,292,935)	₱42,585,434	₱22,384,127,675	₱16,000,000,000	₱278,422,681	₱62,768,471,791

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱2,081,093,825**	₱1,822,116,859
Adjustments for:		
Depreciation and amortization	**1,076,771,175**	952,005,525
Interest expense on loans payable	**205,735,528**	164,638,147
Net foreign exchange loss	**(6,993,354)**	3,438,390
Interest income	**(17,473,236)**	(16,472,014)
Operating income before working capital changes	**3,339,133,938**	2,925,726,907
Decrease (increase) in:		
Receivables – trade	**(995,911,682)**	15,917,369
Subdivision land, condominium and residential units for sale	**(113,976,946)**	(416,808,662)
Other current assets	**289,226,271**	81,623,738
Increase in:		
Accounts payable and accrued expenses and other noncurrent liabilities	**(3,519,761,384)**	244,736,833
Customers' deposits	**1,645,842,230**	411,573,931
Cash generated from operations	**644,552,427**	3,262,770,116
Income tax paid	**(302,182,497)**	(1,046,555,211)
Net cash flows provided by operating activities	**342,369,930**	2,216,214,905
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**17,030,003**	16,170,374
Decrease (increase) in:		
Advances to lot owners	**(9,091,270)**	(20,980,858)
Advances to suppliers and contractors	**72,063,941**	(128,345,767)
Receivables from affiliated companies	**(19,792,906)**	1,309,101
Other noncurrent assets	**(153,129,506)**	(254,534,321)
Additions to:		
Investment properties (inclusive of capitalized borrowing cost)	**(2,648,876,865)**	(2,720,842,785)
Property and equipment	**(310,761,964)**	(387,895,742)
Net cash flows used in investing activities	**(3,052,558,567)**	(3,495,119,998)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Stock rights offering	**19,934,078,519**	–
Availment of loans payable	**305,550,440**	11,864,640,900
Payment of:		
Short-term loans	**(15,693,400,000)**	(8,510,000,000)
Debt issue cost	–	(57,500,000)
Loans payable	**(5,000,000)**	–
Interests	**(390,749,852)**	(331,716,251)
Increase in payable to affiliated companies and other liabilities	**18,445,103**	(60,576,843)
Net cash flows provided by financing activities	**4,168,924,210**	2,904,847,806
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,458,735,573**	1,625,942,713
CASH AND CASH EQUIVALENTS AT JANUARY 1	**2,075,454,523**	1,436,210,577
CASH AND CASH EQUIVALENTS AT MARCH 31	**₱3,534,190,096**	₱3,062,153,290

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 and incorporated on June 4, 1980 with a corporate life of 50 years under the laws of the Philippines. The Parent Company and its subsidiaries 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 March 31, 2018 and December 31, 2017 and for the three months ended March 31, 2018 and 2017 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, 2017.

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 as of March 31, 2018 and December 31, 2017 and for the three months ended March 31, 2018 and 2017.

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 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 January 1, 2017. Adoption of these pronouncements did not have any significant impact on the consolidated financial position or performance unless otherwise indicated.

- Amendments to PFRS 12, *Disclosure of Interests in Other Entities, Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

  The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

- Amendments to PAS 7, *Statement of Cash Flows, Disclosure Initiative*

  The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

- Amendments to PAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses*

  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions upon the reversal of the deductible temporary difference related to unrealized losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

  The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Standards Issued But Not Yet Effective
The Group has not applied the following PFRS, Philippine Accounting Standards (PAS) and Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2018

- Amendment to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based Payment Transactions*

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

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

- PFRS 9, *Financial Instruments*

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

  The Group plans to adopt the new standard on the mandatory effective date and will not restate comparative information.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption is expected to impact the assessment of the credit losses amount. The Group is currently assessing the impact of adopting this standard.

- Amendments to PFRS 4, *Insurance Contracts*, *Applying PFRS 9, Financial Instruments, with PFRS 4*

  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

The amendments are not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

- PFRS 15, *Revenue from Contracts with Customers*

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

  The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the modified retrospective method.

  The Parent Company is still assessing the impact of adopting PFRS 15 in 2018.

  In addition, as the presentation and disclosure requirements in PFRS 15 are more detailed than under current PFRSs, the Group is currently assessing what necessary changes it needs to make on its current systems, internal controls, policies and procedures to enable the Group to collect and disclose the required information.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

  The amendments should be applied retrospectively, with earlier application permitted.

- Amendments to PAS 40, *Investment Property*, *Transfers of Investment Property*

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

The Group's current practice is in line with the clarifications issued.

- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

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

  Since the Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements upon adoption of this interpretation.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

  The amendments to PFRS 9 allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

  The Group will apply this amendment if there are transactions of this nature in the future. None of its current transactions will fall under this feature.

- PFRS 16, *Leases*

  PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

  Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

Early application is permitted, but not before an entity applies PFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group is currently assessing the impact of adopting PFRS 16. The Group expects the standard to impact its operating lease arrangements for land which will require recognition of right of use asset and its related lease liability in the books. The Group does not expect significant impact of the standard to its arrangement as a lessor.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

  The amendments to PAS 28 clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

- Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:
  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

Deferred effectivity
- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

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

4. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change.

The effects of any change in judgments and estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

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

5. Operating Segment

In 2009, the Group adopted PFRS 8, *Operating Segment* which replaces PAS 14, *Segment Reporting,* which adopted a management approach to segment reporting. Under this approach, the information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments.

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

The 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 horizontal residential projects.

Office Buildings Division - develops and leases office spaces.

Hotel Division - owns and operates a chain of hotels in various locations in the Philippines.

Infrastructure and Integrated Developments Division - focuses on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, and development of warehouse and logistics facilities.

The financial information about the operations of these business segments is summarized as follows:

Three Months Ended March 31, 2018 (Unaudited)

	Commercial Centers Division	**Residential Division**	**Office Buildings Division**	**Infrastructure and Integrated Developments Division**	**Hotels Division**	**Total**
Revenue	**₱2,881,425,739**	**₱2,107,983,764**	**₱864,660,094**	**₱27,777,747**	**₱474,620,027**	**₱6,356,467,371**
Costs and expenses	**1,011,561,747**	**1,513,222,546**	**154,197,363**	**20,447,278**	**317,904,499**	**3,017,333,433**
Earnings before interest, income tax and depreciation	**1,869,863,992**	**594,761,218**	**710,462,731**	**7,330,469**	**156,715,528**	**3,339,133,938**
Depreciation	**836,559,492**	**14,348,165**	**173,209,922**	**121,905**	**52,531,691**	**1,076,771,175**
Operating income	**₱1,033,304,500**	**₱580,413,053**	**₱537,252,809**	**₱7,208,564**	**₱104,183,837**	**₱2,262,362,763**
Total segment assets	**₱68,689,443,754**	**₱41,792,501,251**	**₱17,944,497,272**	**₱17,324,653,100**	**₱6,655,697,738**	**₱152,406,793,115**
Total segment liabilities	**₱48,569,490,947**	**₱9,195,891,121**	**₱2,554,452,329**	**₱2,345,835,666**	**₱888,438,831**	**₱63,554,108,894**

Three Months Ended March 31, 2017 (Unaudited)

	Commercial Centers Division	Residential Division	Office Buildings Division	Infrastructure and Integrated Developments Division	Hotels Division	Total
Revenue	₱2,689,262,651	₱1,550,934,056	₱734,218,343	₱3,374,028	₱455,982,763	₱5,433,771,841
Costs and expenses	967,086,306	1,138,848,695	101,137,826	12,945,792	293,464,575	2,513,483,194
Earnings before interest, income tax and depreciation	1,722,176,345	412,085,361	633,080,517	(9,571,764)	162,518,188	2,920,288,647
Depreciation	738,805,339	14,559,474	153,460,857	75,415	45,104,440	952,005,525
Operating income	₱983,371,006	₱397,525,887	₱479,619,660	(₱9,647,179)	₱117,413,748	₱1,968,283,122
Total segment assets	₱61,689,602,243	₱40,580,639,466	₱14,885,559,967	₱7,545,084,235	₱4,585,141,824	₱129,286,027,735
Total segment liabilities	₱56,142,921,158	₱7,338,691,972	₱2,069,839,176	₱20,308,526	₱945,795,112	₱66,517,555,944

The Group generally accounts for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

Segment information of the Group does not include geographical segments since its operations are concentrated in the Philippines.

The revenue of the Group consists mainly of sales to external customers. Inter-segment revenue arising from lease arrangements are eliminated on consolidation.

6. Cash and Cash Equivalents

This account consists of:

	March 31, 2018	December 31, 2017
Cash on hand and in banks	**₱995,730,509**	₱1,379,275,821
Short-term investments	**2,538,459,587**	696,178,702
	₱3,534,190,096	₱2,075,454,523

7. Receivables

This account consists of

	March 31, 2018	December 31, 2017
Trade	**₱10,132,295,970**	₱9,137,900,642
Affiliated companies	**43,212,679**	23,419,773
Others	**229,322,616**	227,363,029
	10,404,831,265	9,388,683,444
Less allowance for impairment losses	**47,676,601**	47,676,601
	10,357,154,664	9,341,006,843
Less noncurrent portion	**4,186,851,006**	3,775,948,572
	₱6,170,303,658	₱5,565,058,271

Others amounting to ₱229.3 million and ₱227.4 million as of March 31, 2018 and December 31, 2017, respectively, pertain to advances to officers and employees, accrued interest receivable and advances to various third parties.

8. Subdivision Land, Condominium and Residential Units for Sale

This account consists of:

	March 31, 2018	December 31, 2017
Land and condominium units	**₱12,765,093,083**	₱12,891,326,496
Residential units and subdivision land	**2,014,740,636**	2,030,312,220
Land use right and development cost	**11,854,624,462**	11,710,995,852
	₱26,634,458,181	₱26,632,634,568

9. Other Current Assets

	March 31, 2018	December 31, 2017
Advances to suppliers and contractors	**₱2,000,055,762**	₱2,051,548,008
Value-added input tax – net	**2,135,934,913**	2,338,956,212
Advances to lot owners	**1,893,252,971**	1,884,161,701
Restricted cash – escrow	**2,751,994**	4,257,265
Supplies	**62,387,237**	64,628,699
Prepaid expenses	**123,045,820**	212,715,201
Utility deposits	**9,976,838**	9,989,072
Others	**43,455,923**	43,455,923
	₱6,270,861,458	₱6,609,712,081

10. Investment Properties

	March 31, 2018	December 31, 2017
Land	**₱13,961,055,977**	₱13,714,664,107
Land improvements – net	**112,413,773**	110,801,165
Building and improvements – net	**47,904,955,975**	46,631,477,330
Construction in Progress	**8,860,242,796**	9,011,361,402
	₱70,838,668,521	₱69,468,304,004

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

11. Property and Equipment

This account consists of:

	March 31, 2018	December 31, 2017
Land improvements - net	**₱3,354,126**	₱3,545,727
Building and improvements - net	**5,659,964,332**	5,500,017,567
Other equipments - net	**1,168,456,101**	1,188,795,111
	₱6,831,774,559	₱6,692,358,405

12. Other Noncurrent Assets

This account consists of:

	March 31, 2018	December 31, 2017
Advances to suppliers and contractors	**₱799,043,359**	₱819,615,054
Utility deposits	**873,274,935**	874,345,792
Prepaid expenses	**390,023,346**	382,799,970
Advances to lot owners	**190,078,577**	190,078,577
Others	**287,559,490**	133,359,127
	₱2,539,979,707	₱2,400,198,520

13. Accounts Payable and Accrued Expenses

	March 31, 2018	December 31, 2017
Accounts payable	**₱7,316,118,391**	₱9,685,757,998
Accrued taxes and licenses and other liabilities	**3,132,571,451**	3,888,895,830
Accrued rent expense	**871,337,340**	806,830,746
Dividends payable	**40,985,544**	40,990,210
	₱11,361,012,726	₱14,422,474,784

14. Deposits and Other Liabilities

	March 31, 2018	December 31, 2017
Customers' deposits	**₱4,378,571,583**	₱3,560,596,890
Payables to affiliated companies	**222,317,418**	222,937,926
	₱4,600,889,001	₱3,783,534,816

15. Loans Payable

Short-term loans

	March 31, 2018	December 31, 2017
Short-term loan obtained from a local bank that matured in January 2018. Interest rate is at 2.80% per annum.	**₱–**	₱14,454,500,000
Short-term loan obtained from a local bank that matured in February 2018. Interest rate is at 2.60% per annum.	**–**	1,238,900,000
	₱–	₱15,693,400,000

Long-term loans

	March 31, 2018	December 31, 2017
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	**₱10,635,500,000**	₱10,635,500,000
Seven-year term bonds from MBTC maturing on March 15, 2024. Principal payable upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears	**7,000,000,000**	7,000,000,000
Five-year term bonds from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	**6,500,000,000**	6,500,000,000
Seven-year term bonds from BPI maturing on August 10, 2023. Principal payable upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	**4,990,000,000**	4,990,000,000
Ten-year term bonds from BPI maturing on February 13, 2027. Principal payable upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	**4,495,000,000**	4,500,000,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000
Five-year loan maturing in August 2022. Principal of RMB100 million payable upon maturity, with fixed rate at 4.7500%.	**763,876,100**	458,325,660
Three-year loan maturing in December 2019. Principal of RMB50 million payable upon maturity, with fixed rate at 4.7500%.	**381,938,050**	381,938,050
	36,130,814,150	35,830,263,710
Less debt issue costs	**161,452,712**	169,101,556
Long-term portion net of debt issue costs	**₱35,969,361,438**	₱35,661,162,154

16. Deposits and Other Noncurrent Liabilities

	March 31, 2018	December 31, 2017
Customers' deposits	**₱4,390,079,913**	₱3,562,212,376
Accrued rent expense	**1,458,843,803**	1,458,843,803
Pension liabilities	**324,518,810**	324,547,653
Advances and others	**2,381,009,303**	2,982,564,269
	₱8,554,451,829	₱8,328,168,101

17. Capital Stock

The details of the number of common shares as of March 31, 2018 and December 31, 2017 follow:

	March 31, 2018	December 31, 2017
Authorized - at ₱1 par value	8,200,000,000	8,200,000,000
Issued and outstanding		
Common shares	5,193,830,685	4,111,528,685
Treasury shares	–	(17,698,000)
	5,193,830,685	4,093,830,685

Stock Rights Offering

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

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

	March 31, 2018
Cash payment for subscriptions	₱20,020,000,000
Less: Rights offering expenses	85,921,481
	₱19,934,078,519

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.

During the stock rights offering in February 2018, the Company re issued these treasury shares.

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 March 31, 2018 and December 31, 2017.

	March 31, 2018	December 31, 2017
(a) Loans payable (Note 15)	**₱36,130,814,150**	₱51,523,663,710
(b) Equity	**₱88,568,246,128**	₱67,091,340,611
(c) Debt-to-capital ratio (a/b)	**0.41:1**	0.77:1

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.

18. Retained Earnings

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting to ₱1,879 million as of March 31, 2018 and ₱1,793 million as of December 31, 2017 are not available for dividend declaration until received in the form of dividends. Also ₱24,500 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:

	2018	2017
Date of declaration	**April 6, 2018**	March 13, 2017
Date of payment	**May 23, 2018**	May 2, 2017
Ex-dividend rate	**April 26, 2018**	April 3, 2017
Dividend per share	**₱0.36**	₱0.36
Total dividends	**₱1,869,779,047**	₱1,473,779,046

Appropriation
On December 12, 2017, the BOD approved the reversal of the retained earnings it appropriated during the fiscal year ended September 2016 amounting to ₱16,000 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱24,500 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2017. These projects and acquisitions are expected to be completed in various dates in 2018 up to 2022.

19. Earnings Per Share

Earnings per share amounts as of March 31 were computed as follows:

		2017	2017
a.	Net income attributable to equity holders of Parent Company	**₱1,542,889,088**	₱1,380,256,595
b.	Weighted average number of common shares outstanding adjusted	**4,643,830,685**	4,093,830,685
c.	Earnings per share (a/b)	**₱0.33**	₱0.34

There were no potential dilutive shares in 2018 and 2017.

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.

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
<u>Foreign Currency Risk</u>
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.

	March 31, 2018		December 31, 2017	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contracts receivables	**₱8,202,495,239**	**₱7,569,390,095**	₱7,253,408,707	₱6,693,558,292
Deposits from lessees	**4,815,904,449**	**4,379,888,608**	4,697,810,102	4,272,486,127
Loans payable	**35,969,361,438**	**29,401,455,657**	51,354,562,154	41,977,361,332

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 ₱1,671 million and ₱1,411 million as of March 31, 2018 and December 31, 2017, respectively.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

AGING OF RECEIVABLES AND PAYABLES
As of March 31, 2018

	Total	Due within Six months	Due over Six months
Receivables - net	₱10,357,154,664	₱2,589,288,666	₱7,767,865,998
Accounts Payable and Accrued Expenses	₱11,361,012,726	₱2,840,253,181	₱8,520,759,545

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATOR

		March 31, 2018	December 31, 2017
Current ratio	Total Current Assets / Total Current Liabilities	2.67	1.21
Debt-to-Equity ratio	Total Loans Payable / Equity attributable to equity holders of the Parent Company	0.41	0.77
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	19.07	16.39
Asset to equity ratio	Total Assets / Total Equity	1.72	2.20

		March 31, 2018	March 31, 2017
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	0.33	0.34
Interest coverage ratio	EBIT / Interest expense	5.02	5.14
Operating margin ratio	Operating Income (EBIT) / Revenue	0.36	0.36

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 25
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 25
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 29