COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9	3	2	6	9	-	A				

COMPANY NAME

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	8397-1888	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,048	Last Wednesday of May	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Kerwin Max S. Tan	Kerwin@robinsonsland.ph	8397-1888	N/A

CONTACT PERSON's ADDRESS

14 Floor Robinsons Cyberscape Alpha cor. Sapphire & Garnet Road Ortigas Center, Pasig City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SEC Number 93269-A
File Number

ROBINSONS LAND CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

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

(Company's Address)

8397-1888

(Telephone Number)

DECEMBER 31

(Calendar Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

Amendment Designation (if applicable)

December 31, 2019

Period Ended Date

CN 000452-R-Listed

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended : **December 31, 2019**

2. SEC Identification Number : **93269-A**

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

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

5. **Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila, 1605**
   Address of principal office Postal Code

8. **8397-1888**
   Issuer's telephone number, including area code

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

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	5,193,830,685 shares
Registered bonds payable	₱12,000,000,000.00

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

    Yes [✓] No [ ]

2

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Shares**

12. Check whether the issuer:

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱55,004,555,060.80**

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

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

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

The Group has 2,823 and 2,415 employees as of December 31, 2019 and 2018, respectively.

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

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

- The Commercial Centers Division develops, leases and manages lifestyle commercial centers or shopping malls throughout the Philippines. As of December 31, 2019, RLC operates fifty-two (52) shopping malls, comprising of nine (9) malls in Metro Manila and forty-three (43) malls in other urban areas throughout the Philippines, and has another five (5) new malls and two (2) expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of December 31, 2019, RLC's Residential Division has seventy-seven (77) residential condominium buildings/towers/housing projects and thirty-nine (39) housing subdivisions, of which ninety (90) have been completed and twenty-six (26) are still ongoing with two (2) projects that are awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of December 31, 2019, this division has completed twenty-three (23) office developments, located in Quezon City, Central Business Districts in Pasig City, Makati City and Taguig City, Mandaluyong City, Cebu City, Ilocos Norte, Tarlac City, Naga City and Davao City. It has a robust pipeline consisting of new offices for completion in the next two years.

- The Hotels and Resorts Division has a diverse portfolio covering the following brand segments: upscale international deluxe hotels, mid-market boutique city hotels, essential service value hotels, and most recently, the luxury resort category. As of December 31, 2019, RLC operated twenty (20) hotels and resort for a total of 3,129 rooms in strategic metropolitan and urbanized locations consisting of eleven (11) Go Hotels, six (6) Summit Hotels and three (3) international deluxe brands. In 2019, RLC opened two new hotels, namely, Summit Greenhills and Dusit Thani Mactan Cebu Resort, the latter managed by Dusit Thani Company Limited ("Dusit Thani International"). RLC currently has a lineup of developments for the expansion of its portfolio of hotels and resorts.

- The Industrial and Integrated Developments Division focuses on mixed-used developments and masterplanned communities. These developments incorporate different property formats such as residences, work places, commercial centers, logistics facilities and other institutional developments into a single setting. In 2019, this division launched its first 30.6-hectare estate named 'Bridgetowne' which connects the cities of Pasig and Quezon. It is also completing the development of its 18-hectare 'Sierra Valley' estate in Rizal and 'Monctclair', a 204-hectare development in Porac, Pampanga. The division shall continue to embark on strategic land bank acquisitions to add to its growing number of township developments. Another key role of this division is the development of warehouse facilities. As of December 31, 2019, RLC has two (2) operational warehouse facilities with plans to expand in terms of net leasable area and geographic location in the next two years.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 billion in proceeds. Of this amount, approximately ₱5.30 billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of calendar year 2019.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from 3,000,000,000 common shares into

8,200,000,000 commons shares, with a par value of one peso (₱1) per share. In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

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

On November 13, 2017, the BOD of the Company approved in principle the stock rights offering (SRO) of up to ₱20.00 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. The Company intends to use the proceeds from the SRO to finance the acquisition of land located in various parts of the country for all its business segments.

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

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

The Company has successfully completed its ₱20.00 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

On July 31, 2019, the BOD of the Parent Company approved the declaration of property dividend, of up to One Hundred Million (100,000,000) common shares of Altus Property Ventures, Inc. (APVI) (formerly Altus San Nicolas Corp.) in favor of the registered shareholders (the Receiving Shareholders) of the Parent Company as of August 15, 2019. The SEC approved the property dividend declaration on November 15, 2019 and the Certificate Authorizing Registration was issued by the Bureau of Internal Revenue on December 6, 2019.

The Receiving Shareholders received a ratio of one (1) share of APVI for every fifty-one and 9384/10000 (51.9384) shares of the Parent Company, net of applicable final withholding tax on December 20, 2019. No fractional shares were issued and no shareholder was entitled to any fractional shares.

RLC's remaining interest in APVI after the dividend distribution is 6.11%.

b) Business

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

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages lifestyle centers throughout the Philippines. The Commercial Centers Division accounted for ₱13.25 billion or 43% of RLC's revenues and ₱8.82 billion or 51% of RLC's EBITDA in calendar year 2019 and ₱11.94 billion or 40% of RLC's revenues and ₱7.67 billion or 47% of RLC's EBITDA in calendar year 2018. As of December 31, 2019 and 2018, the Company's Commercial Centers Division had assets valued on a historical cost less depreciation basis at ₱73.47 billion and ₱73.96 billion, respectively

During calendar year 2019, the Commercial Centers Division opened one (1) new mall and expanded two (2) existing malls, increasing its gross floor area by 7.0% to approximately 3.01 million square meters bringing the total mall count to 52 shopping malls. Nine (9) of the malls in Metro Manila and the rest are in other urban areas throughout the Philippines. System-wide occupancy rate posted at 94%.

The table below sets out certain key details of RLC's mall portfolio as of December 31, 2019:

Name	Location	Year Opened	Approximate gross floor area
			(in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1990	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1997	241
Robinsons Novaliches	Quirino Highway, Novaliches, Quezon City	2001	70
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2001	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2004	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2007	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	162
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2013	17
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2014	59
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	61
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1998	65
Robinsons Fuente Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2001	75

Name, Location		Calendar Year opened	Approximate gross floor area
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	69
Robinsons Santa Rosa	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2002	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96
Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2002	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2003	59
Robinsons Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2004	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2008	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2008	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	63
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete	Calindagan Business Park, Dumaguete City	2009	38
Robinsons Ilocos Norte	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2009	65
Robinsons Cybergate Cebu	Don Gil Garcia St., Capitol, Cebu City	2009	20
Robinsons Place Pangasinan	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	33
Robinsons Place Palawan	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	45
Robinsons Place Butuan	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2013	59
Robinsons Place Malolos	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2013	68
Robinsons Place Roxas	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014	37
Robinsons Place Santiago	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014	40
Robinsons Place Antipolo	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014	43
Robinsons Place Antique	Brgy. Maybato, San Jose, Antique	2015	32
Robinsons Galleria Cebu	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2015	139
Robinsons Place Tagum	Tagum City, Davao del Norte	2016	65
Robinsons Place General Trias	Governor's Drive, General Trias, Cavite	2016	56
Robinsons Place Jaro	E Lopez St. Jaro, Iloilo City, Iloilo	2016	52
Robinsons Place Iligan	Macapagal Ave., Brgy. Tubod, Iligan City, Lanao del Norte	2017	51
Robinsons Place Naga	Roxas Ave., cor. Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur	2017	75
Robinsons North Tacloban	Brgy. Abucay, Tacloban City, Leyte	2017	54
Robinsons Place Ormoc	Brgy. Cogon, Ormoc City, Leyte	2018	35
Robinsons Place Pavia	Brgy. Ungka 2, Pavia, Iloilo	2018	41
Robinsons Place Tuguegarao	Brgy. Tanza, Tuguegarao City, Cagayan	2018	60
Robinsons Place Valencia	Sayre Highway, Brgy. Hagkol, Bagontaas Valencia, Bukidnon	2018	47
Robinsons Galleria South	Km. 31, National Highway, Brgy. Nueva, San Pedro, Laguna	2019	118
Total			3,010

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers

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

As of calendar year 2019, the Company had five (5) new shopping malls and two (2) expansion projects in the planning and development stage for completion in the next two years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱2,997 million and ₱2,787 million for the calendar years ended December 31, 2019 and 2018, respectively.

ii. Residential Division

The Residential Division focuses on the construction and sale of residential condominium, subdivision projects and other real estate properties. The Division accounted for ₱9.13 billion or 30% of RLC's revenues and ₱2.97 billion or 17% of RLC's EBITDA in calendar year 2019, and ₱8.66 billion or 29% of RLC's revenues and ₱2.25 billion or 14% of RLC's EBITDA in calendar year 2018. As of December 31, 2019, the Company's Residential Division had assets valued on a historical cost less depreciation basis at ₱59.96 billion and ₱53.68 billion, respectively.

Percentage of realized revenues from foreign sales to total revenues for calendar years 2019, 2018 and 2017 are 5.19%, 1.75% and 0.75%, respectively while percentage of realized revenues from foreign sales to net income for calendar years 2019, 2018 and 2017 are 18.24%, 6.28% and 2.86%, respectively.

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

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

1) ROBINSONS LUXURIA

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

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

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

The Robinsons Luxuria projects are detailed as follows:

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

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

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

---

[1] Part of a mixed-used development

[2] Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel

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

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

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

2) ROBINSONS RESIDENCES

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

As of December 31, 2019, Robinsons Residences segment had a portfolio of thirty three (33) residential condominium buildings/towers, of which twenty-six (26) had been completed and seven (7) are under various stages of development.

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

Name	Storeys	Number of Units
Current projects		
Galleria Residences Cebu Tower 1 …………………………..	21	270
Galleria Residences Cebu Tower 2 …………………………..	22	352
Galleria Residences Cebu Tower 3 …………………………..	22	299
The Trion Towers – Building 3 ……………………….………..	50	636
The Radiance Manila Bay South Tower ………………………	41	597
The Magnolia Residences Tower D …….……………………	30	420
The Sapphire Bloc East Tower ……..…………………………	44	665

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

The Robinsons Residences projects are detailed as follows:

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

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

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

4. ***The Magnolia Residences Towers A, B, C and D*** are part of the mixed-use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to include Robinsons Magnolia mall, Summit Hotel and four (4) residential buildings. Recognized in 2013 by the International Property Awards for Asia Pacific as the Best Mixed-Use Development in the Philippines. Adjudged by International Property Awards as the Best Residential High-Rise Development – 2019-2020 and Property Guru Philippine Property Awards for 2019 Best Interior Design Award for Mid-End Condo Category.

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

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

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

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

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

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

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

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

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

14. ***The Radiance Manila Bay North and South Towers*** are the main components of the two-tower residential development that features a lifestyle retail wing. It is located along Roxas Boulevard in Pasay City. Recognized in 2016 Asia Pacific Awards as the Best High-Rise Development in the Philippines.

15. ***Galleria Residences Cebu Towers 1, 2 and 3*** is the three-tower residential component of the Robinsons Galleria Cebu Complex which consists of a full-service mall, hotel and office building. It is located along Maxilom Avenue, Cebu City. Highly commended by Property Guru Philippine Property Awards as the Best High Rise Condo Development in Cebu for 2019.

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

3) ROBINSONS COMMUNITIES

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

As of December 31, 2019, Robinsons Communities had completed twenty-six (26) residential condominium buildings/towers and two (2) subdivision projects. It has seven (7) on-going projects in different stages that are scheduled for completion over the next five years.

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

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

Name	Residential Floors	Number of Residential Units
Current Projects		
Axis Residences - Building B ……………..	37	792
Acacia Escalades - Building B ……………	13	414
Chimes Greenhills....................................	24	378
Aurora Escalades Tower..........................	21	800
Gateway Regency Studios.......................	28	378
Cirrus…………………………………………	34	1,371
SYNC S Tower……………………………..	21	598
Completed Projects		
Acacia Escalades - Building A ……………	11	383
Axis Residences - Tower A ………………	37	913
Escalades East Tower …………………….	11	269
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	33	653
The Pearl Place - Tower B	34	640
Wellington Courtyard - Bldg A...................	5	34
Wellington Courtyard - Bldg B...................	5	34
Wellington Courtyard - Bldg C	5	45
Wellington Courtyard - Bldg D	5	41
Wellington Courtyard - Bldg E...................	5	38
Gateway Garden Ridge	15	373
Woodsville Viverde Mansions - Bldg 1	8	72
Woodsville Viverde Mansions - Bldg 2	8	96
Woodsville Viverde Mansions - Bldg 3	10	90
Woodsville Viverde Mansions - Bldg 4	12	108
Woodsville Viverde Mansions - Bldg 5	8	72
Woodsville Viverde Mansions - Bldg 8	8	72
Woodsville Viverde Mansions - Bldg 6	8	64
Bloomfields Novaliches*	-	461
Centennial Place*	-	50

**horizontal*

The Robinsons Communities projects are detailed as follows:

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

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

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

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

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

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

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

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

9. ***Chimes Greenhills*** is a 40-storey development that incorporates a hotel component and 24 floors of residential units, located at Annapolis St., Greenhills, San Juan. Recipient of the FIABCI Philippines Property and Real Estate Awards Silver Award for Outstanding Developer in the Residential High Rise Category for 2019.

10. ***Escalades East Tower*** is a 14-storey residential development with 11 residential floors located along 20th Ave., Cubao, QC and is part of the Escalades-Cubao complex.

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

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

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

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

15. ***Cirrus*** - First residential development in the premier township development, Bridgetowne East, located at Rosario, Pasig City. Recognized by DOT Property Awards as the Best High Rise Development for 2019.

16. ***SYNC - S Tower*** is part of a four (4) tower residential development that features a lifestyle retail wing and is located along C5 Bagong Ilog, Pasig. It is recognized by DOT Property Awards as the Best Value for Money Development in 2019.

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

4) ROBINSONS HOMES

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

As of December 31, 2019, Robinsons Homes has thirty nine (39) projects in its portfolio. Eleven (11) of these projects are on-going construction, two (2) of which are awaiting for the receipt of License to Sell (LS) to launch. Among the thirty-nine (39) projects, twenty-eight (28) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of calendar year 2019 are set forth in the table below:

Name	Location	Started [1]	Approximate Gross Land Area [2]	Number of Lots/Units
Robinsons Homes East	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard	Cavite	May 1996	71.8	2,899
South Square Village......................	Cavite	August 1998	26.7	3,896
San Lorenzo Homes.......................	Antipolo City	September 1999	2.8	372
Robinsons Highlands......................	Davao City	May 1999	46.0	811
Grosvenor Place.............................	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´......	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes	Pampanga	November 2005	14.5	654
Rosewood Parkhomes	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos.....................................	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	365
Aspen Heights................................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences..................	Cebu	November 2007	3.2	79
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra	Tarlac	May 2011	18.3	572
St. Judith Hills.................................	Antipolo City	June 2012	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	July 2012	12.4	340
Nizanta at Ciudades	Davao City	March 2013	12.9	477
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	March 2013	6.5	144
Brighton Baliwag............................	Baliwag, Bulacan	April 2014	15.7	524
Bloomfields General Santos……….	General Santos City	May 2014	33.0	755
Brighton Bacolod……………………	Negros Island	February 2016	22.4	735
Brighton Puerto Princesa…………..	Palawan	August 2016	13.1	377
Springdale I at Pueblo Angono……	Angono, Rizal	November 2016	3.8	197
Brighton at Pueblo Angono……….	Angono, Rizal	August 2017	4.6	140
Terrazo at Robinsons Vineyard…	Dasmarinas, Cavite	July 2017	13.4	328

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

Name	Location	Started [(1)]	Approximate Gross Land Area [(2)]	Number of Lots/Units
Springdale II at Pueblo Angono…	Angono, Rizal	June 2018	4.9	271
Monte Del Sol……………………..	Misamis Oriental	-	3.3	256

The Robinsons Homes portfolio of projects are described as follows:

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

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

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

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

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

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

7. ***Robinsons Hillsborough Pointé.*** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC's share in the joint venture is 318 lots in four

phases, which have been fully completed. The lots have an average size of 150 square meters.

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

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

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

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

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

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

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

15. ***Bloomfields Davao.*** This exclusive 10.5-hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao

International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

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

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

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

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

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

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

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

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

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

home.

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

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

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

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

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

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

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

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

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

34. ***Brighton Bacolod.*** This 22.4 hectare subdivision in Brgy. Estefania Bacolod City is the first foray of Robinsons Homes in Negros Islands. The

mediterranean-themed development has 735 residential lots with a predominant lot cut of 180 square meters.

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

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

37. ***Springdale II at Pueblo Angono.*** An affordable modern-contemporary residential development spanning 4.9 hectares of land. This subdivision offers 271 units with a predominant area of 100 square meters.

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

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

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

As of December 31, 2019, RLC was awaiting the receipt of License to Sell (LS) to launch two (2) new projects by Robinsons Homes, namely Terrazo at Robinsons Vineyard and Monte Del Sol.

The Company's business plan for Robinsons Homes, subject to market conditions, is to launch at least two new projects per year. To this end, the Company is expanding the geographic region in which it seeks land by pursuing opportunities in select regional areas. As of December 31, 2019, it was in various stages of negotiations for the acquisition of vast tracks of land in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱5.32 billion or 17% of RLC's revenues and ₱4.56 billion or 27% of RLC's EBITDA in calendar year 2019, and ₱4.29 billion or 15% of RLC's revenues and ₱3.76 billion or 23% of RLC's EBITDA in calendar year 2018. As of December 31, 2019 and 2018, the Company's Office Buildings Division had assets valued on a historical cost less depreciation basis at ₱24.31 billion and ₱19.46 billion, respectively.

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

The Company continues to expand its own flexible workspace business, ‘work.able’. work.able offers plug and play workspaces to clients who are looking for flexible office options such as private offices, venues for meetings and events and co-working spaces. In November 2019, the second work.able branch in Exxa and Zeta Towers was opened.

During the calendar year 2019, the Office Buildings Division completed three new offices namely Cybergate Magnolia within the Company’s Robinsons Magnolia Complex in Quezon City, Robinsons Luisita Office 2 in Tarlac City and Giga Tower in Bridgetowne East, Quezon City, increasing its net leasable area by 13% to 592,000 square meters. With the completion of these new offices, this division operates twenty-three (23) office developments in central business districts and in key cities across the country as of December 31, 2019 with a system-wide occupancy rate of 98%.

The table below sets out certain key details of RLC's office portfolio as of December 31, 2019:

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

Name	Location	Size & Designation
Zeta Tower……………………………………	Bridgetowne, C5 Road, Quezon City	20 storeys
Cybergate Magnolia…………………………	Robinsons Magnolia Town Center, Quezon City	6 storeys
Robinsons Luisita Office 2………………….	Luisita, Tarlac City	2 storeys
Giga Tower…………………………………..	Bridgetowne, C5 Road, Quezon City	28 storeys

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

1. ***Galleria Corporate Center.*** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an approximate net floor area (comprising only leasable space) of 25,000 square meters. As of December 31, 2019, approximately 85% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 100% occupancy rate.

2. ***Robinsons-Equitable Tower*****.** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of December 31, 2019, RLC had sold approximately 70% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 100% occupancy rate as of December 31, 2019.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 100% occupancy rate as of December 31, 2019.

4. ***Robinsons Cybergate Center Tower 1.*** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an an approximate gross leasable area of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of December 31, 2019.

5. ***Robinsons Cybergate Center Tower 2*****.** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of December 31, 2019.

6. ***Robinsons Cybergate Center Tower 3*****.** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office building has an approximate gross leasable area of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 100% occupancy rate as of December 31, 2019.

7. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with an approximate gross leasable area of 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 100% occupancy rate as of December 31, 2019.

8. ***Robinsons Cybergate Cebu*****.** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall with an approximate gross leasable area of 7,000 sqm. As of December 31, 2019, the office floors had an occupancy rate of 100%.

9. ***Cyberscape Alpha.*** This is a 26-storey building, located along Sapphire and Garnet Roads within the Ortigas CBD, only a stone's throw away from Robinsons Galleria. The building has 3 hotel floors with an approximate area of 6,000 square meters and small-cut retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The building has a gross leasable area of approximately 38,500 square meters. RLC owns 100% of the gross floor area. Cyberscape Alpha had a 99.6% occupancy rate as of December 31, 2019.

10. ***Cyberscape Beta.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. Retail spaces are located at the Ground and Mezzanine levels. The office floors are located from the 9th to the 37th levels. The building has a gross leasable area of approximately 42,000 square meters. RLC owns 100% of the gross floor area. Cyberscape Beta had a 100% occupancy rate as of December 31, 2019.

11. ***Tera Tower.*** This is a 20-storey building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has retail support at the ground floor. The office spaces are located at the 6th to 20th floors. The building has a gross leasable area of approximately 35,000 square meters. RLC owns 100% of the gross floor area. Tera Tower had a 99.8% occupancy rate as of December 31, 2019.

12. ***Robinsons Galleria Cebu Office.*** The office development is integrated with the mall. It is located at General Maxilom Avenue, corner Sergio Osmena Boulevard in Cebu City. It has a total gross leasable area of approximately 8,500 square meters. The office has its own lobby and RLC owns 100% of the gross floor area. Robinsons Galleria Cebu had a 100% occupancy rate as of December 31, 2019.

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

14. ***Cyber Sigma.*** This is a 21-storey office development located in Fort Bonifacio, Taguig City. The office project has access to both Lawton

Avenue and Le Grand in Mckinley West. It has a leasable area of approximately 50,000 sqm and was completed last December 2017. It had an occupany rate of 99.4% as of December 31, 2019.

15. ***Robinsons Luisita Office.*** This build to suit development consists of a 3-storey of dedicated office space to a BPO client. The space was commited ahead and was custom built based on the requirement of our client. It has a leasable area of 5,700 sqm and was completed last October 31, 2017. As of December 31, 2019, it had a 100% occupancy rate.

16. ***Cybergate Delta.*** This is a 5-storey office project located within the PEZA registered IT Park, Robinsons Cyberpark located in JP. Laurel Avenue in Davao City. The development sits on more than a hectare property and has it's own commercial spaces at the ground floor to support its office tenants' food and dining requirements. It has a leasable area of approximately 11,900 sqm and was completed last December 2017. As of December 31, 2019, it had an occupancy rate of 100%.

17. ***Cybergate Naga.*** This office development is located within the Robinsons Place Naga complex in Roxas Ave, Naga City. It is a 4-storey office development with a leasable area of approximately 5,700 sqm. As of December 31, 2019 occupancy rate is at 100%.

18. ***Cyberscape Gamma.*** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. This is interconnected with Cyberscape Beta via its Ground, Mezzanine and parking floors. The building has a gross leasable area of approximately 43,500 square meters. This was completed in December 2019 and during the same period it had a 92.3% occupancy rate.

19. ***Exxa Tower.*** This 20-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City, is a twin tower of Zeta Tower. They share common retail and parking podium floors. The building including the 2 floors of retail spaces has a gross leasable area of approximately 39,800 square meters. RLC owns 100% of the gross floor area. As of December 31, 2019, it had an occupancy rate of 97%.

20. ***Zeta Tower.*** This is a 20-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has a gross leasable area of approximately 34,500 square meters. RLC owns 100% of the gross floor area. The building was completed in December 31, 2019 and as of the same period, it had an occupancy rate of 86%.

21. ***Cybergate Magnolia***. This is a 6-storey office development located on top of the Robinsons Magnolia expansion in Quezon City. The building has a gross leasable area of 10,500 sqm. RLC owns 100%. The building was completed in October 2019. As of December 2019, it had an occupancy rate of 100%.

22. ***Robinsons Luisita Office 2.*** This build to suit development consists of a 2-storey of dedicated office space to a BPO client. The space was commited ahead and was custom built based on the requirement of the client. It has a leasable area of 5,000 sqm and was completed last December 2019. As of December 31, 2019, it had a 100% occupancy rate.

23. ***Giga Tower***. This is a 28-storey office building, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City. The building has a gross leasable area of approximately 53,200 square meters. RLC owns 100% of the building. The building was completed in December 2019 and as of the same period, it had an occupancy rate of 39.4%.

iv. Hotels and Resorts Division

RLC's Hotels and Resorts Division owns, develops, and operates hotels and resorts within Metro Manila, and urbanized and targeted tourist destinations in the Philippines. The Hotels and Resorts Division's revenue and EBITDA contribution to RLC in calendar year 2019 was ₱2.43 billion (8%) and ₱0.70 billion (4%), respectively. For the previous calendar year 2018, revenue and EBITDA contribution to RLC was ₱1.98 billion (7%) and ₱0.67 billion (4%), respectively. As of December 31, 2019 and 2018, the Company's Hotels and Resorts Division had assets valued on a historical cost less depreciation basis at ₱10.19 billion and ₱7.88 billion, respectively.

The Hotels and Resorts Division carries the following brand segments:

1. *Upscale international deluxe hotels* – RLC owns Crowne Plaza Manila Galleria ("Crowne Plaza") and Holiday Inn Manila Galleria ("Holiday Inn"). Crowne Plaza and Holiday Inn are managed by Holday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term hotel management agreement. Crowne Plaza and Holiday Inn offer MICE (meetings, incentives, conferences, events) facilities, guest activities and services, and dining services.

2. *Mid-market boutique city and resort hotels* – RLC owns and manages the Summit Hotels and Resorts brand, RLC's own contemporary hotel and resort brand that caters to the middle market. Summit Hotels and Resorts are located in Metro Manila and in other urbanized areas in the Philippines, with some equipped with MICE facilities, sports and pool amenities, and full service restaurants.

3. *Essential service value hotels* – RLC owns and manages the Go Hotel brand, which caters to smart and busy travellers. Go Hotels offer comfortable yet affordable accomodations and an option to add on services and amenities as they need them. Go Hotels are present in Metro Manila and in emerging urban locations around the Philippines.

4. *Luxury resorts* – In 2019, RLC opened its first luxury resort with Dusit Thani Mactan Cebu Resort. This resort is managed by Dusit Thani International. RLC has engaged in a long-term hotel management agreement with Dusit Thani International. The 272-room hotel and resort sits at the northern tip of Punta Engano Peninsula and boasts of complete MICE facilities, guest activities and services, dining services, and luxury room and bath amenities.

RLC has entered into an agreement with its franchisee, Roxaco-Asia Hospitality Corporation, for five (5) Go Hotels present in Manila Airport Road, Ermita Manila, Timog-Quezon City, Cubao-Quezon City, and North EDSA-Quezon City. Combined, the five Go Hotels account for 963 rooms.

The table below sets out certain key details of RLC's company-owned portfolio of hotels and resorts as of December 31, 2019:

Name	Location	Number of Operational Rooms
Crowne Plaza Manila Galleria ….	Ortigas Avenue, Cor ADB Avenue, Quezon City	263
Holiday Inn Manila Galleria…………………………....	One ADB Avenue, Ortigas Center, Pasig City	285
Dusit Thani Mactan Cebu Resort..	Punta Engaño, Mactan Island, Cebu City	213
Summit Circle Cebu (formerly Cebu Midtown Hotel) ……………	Fuente Osmena, Bo. Capitol, Cebu City	211
Summit Ridge Tagaytay ………..	Aguinaldo Highway, Tagaytay City	108
Summit Hotel Magnolia…………	Dona Hemady cor. Aurora Boulevard, Quezon City	82
Summit Galleria Cebu.…………..	Benedicto St. Cor. Gen. Maxilom Ave. Ext., Cebu City	220
Summit Hotel Tacloban…………	National Highway, Marasbaras, Tacloban City	138
Summit Hotel Greenhills…………	Annapolis St., Brgy. Greenhills, San Juan City	100
Go Hotel …………………………..	Pioneer Street, Mandaluyong City	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	108
Go Hotel …………………………..	Dumaguete City, Negros Oriental	102
Go Hotel …………………………..	Tacloban City, Leyte	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	108
Go Hotel …………………………..	Paco, Manila	118
Go Hotel …………………………..	Iloilo City, Iloilo	167
Go Hotel …………………………..	Ortigas Center, Pasig City	198
Go Hotel…………………………..	Butuan City, Agusan Del Norte	104
Go Hotel…………………………..	Lanang, Davao City	183
Go Hotel…………………………..	Iligan City, Lanao Del Norte	100
Total		3,129

As of December 31, 2019, the Company's Hotels and Resorts Division has a system-wide average occupancy rate of 63%.

v. Industrial and Integrated Developments (IID)

IID is focused on strategic land bank acquisition and management, exploration of real estate-related infrastructure projects, strategic partnerships and development of warehouse and logistics facilities.

Pilot projects under IID are the development of its destination estates namely Bridgetowne--the 30.6-hectare property that connects the cities of Pasig and Quezon, Sierra Valley--the 18-hectare property in Cainta, Rizal, and Montclair—the 204-hectare property in Porac, Pampanga. In September 2019, Bridgetowne was officially launched.

Under its investment arm, IID expanded its warehouse business which registered a net leasable area by the end of 2019 at 77,000 square meters, a 133% increase versus the previous year, with the completion of its second warehouse facility located in Calamba, Laguna. IID's investment portfolio accounted for ₱138.00 million or 1% of RLC's revenues and ₱34.98 million or 0.2% of RLC's EBITDA in calendar year 2019, and ₱134.86 million or 0.5% of RLC's revenues and ₱21.80 million or 0.1% of RLC's EBITDA in calendar year 2018.

On the other hand, developmental revenues arising from the partial recognition of the gain on the sale of commercial lots to joint venture companies contributed ₱320.94 million or 1% of RLC's revenues and ₱202.68 million or 1% of RLC's EBITDA in calendar year 2019, and ₱2.55 billion or 9% of RLC's revenues and ₱2.05 billion or 12% of RLC's EBITDA in calendar year 2018. In 2019 and 2018, RLC sold parcels of land to Robinsons DMCI Property Ventures, Inc. and Shang Robinsons Properties, Inc. respectively.

As of December 31, 2019 and 2018, the Company's IID Division had assets valued on a historical cost less depreciation basis at ₱21.71 billion and ₱19.17 billion, respectively.

c) Significant Subsidiaries

As of December 31, 2019, RLC has eleven (11) subsidiaries, all of which are consolidated with the Company's financial statements.

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

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

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

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100%-owned by RLC. RII's principal business is to engage in the development and operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels and resorts division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

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

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

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

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

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

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

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

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

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

11. ***RLGB Land Corporation.*** RLGB Land Corporation (RLGBLC) was incorporated on June 7, 2019, has a registed share capital of 5,000,000,000 and is 51%-owned by the Parent Company. RLGBLC's principal business is to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether to improve, manage or otherwise dispose of buildings, houses, apartments and other real estate and/or structures of whatever kind, together with their appurtenances.

On July 31, 2019, the BOD of the Parent Company approved the declaration of property dividend, of up to One Hundred Million (100,000,000) common shares of APVI in favor of the registered shareholders (the Receiving Shareholders) of the Parent Company as of August 15, 2019. The SEC approved the property dividend declaration on November 15, 2019 and the Certificate Authorizing Registration was issued by the Bureau of Internal Revenue on December 6, 2019.

The Receiving Shareholders received a ratio of one (1) share of APVI for every fifty-one and 9384/10000 (51.9384) shares of the Parent Company, net of applicable final withholding tax on December 20, 2019. No fractional shares were issued and no shareholder was entitled to any fractional shares.

RLC's remaining interest in APVI after the dividend distribution is 6.11%.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its Commercial Centers Division—SM Prime Holdings, Inc. (SMPHI) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SMPHI's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of September 30, 2019, the mall segment of SMPHI has ₱389.1 billion and ₱155.3 billion while the mall segment of ALI has ₱196.1 billion and ₱68.4 billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

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

ii. Residential Division

1. ***Robinsons Luxuria***

   The Robinsons Luxuria brand continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land Corporation (ROCK), Century Properties Group, Inc. (CPGI) and Megaworld Corporation (MEG) to its developments. ROCK's total assets and equity accounts as of September 30, 2019 amounted to ₱58.6 billion and ₱20.9 billion, respectively; CPGI's total assets and equity accounts as of September 30, 2019 amounted to ₱54.8 billion and ₱19.3 billion, respectively, while MEG's total assets and equity accounts as of September 30, 2019 amounted to ₱338.2 billion and ₱198.8 billion, respectively.

2. ***Robinsons Residences***

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

3. ***Robinsons Communities***

Robinsons Communities has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), FLI, SMPHI and DMCI Homes. As of September 30, 2019, total assets and equity accounts amounted to ₱173.6 billion and ₱70.8 billion, respectively, for FLI while total assets and equity accounts of SMPHI's property development segment as of September 30, 2019 amounted to ₱490.3 billion and ₱278.8 billion, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. ***Robinsons Homes***

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

It stands in close competition with ALI, FLI and Vista Land & Lifescapes, Inc. (VLL). Total assets and equity accounts of VLL as of September 30, 2019 amounted to ₱268.0 billion and ₱97.3 billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Angono, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is committed to provide green communities with lifestyle amenities in response to changing needs of the market.

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

iii. Office Buildings Division

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

iv. Hotels and Resorts Division

RLC competes in different markets for its hotels and resorts segments. Across all of its hotel formats, its main competitors in terms of number of rooms are: Ayala Land, Alliance Global Group Inc., SM Hotels and Conventions Corporation, and Filinvest Land Inc. Aside from these large hotel owners and developers, there is a growing number of small independent players and foreign entrants that increases the competitive landscape of hospitality in the country. The influx of foreign arrival and regional travellers in the Philippines stimulates growth and opportunities for many in the hospitality and tourism industry, and is likewise strongly supported by government incentive programs.

RLC believes in its market strength rooted from a deep understanding of the mass Filipino consumer. RLC continues to solidify its position and ability to serve travellers in multiple points of the Philippines through growing its hotel and resorts portfolio while enhancing its overall brand. With its longstanding expertise in developing and managing hotels and resorts, RLC is focused on scaling its business with improving standards leading up to world-class quality.

v. Industrial and Integrated Developments Division

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

All major developers are now into integrated development. Developers have been acquiring big parcels of land and incorporating different real estate components to attract investors and customers. The biggest competitors of RLC in integrated developments are Ayala Land, Inc., Megaworld Corp, Filinvest, Inc., Double Dragon Properties Corp., and SM Prime Holdings.

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

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

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

f) Employees and Labor

As of December 31, 2019, RLC and its subsidiaries had a total of 10,430 employees, including 2,823 permanent full-time managerial and support employees and approximately 7,607 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	1,206	6,107	7,313
Office Buildings Division	123	367	490
Residential Division.................................	512	251	763
Hotels and Resorts Division.....................	968	835	1,803
Industrial and Integrated Developments Division………………………..……...	14	47	61
Total	2,823	7,607	10,430

The 2,823 permanent full-time managerial and support employees of RLC and its subsidiaries as of December 31, 2019 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	1,169
Administrative	1,122
Technical	532
Total	**2,823**

The Company foresees an increase in its manpower complement to 3,246 permanent employees in the ensuing twelve months.

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

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

g) Industry Risk

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

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

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

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

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

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

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

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

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

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

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

The following are locations of the Company's properties:

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

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

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

The Company owns all the land properties upon which all of its existing commercial centers and offices are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, (v) Robinsons Place Jaro, (vi) Cyber Sigma, and (vii) Robinsons Place Tuguegarao. These seven land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta, Pulilan, Cyber Sigma, and Tuguegarao properties are for 25 years each and commenced in December 2003, January 2008, August 2014, and January 2018, respectively. Renewal options for Cainta, Pulilan, Cyber Sigma and Tuguegarao are available to the Company, with an Option to Purchase the property and its improvements for Cyber Sigma. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015. Operating leases of these land properties were accounted for under PFRS 16 in 2019 and under PAS 17 in 2018 and 2017. Total amortization of ROU assets and total interest expense on lease liabilities amounted to ₱56.26 million and ₱145.56 million, respectively, or a total ₱201.82 million expense in 2019 while total rent expense amounted to ₱245.42 million and ₱48.29 million in calendar years 2018 and 2017, respectively.

For calendar year 2020, the Company has appropriated approximately ₱27.00 billion of its retained earnings for domestic capital expenditures which will be funded through internally generated cash from operations and borrowings. The earmarked amount is for the continuing capital expenditures of the Company for subdivision land, condominium, residential units and other real estate properties for sale, development and expansion of investment properties and property and equipment.

Item 3. Legal Proceedings

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

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

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

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

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

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

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 (The Subdivision and Condominium Buyers' Protective Decree) as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. The law covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. It also sets out standards for lower density developments.

Republic Act No. 4726 (The Condominium Act), on the other hand, is the primary law governing condominiums. The law covers the legal definition of a condominium, the rights of a unit owner, and the rules governing transfers, conveyances and partitions in condominiums.

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

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

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

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

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

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

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

c) Hotels

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

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

d) Zoning and Land Use

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

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

e) Special Economic Zone

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

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

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

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

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of calendar year 2019, a number of RLC malls and office buildings are PEZA-registered.

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

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

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱44.83 million, ₱30.05 million and ₱30.52 million in calendar years 2019, 2018 and 2017, respectively.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

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

	2019			2018			2017		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	24.80	24.25	24.50	20.45	19.50	20.20	23.20	22.75	23.00
2	26.45	25.65	26.35	19.42	18.50	18.50	24.40	23.80	24.25
3	24.90	24.05	24.50	20.30	19.28	20.30	26.15	25.00	25.30
4	28.15	27.20	27.55	20.55	20.40	20.55	21.75	21.30	21.30

Additional information as of February 29, 2020 are as follows:

Market Price:	**Period**	**High**	**Low**
	Jan. to Feb. 2020	₱29.80	₱21.30

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

Item 7. Dividends

RLC declared cash dividends for each of the calendar years 2019, 2018 and 2017.

For calendar year 2019, the Company declared a cash dividend of ₱0.50 per share from unrestricted Retained Earnings as of December 31, 2018 to all stockholders on record as of June 18, 2019. The cash dividends were paid out on July 12, 2019.

On July 31, 2019, the BOD of the Parent Company approved the declaration of property dividend, of up to One Hundred Million (100,000,000) common shares of APVI in favor of the registered shareholders (the Receiving Shareholders) of the Parent Company as of August 15, 2019. The SEC approved the property dividend declaration on November 15, 2019 and the Certificate Authorizing Registration was issued by the Bureau of Internal Revenue on December 6, 2019.

The Receiving Shareholders received a ratio of one (1) share of APVI for every 51.9384 shares of the Parent Company, net of applicable final withholding tax. No fractional shares were issued and no shareholder was entitled to any fractional shares.

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

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

RLC's unappropriated retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱3,252 million and ₱2,223 million as of December 31, 2019 and 2018, respectively. These amounts are not available for dividend declaration until received in the form of dividends.

Furthermore, retained earnings are restricted for payment of dividends to the extent of the amount appropriated for expansion totaling ₱27.00 billion as of December 31, 2019.

Item 8. Principal Shareholders

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

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	3,166,806,886	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,237,966,568	23.84%
3	PCD Nominee Corporation (Filipino)	763,398,862	14.70%
4	John Gokongwei, Jr.	8,124,721	0.16%
5	Cebu Liberty Lumber	2,203,200	0.04%
6	James L. Go	2,139,011	0.04%
7	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
8	Frederick D. Go	986,027	0.02%
9	Quality Investments & Sec Corp.	903,000	0.02%
10	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
11	Elizabeth Yu Gokongwei	499,500	0.01%
12	Robina Y. Gokongwei-Pe	360,000	0.01%
13	Samuel C. Uy	324,000	0.01%
14	John L. Gokongwei, Jr.	300,000	0.01%
15	Ong Tiong	204,996	0.00%
16	Lisa Yu Gokongwei	180,000	0.00%
17	FEBTC #103-00507	156,240	0.00%
18	Francisco L. Benedicto	150,000	0.00%
19	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
20	Arthur C. Uy	144,000	0.00%
	OTHERS	7,312,874	0.14%
	Total	**5,193,830,685**	**100.00%**

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

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 92% of the Company's total revenues and are derived from the lease of commercial spaces in the various malls, the lease of space in office buildings and warehouse facilities, the sale of residential units from the Company's various housing projects and the sale of parcels of land. Approximately 8% of total revenues are derived from hotel operations.

i. Year ended December 31, 2019 versus same period in 2018

RLC generated total gross revenues of ₱30.58 billion for calendar year 2019, an increase of 3.5% from ₱29.56 billion total gross revenues for calendar year 2018. EBIT grew 3.3% to ₱12.28 billion while EBITDA posted a 5.5% growth to ₱17.25 billion. Net income stood at ₱8.69 billion, up by 5.7% compared to last year.

The Commercial Centers Division accounted for ₱13.25 billion of the real estate revenues for the year versus ₱11.94 billion last year or an 11.0% increase. The increase in revenues was brought about by stable same mall rental revenue growth of existing malls, the full-year impact of new malls that opened in 2018, namely Robinsons Place Ormoc, Robinsons Place Pavia, Robinsons Place Tuguegarao and Robinsons Place Valencia, as well as the opening of Robinsons Galleria South and the expansion of Robinsons Magnolia in 2019. Cinema revenues also improved with the opening of new branches. The Division's EBIT and EBITDA grew by 21.8% and 15.1%, respectively.

Revenues of Office Buildings Division grew by 23.8% to ₱5.32 billion from ₱4.29 billion over the same period last year. Revenue growth was mainly attributable from a combination of rental escalation and higher renewal rates in existing offices, as well as contribution from the newly completed offices, namely Robinsons Cybergate Magnolia, Luisita 2, and Giga Tower in 2019. The Division's EBIT and EBITDA showed positive variances of 21.5% and 21.2%, respectively.

The Residential Division's realized revenues is at ₱9.13 billion this year versus ₱8.66 billion last year, an increase of 5.4%, due to higher level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion. EBIT and EBITDA increased by 32.8% and 32.3%, respectively.

The Hotels and Resorts Division registered gross revenues of ₱2.43 billion as against last year's ₱1.98 billion. The 22.7% increase in hotel revenues was due to higher occupancy rates of company-owned brands—Go Hotels and Summit Hotels, and increased system-wide average room rate. Hotels and Resorts Division's EBIT declined by 19.3% due to additional depreciation from the new hotels that were opened in 2019 namely Dusit Thani Mactan Cebu Resort and Summit Greenhills; while the decline in last year's EBITDA recovered with a 4.3% increase this year at ₱0.70 billion.

The IID Division accounted for ₱0.46 billion revenues, generated from lease of warehouse facilities and sale of commercial lots. Developmental revenues of IID registered an 87.4% drop to ₱0.32 billion in 2019 from ₱2.55 billion in 2018 following the partial recognition last year of the gain on sale of land to Shang Robinsons Properties, Inc. Revenues in 2019 mainly came from the gain on sale of land located in Las Pinas to Robinsons DMCI Properties Ventures, Inc., which yielded additional EBIT and EBITDA of ₱0.20 billion. Further gains will be realized from the selling of lots with joint ventures. EBIT and EBITDA for calendar year 2019 stood at ₱0.21 billion and ₱0.24 billion, respectively.

Interest income increased to ₱287.42 million from ₱156.97 million last year due to higher average balance of cash and cash equivalents during the calendar year 2019.

Cost of real estate sales went down by 14.1% to ₱4.24 billion from ₱4.93 billion last year due to recognition of sales from high-margin projects. Cost of rental services increased by 5.7% to ₱5.36 billion from ₱5.07 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱196.62 million or 5.7%; while completion of new office buildings increased depreciation expense of the Office Buildings Division by ₱118.89 million or 17.1%. Furthermore, cinema expense rose by 5.6% or ₱50.46 million in line with the increase in cinema revenues.

Hotel expenses rose by 34.2% to ₱2.09 billion attributable to the increase in depreciation, salaries and wages, and contracted services, that were incurred prior the start of commercial operations of new and upcoming hotels.

Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of the Company's foreign subsidiary. Gain on sale of property and equipment mainly pertains to sale of retired transportation equipment.

As a result of property dividend distribution, the Group lost control over APVI. Loss on deconsolidation amounting to ₱12.28 million resulted from the derecognition of related assets and liabilities of APVI.

Interest expense increased by 25.9% to ₱1.05 billion from ₱0.84 billion last year due to the availment of additional short-term loans and recognition of interest on lease liabilities as a result of the Company's adoption of PFRS 16 in 2019.

As of December 31, 2019, total assets of the Group stood at ₱189.65 billion, a growth of 8.9% from ₱174.16 billion last year.

Cash and cash equivalents increased by 177.6% or ₱4.52 billion due to the proceeds from availment of additional short-term loans, and cash generated from operations; offset by payments of income tax, dividends, loans, and capital expenditures for new and ongoing projects.

Receivables (current and noncurrent-net) increased by 57.7% or ₱2.50 billion to ₱6.82 billion mainly due to increase in receivable from affiliated companies by ₱1.15 billion or 452.7% and recognition of receivable for insurance recoveries arising from a fire incident in Robinsons Place Tacloban in the second half of the calendar year 2019.

Subdivision land, condominium and residential units for sale grew by 14.6% to ₱36.06 billion due to higher level of capital expenditures for new and ongoing projects under the Residential division.

Other current assets decreased by 36.1% to ₱7.50 billion from ₱11.74 billion last year mainly due to decrease in cash under escrow which will mainly be used for the construction of real estate inventories.

Property and equipment increased by 13.4% to ₱8.90 billion due to expansion projects from International Branded Hotels and Summit Hotels & Resorts. Investments in joint venture consist of investments in stocks of joint venture companies intended to acquire, develop, sell and lease real estate properties.

Right-of-use (ROU) assets totaling ₱1.17 billion was initially recognized in 2019 following the Company's adoption of PFRS 16 as a lessee. The ROU assets represents the right to use the underlying asset during the lease term.

Other noncurrent assets increased by 7.5% to ₱5.13 billion from ₱4.78 billion last year mainly due to higher level of advances to lot owners, suppliers and contractors.

Contract liabilities (current and noncurrent) totaling ₱17.14 billion increased by 12.0% from ₱15.31 billion last year mainly due to increase in reservation sales during the year. Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on percentage of completion.

Loans payable (current and noncurrent) increased by 15.6% to ₱43.21 billion due to availment of additional long term loans to fund the Group's property constructions and developments.

The increase in deferred tax liabilities - net of 22.0% to ₱4.37 billion is mainly attributed to the tax effect of the prepayment of rent for a 25-year operating lease agreement between the Province of Bulacan and the Parent Company.

Deposits (current and noncurrent) and Other liabilities increased by 9.7% to ₱9.43 billion primarily due to additional deposits from lessees for new malls and offices and the recognition of lease liabilities under PFRS 16 partially offset by the reversal of accrued rent expense under PAS 17 as a result of the adoption of PFRS 16.

Equity attributable to equity of the Parent Company as of December 31, 2019 stood at ₱99.51 billion. It grew by 6.4% from ₱93.51 billion last year due to earnings in 2019 amounting to ₱8.69 billion plus the transition adjustments on the initial adoption of PFRS 16, tempered by the payment of cash and property dividends of ₱2.60 billion and ₱0.64 billion, respectively.

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

	2019	2018
Gross revenues	₱30.58 billion	₱29.56 billion
EBIT	12.28 billion	11.89 billion
EBITDA	17.25 billion	16.35 billion
Net income	8.69 billion	8.22 billion
Earnings per share	1.67	1.62
Net book value per share	19.16	18.00
Current ratio	1.37:1	1.65:1
Debt-to-equity ratio	0.44:1	0.40:1
Interest coverage ratio	6.98:1	6.72:1
Asset to equity ratio	1.90:1	1.85:1
Operating margin ratio	0.40:1	0.40:1

Capital additions and additions to subdivision land, condominium and residential units for sale for the calendar year ended December 31, 2019 amounted to ₱20.19 billion, funding of which was sourced from proceeds from borrowings and internally-generated funds.

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

RLC generated total gross revenues of ₱29.56 billion for calendar year 2018, an increase of 31.3% from ₱22.52 billion total gross revenues for calendar year 2017. EBIT grew 38.9% to ₱11.89 billion while EBITDA posted a 31.0% growth to ₱16.35 billion. Net income stood at ₱8.22 billion, up by 39.8% compared to last year.

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

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

The Residential Division realized revenues is at ₱8.66 billion this year versus ₱6.55 billion last year, an increase of 32.2%, due to higher level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion and sale of parcels of land. EBIT and EBITDA increased by 21.8% and 22.1%, respectively.

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

The IID Division accounted for ₱2.68 billion revenues, with 95% attributed to the sale of the commercial lots and the remainder 5% is the revenue generated from lease of warehouse facilities. Further gains will be realized from the selling of lots with joint ventures. EBIT and EBITDA for calendar year 2018 stood at ₱2.05 billion and ₱2.07 billion, respectively.

Interest income increased to ₱157.0 million from ₱36.8 million last year due to higher average balance of cash and cash equivalents during the calendar year 2018.

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

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

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

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

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

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

Receivables (current and noncurrent-net) decreased by 53.7% or ₱5.01 billion to ₱4.33 billion due to reclassification to 'Contract assets' account amounting to ₱10.76 billion in 2018.

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

Contract assets (current and noncurrent) totaling ₱10.76 billion refer to the right to consideration in exchange for goods or services transferred to the customers. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contract receivables when the monthly amortization is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period, increase in percentage of completion, less reclassification of installment contract receivable.

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

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

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

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

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

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

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

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

	2018	2017
Gross revenues	₱29.56 billion	₱22.52 billion
EBIT	11.89 billion	8.56 billion
EBITDA	16.35 billion	12.48 billion
Net income	8.22 billion	5.88 billion
Earnings per share	1.62	1.44
Net book value per share	18.00	16.39
Current ratio	1.65:1	1.20:1
Debt-to-equity ratio	0.40:1	0.77:1
Interest coverage ratio	6.72:1	4.72:1
Asset to equity ratio	1.85:1	2.20:1
Operating margin ratio	0.40:1	0.38:1

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Not Applicable

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

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 120) are filed as part of this Form 17-A (pages 122 to 245).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

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

Name	2019	2018
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱7,291,240**	**₱6,529,981**
All other fees..	**1,705,000**	**910,300**
TOTAL	**₱8,996,240**	**₱7,440,281**

There were no other significant professional services rendered by the external auditors during the period.

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

None

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

a) Security Ownership of Certain Record and Beneficial Owners

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

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	3,166,806,886	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,237,966,568	23.84%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	763,398,862	14.70%

Notes:

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

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

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

	No. of shares held	% to total outstanding
Deutsche Bank Manila-Clients	645,220,903	12.42%
The Hongkong and Shanghai Banking Corp. Ltd. - Clients Acct.	445,040,647	8.57%
Citibank N.A.	413,643,247	7.96%

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

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

Title of Class	Name of Beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. James L. Go	Director, Chairman Emeritus	2,139,011	Filipino	0.04%
Common	2. Lance Y. Gokongwei	Director, Chairman	805,001	Filipino	0.02%
Common	3. Frederick D. Go	Director, President	986,027	Filipino	0.02%
Common	4. Jericho P. Go	General Manager	0	Filipino	*
Common	5. Arlene G. Magtibay	General Manager	0	Filipino	*
	Sub-Total		3,930,039		0.08%
B. Other Directors, Executive Officers and Nominees					
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	685,094	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	31,718	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
Common	12. Omar Byron T. Mier	Director (Independent)	1	Filipino	*
	Subtotal		727,716		0.01%
C. All directors and executive officers as a group unnamed			4,657,755		0.09%

Note:
[1] As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2019.

* less than 0.01%

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

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

d) Changes in Control

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

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

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

The table below sets forth Board of Directors and Executive Officers of the Company as of December 31, 2019:

Name	Age	Position	Citizenship
James L. Go	80	Director, Chairman Emeritus	Filipino
Lance Y. Gokongwei	53	Director, Chairman	Filipino
Frederick D. Go	50	Director, President & Chief Executive Officer	Filipino
Patrick Henry C. Go.................	49	Director	Filipino
Johnson Robert G. Go, Jr.	55	Director	Filipino
Robina Y. Gokongwei-Pe..........	58	Director	Filipino
Artemio V. Panganiban	83	Director (Independent)	Filipino
Roberto F. de Ocampo.............	73	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr.	84	Director (Independent)	Filipino
Omar Byron T. Mier……………	73	Director (Independent)	Filipino
Kerwin Max S. Tan...................	50	Chief Financial Officer	Filipino
Faraday D. Go………………….	44	Executive Vice President and Business Unit General Manager	Filipino
Henry L. Yap…………………..	57	Senior Vice President and Business Unit General Manager	Filipino
Arlene G. Magtibay	57	Senior Vice President and Business Unit General Manager	Filipino
Arthur Gerrard D. Gindap.……..	58	Senior Vice President and Business Unit General Manager	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	47	Senior Vice President and Business Unit General Manager	Filipino
Jericho P. Go..........................…..	48	Senior Vice President and Business Unit General Manager	Filipino
Bach Johann M. Sebastian……	58	Senior Vice President and Chief Strategist	Filipino
Corazon L. Ang Ley……………	53	Business Unit General Manager	Filipino

Name	Age	Position	Citizenship
Anna Katrina C. De Leon ……..	34	Vice President - Group Controller	Filipino
Joanna N. Laiz…………………	49	Vice President	Filipino
Ernesto B. Aquino………..……	52	Vice President	Filipino
Emmanuel G. Arce……………..	61	Vice President	Filipino
Constantino C. Felipe…………	57	Vice President	Filipino
Catalina M. Sanchez…………..	40	Vice President	Filipino
Jonathan P. Balboa..…………..	45	Vice President	Filipino
Sylvia B. Hernandez…………...	56	Vice President - Treasurer	Filipino
Rosalinda F. Rivera..................	49	Corporate Secretary	Filipino
Arlene S. Denzon.....................	52	Compliance Officer	Filipino

The above directors and officers have served their respective offices since May 29, 2019. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr., Retired Chief Justice Artemio V. Panganiban, and Omar Byron T. Mier.

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

a) Directors' and Key Officers' Experience

James L. Go, 80, is the Chairman Emeritus and member of the Board of Directors of RLC. He is the Chairman of JG Summit Holdings, Inc. and Cebu Air, Inc. He is also the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, JG Summit Petrochemical Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a director of Marina Center Holdings Private Limited, United Industrial Corporation Limited and Hotel Marina City Private Limited. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the Philippine Long Distance Telephone Company (PLDT) since November 3, 2011. He is a member of the Technology Strategy Committee and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei, 53, is the Chairman of RLC. He is the President and Chief Executive Officer of JG Summit Holdings, Inc. and Cebu Air, Inc. He is the Chairman of Universal Robina Corporation, Robinsons Retail Holdings, Inc., JG Summit Petrochemical Corporation, JG Summit Olefins Corporation and Robinsons Bank Corporation. He is a director and Vice Chairman of Manila Electric Company and a director Oriental Petroleum and Minerals Corporation, and United Industrial Corporation Limited. He is a member of the Board of Global Reporting Initiative. He is also a trustee and Chairman of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Frederick D. Go, 50, is the President and Chief Executive Officer of RLC. He is the Chairman and President of Altus Property Ventures, Inc. and the President of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, Taicang Ding Feng Real Estate Development Company Limited, Taicang Ding Sheng Real Estate Development Company Limited, Chongqing Robinsons Land Real Estate Company Limited, and Chongqing Ding Hong Real Estate Development Company Limited. He is the Chairman of Luzon International Premier Airport Development Corporation. He is the Vice Chairman of the Board of Directors of Robinsons Bank Corporation and also serves as the Vice Chairman of the Executive Committee of the said bank. He also serves as a director of Cebu Air, Inc., Manila Electric Company, JG Summit Petrochemical Corporation, JG Summit Olefins Corporation, and Cebu Light Industrial Park. He is the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

Patrick Henry C. Go, 49, was elected as a director of RLC on January 17, 2000. He is also Executive Vice President of URC. He is the President and Chief Executive Officer of JG Summit Petrochemical Corporation, JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, Robinsons Bank Corporation, Global Power Business Corporation and Meralco Powergen Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Management Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 55, was elected as a director of RLC on May 29, 2005. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, Robinsons Bank Corporation and A. Soriano Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 58, was elected as a director of RLC on May 5, 2005. She is the President and CEO of Robinsons Retail Holdings, Inc. (RRHI). Operating a diverse portfolio of brands, RRHI is one of the largest multi-format retailers in the country and is included in the Philippine Stock Exchange main index. Ms. Pe is also a Director of JG Summit Holdings, Inc., Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation. She is a Trustee of the Gokongwei Brothers Foundation Inc. and the Immaculate Conception Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission and a trustee of the Ramon Magsaysay Awards Foundation. She attended UP Diliman for three years then obtained a Bachelors of Arts degree from New York University. Ms. Pe has two children, namely, Justin, 24 and Joan, 13. She is married to Perry Pe, a lawyer.

Artemio V. Panganiban, 83, was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 73, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is among others, currently the Chairman of the Philippine Veterans Bank, and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub), and Chairman, Board of Advisors of the AIM Conference Center. He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos and was named Finance Minister of the year in 1995, 1996, and 1997. He was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He was awarded by Queen Elizabeth the Order of the British Empire (OBE) and by France as a Chevalier (Knight) of the Legion d'Honneur. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 84, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a

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

Omar Byron T. Mier, 74, was appointed as an Independent Director of RLC on August 13, 2015. He is also a Director of Robinsons Bank Corporation and Legaspi Savings Bank. He is also a director of Paymaya since 2016 and Chairman of the Board and Audit Committee and a director of RCBC Leasing Corp. and a member of the Audit Compliance Committees since 2018. Prior to joining RLC, he was the President and CEO of Philippine National Bank from 2005-2010 then from 2012 to 2014. He also worked at Deutsche Bank Manila as Deputy General Manager and Head of the Corporate Banking Group. He also worked for Citibank Manila in various positions such as Head of the Multinational Corporations Group, Head of the Local Corporate Group, Head of the Risk Management Group, Headed the Remedial Management Group, and Senior Credit Officer. He was also a Senior Credit Officer at Citibank Malaysia (for both Kuala Lumpur and Penang branch). He is a lecturer for credit and corporate finance at the Citibank Training Center in Singapore, and Guest Risk Asset and Credit Reviewer for various branches in Malaysia, South Korea, Indonesia, Thailand, and Hongkong. He obtained his degrees in Bachelor of Science in Business Administration, Major in Accounting, Bachelor of Arts in Economics. He is a Certified Public Accountant.

Faraday D. Go, 44, was appointed as Executive Vice President and Business Unit General Manager of Robinsons Land Corporation's Office Buildings Division effective June 1, 2018. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years' experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in Management (Minor in Finance) from the Ateneo de Manila University in 1998. Mr. Faraday D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Kerwin Max S. Tan, 50, is the Chief Financial Officer of RLC effective March 1, 2016. Previously, he was appointed as the Vice President - Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Luxuria, Robinsons Residences and Robinsons Communities effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

***Henry L. Yap**,* 57, is the Senior Vice President and Business Unit General Manager of Robinsons Land Corporation's Residential Division; President and CEO, Board of Director of RHK Land Corporation; Board of Director of RLC DMCI Property Ventures, Inc.; Board of Director of Robinsons Properties Marketing and Management Corporation and Vice President & Board of Director of Shang Robinsons Properties, Inc. Prior to assuming this post, he served the group/company as the Country Business Unit General Manager of Ding Feng Real Estate Companies (China), Business Unit General Manager of the Office Buildings Division, Vice President of RLC's Property Planning and Design Department and member of the Investors Relations Team. Before joining RLC, he headed the Property Planning and Design Group of Fort Bonifacio Development Corporation and sat on the Boards of seven subsidiaries, affiliates and foundation of FBDC. He worked as Manager for Metro Manila Camps of the Bases Conversion and Development Authority where he was involved in the planning, design, privatization and implementation of the Bonifacio Global City, among others. He also lent his expertise to Government by serving as the head of the National Committee on Architecture and the Allied Arts and member of the Sub-Commission on the Arts of the National Commission for Culture and the Art. He also taught at the University of the Philippines where he was Senior Lecturer at the School of Urban and Regional Planning and at the College of Architecture. He holds a Master's of Science in Urban Planning in Developing Countries from the University of Wales College of Cardiff (UK), Bachelor of Science in Architecture, cum laude, and earned units for his Ph.D. in Urban and Regional Planning, both from UP. Henry Yap is Philippine-licensed Architect and Environmental Planner."

Arlene G. Magtibay, 57, is the Senior Vice President and Business Unit General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 30 years' experience in the planning, development and management of shopping centers. Prior to joining the Company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Master's in Business Management, with distinction, from the Asian Institute of Management.

Arthur Gerrard D. Gindap, 58, is Senior Vice President and Business Unit General Manager of Robinsons Hotels & Resorts. Prior to joining RLC in 2018, he was Regional Vice President, Philippines & Thailand, and Vice President, Global Operations & Customer Service for The Ascott Ltd. For the period 1989 to 2004, he held various senior and general management positions with Mandarin Oriental Hotels, Shangri-La Hotels, Swiss-Belhotel International and The Mulia Group. He received a Hotel & Restaurant Diploma from Sheridan College in Brampton, Ontario, Canada in 1980.

Ma. Soccorro Isabelle V. Aragon-Gobio, 47, was appointed as Senior Vice President and Business Unit General Manager of Industrial and Integrated Developments Division effective October 1, 2016. She has been with RLC for 25 years and is concurrently director of Manhattan Building Management Corporation, Manchego Food Corporation, and various condominium corporations of the

Company's projects. She received a degree in Bachelor of Science in Management Engineering with a minor in International Business from the Ateneo de Manila University and is a PRC licensed Real Estate Broker.

Jericho P. Go, 48, is Senior Vice President and Business Unit General Manager of Robinsons Offices. Prior to joining RLC in 2019, he was Senior Vice President of Megaworld Corporation for business development & office leasing, investor relations and public relations from 1997 to 2019. He also held various positions in Greenfield Development Corporation and Ayala Land, Inc. He received a Bachelor of Arts degree in Development Studies from the University of the Philippines and graduated Magna Cum Laude and Class Salutatorian in 1993.

Bach Johann M. Sebastian, 58, is Senior Vice President and Chief Strategist of RLC. He is also the Senior Vice President - Strategic Investments Group of JG Summit Holdings, Inc. He is also a Senior Vice President of Universal Robina Corporation, and is the Senior Vice President and Chief Strategist Cebu Air, Inc., and Robinsons Retail Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at RFM Corporation, Swift Foods Inc., Selecta Dairy Products Inc., Cosmos Bottling Corporation, and PSI Technologies Inc. Between 1981 and 1991, he was with the Department of Trade and Industry as Chief of Economic Research, and Director of Operational Planning. He received a Bachelor of Arts in Economics from the University of the Philippines in 1981 and a Master in Business Administration degree from the Asian Institute of Management in 1986.

Corazon L. Ang Ley, 53, is the Business Unit General Manager for Robinsons Homes concurrent to her role as Property Acquisition Head for RLC. She's held various positions and functions within RLC during her 25 years of service including her 3 year stint in China. She graduated from the University of the Philippines - Asian Institute of Tourism in 1987.

Anna Katrina C. De Leon*,* 34, was appointed as Vice President - Group Controller of RLC. Concurrently, she handles RLC's subsidiaries. She is also an active member of RLC's Investor Relations Team since 2013. A Certified Public Accountant, she had a three-year stint in SGV & Co. (a member firm of Ernst & Young) as an external auditor with a broad audit client base including publicly-listed and privately-held real estate entities prior joining RLC in 2011. A consistent Dean's Lister, she received a Bachelor's Degree in Accountancy from the University of the East in 2008.

Joanna N. Laiz*,* 49, is currently taking the position of Vice President, Lease of RLC. She had over 25 years of experience in Real Estate covering the areas of Leasing, Tenant Relations and Networking, Business Development, Advertising and Promotions, Mall Operations, Asset Management and Site Development. Her most recent job before RLC was in Vista Malls between 2013 and 2018. Followed by Filinvest Land in 2012. She also worked for Viscal Development Corp (Metro Gaisano) briefly between 2010 and 2011. Additionally, she worked for Landco Pacific Corp and Golden Arches Development Corp between 1992 and 2009. She received a Bachelor of Science in Computer Science degree from AMA Computer College in 1991.

***Ernesto "Boyong" Aquino, Jr.**,* 52, is Vice President of Corporate Property Planning Dept Project Office of RLC Commercial Center Division. He joined RLC in 2000 as the head of Store Planning, Visuals and Engineering department of Big R Stores Inc and was moved in 2004 to Hotels Division as Senior Project Director. Prior to joining RLC, he was a Creative Manager of Store Planning Department in Robinsons Retail Group for 8 years. He graduated in Mapua Institute of Technology in 1990 with a degree of BS Architecture.

Emmanuel G. Arce, 61, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Constantino Felipe, 57, is the Vice President for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments by Egon Zehnder and action learning by the World Institute of Action Learning.

Catalina Mallari-Sanchez, 40, was appointed as Vice President for Business Development and Marketing for Office Buildings Division. She is also a member of the Investor Relations team of RLC and is handling the company's flexible workspace business, work.able. She has over 20 years of experience in the real estate industry particularly in the residential, office and flexible workspace segments. She holds a degree in Bachelor of Science in Economics minor in Communication Research from University of the Philippines, Diliman.

Jonathan P. Balboa, 45, is Vice President of Leasing from the Office Buildings Division of Robinsons Land Corporation. Before joining RLC, he was Vice President for Business Development and Leasing of Megaworld Corporation. From 2001 to 2011 he held corporate sales and account management positions with Digital Telecommunications Inc., and Helius Technologies. He received a Bachelor of Arts degree majoring in Organizational Communication from the University of the Philippines Manila in 1999.

Sylvia B. Hernandez, 56, was appointed as Vice President - Treasurer of RLC on February 1, 2016. She currently holds the position as Assistant Treasurer of other affiliate companies (Altus Angeles Inc, Altus San Nicolas Corp., Robinsons Recreation Corp., and Manhattan Building Management Corp.); Various Condominium Corporation, such as Rob. Equitable Tower Condo Corp., Rob. Summit Center Condo Corp.) Prior to joining RLC in 1996 as Assistant Treasurer, she was the Special Assistant to the VP - Treasurer of Robinsons Inn Inc. and Manila Midtown Hotel. She was also the Chief Accountant of Robinsons Inc. and Shrine Galleria Corporation. Sylvia has been with JGSHI since November 16, 1983. She graduated from Polytechnic University of the Philippines with a degree of Bachelor in

Accountancy. She is a Certified Public Accountant.

Rosalinda F. Rivera, 49, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc. and JG Summit Petrochemical Corporation. Prior to joining RLC, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.

Arlene S. Denzon, 52, is the Compliance Officer of RLC and Vice President of the Corporate Governance and Management Systems (CGMS) of JGSHI. She is also the Compliance Officer of JG Summit Holdings, Inc. and Universal Robina Corporation. Prior to rejoining the RLC in February 2013, she was the Senior Vice President in charge of the Enterprise-wide Risk Management Group of Digitel Mobile Philippines, Inc. (DMPI, more popularly known as Sun Cellular) until December, 2012. Ms Denzon started her career in the Gokongwei Group in 1991 and performed various roles including Accounting Manager of JGSHI until 1997, Assistant Vice President-Special Assistant to the Chairman until 2001, Vice President-Treasurer and Acting Chief Financial Officer of URC International until 2003 before she was seconded to DMPI in 2004. Prior to joining the Gokongwei Group, Ms. Denzon had three years working experience as external auditor in Sycip, Gorres, Velayo & Co. She was a Certified Public Accountant Board topnotcher and obtained her Bachelor of Accountancy degree, Magna Cum Laude, from Polytechnic University of the Philippines.

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

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

c) Family Relationships

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

Item 15. Executive Compensation

a) Summary Compensation Table

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

		Calendar Year 2019			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 43,501,997	P 2,000,000	P 1,025,000	P 46,526,997
Name	*Position*				
1. James L. Go	Director, Chairman Emeritus				
2. Frederick D. Go	Director, President and Chief Executive Officer				
3. John L. Gokongwei, Jr.	Director, Chairman Emeritus and Founder				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Chairman				
B. All other officers and directors as a group unnamed		P 105,865,198	P 3,500,000	P 1,575,000	P 110,940,198

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

** Per diem*

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

		Calendar Year 2020**			
Name	*Position*	*Salary*	*Bonus*	**Others*	*Total*
A. CEO and four most highly compensated executive officers		P 49,233,964	P 2,000,000	P 1,025,000	P 52,258,964
Name	*Position*				
1. James L. Go	Director, Chairman Emeritus				
2. Frederick D. Go	Director, President and Chief Executive Officer				
3. Jericho P. Go	Senior Vice President and BU General Manager				
4. Arlene G. Magtibay	Senior Vice President and BU General Manager				
5. Lance Y. Gokongwei	Director, Chairman				
B. All other officers and directors as a group unnamed		P 108,459,050	P 3,500,000	P 1,575,000	P 113,534,050

** Per diem*
*** Estimated*

b) Standard Arrangement

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

c) Other Arrangement

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

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

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

e) Warrants and Options Outstanding

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

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of December 31, 2019, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

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

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱2.997 billion and ₱2.787 billion for the years ended December 31, 2019 and 2018, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank, an affiliated local commercial bank. These balances amounted to ₱1.92 billion and ₱2.23 billion as of December 31, 2019 and 2018, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 22 to the Company's financial statements as of and for the calendar years ended December 31, 2019 and 2018.

PART IV. CORPORATE GOVERNANCE

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

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

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

PART V - Robinsons Land Corp. (RLC) Sustainability Report

Contextual Information

Company Details	
Name of Organization	Robinsons Land Corporation
Location of Headquarters	Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila
Location of Operations	We have 216 properties – 52 Commercial Centers, 116 Residential buildings and subdivisions, 23 Office buildings, 20 Hotels and Resorts, 2 Industrial facilities and 3 Integrated developments – distributed in 47 cities and 10 municipalities in 29 provinces around the Philippines. Attached in Annex A is the list of properties and respective locations.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	Robinsons Land Corporation, covering the following divisions: Robinsons Malls Robinsons Hotels and Resorts Robinsons Offices Robinsons Residential Robinsons Industrial and Integrated Developments
Business Model, including Primary Activities, Brands, Products, and Services	**Robinsons Land Corporation (RLC)** is a leading real estate developer in the Philippines with a well-diversified portfolio. We are mainly engaged in the development and operation of shopping malls, office buildings, hotels, and logistics facilities. We are also strongly involved in residential developments both in vertical and horizontal projects located in key cities and urban areas nationwide. Key brands for malls include Robinsons Galleria, Robinsons Place, Robinsons Metro. For Residential: Robinsons Residences, Robinsons Luxuria, Robinsons Communities, Robinsons Homes. For Hotels and Resorts: Go Hotels and Summit Hotels. For Industrial and Integrated Developments: Robinsons Land Logistics and Facilities (RLX). Individual brands of each property are provided in Annex 1.
Reporting Period	January 1, 2019 – December 31, 2019
Highest Ranking Person responsible for this report	Mr. Rommel L. Rodrigo, Head of Investor Relations

Materiality Process

We conducted a series of workshops and discussions with key persons in our company and a cross-section of our stakeholders to help us identify what truly matters to us and to our stakeholders. This process helped widen our business perspective and enabled us to set approaches to improve our performance in both financial and non-financial aspects.

The following specific steps were undertaken:

1. Understanding the Sustainability Context. Understanding societal needs was the first step we took to determine the contributions of our core business to sustainable development. This also allowed us to identify which impacts are most material from the societal point of view.

2. Engaging our Stakeholders. Our stakeholders' inputs helped us validate and enhance our list of material topics. The process also helped us put emphasis on topics that are most important to them. We captured our stakeholders' perspectives through regular meetings, surveys, interviews and focus group discussions.

3. Identifying Material Topics. We looked at the entire value chain of our different property types, both in construction and operations, identifying key sustainability topics that matter to us and to our stakeholders. We determined the economic, environmental, and social topics that we should monitor and continually improve on moving forward. We considered the key impacts of each of our activities, relevant risks and opportunities including the key capitals we rely on to sustain and grow our business. We identify focus by looking into aspects that we are best positioned to effect positive change.

4. Measuring Performance and Defining Management Approaches. Last year, we obtained baseline data (2018) as basis for measuring our performance on each of the material topics identified. Following the GRI reporting standards and consolidation guidance, we ensured that the metrics used were right, and the data collected were accurate and comparable. This year, we did an analysis of gaps in data in each performance areas. We began setting up a procedure to systematically collect more data to better measure our sustainability performance. We have also defined management approaches that will help us improve our performance on these areas.

We also referred to the UN Sustainable Development Goals to see how our impacts to environment, economy, and society is linked to delivering on specific SDG targets.

Materiality is an iterative process for us. We will continue to review how we impact the environment and society, how we measure our performance on these impact areas, and how we can better communicate these to our stakeholders.

Important Note: The discussion of impacts, risks, and opportunities are made per topic, instead per metric, since the risks and opportunities apply to the topic rather than the individual metrics under one topic. For example, for topic on Anti-corruption, only one discussion on Impacts, Risks, and Opportunities is made that covers both metrics: a) Training on Anti-corruption Policies and b) Procedures and Incidents of Corruption. This makes the disclosure on management approach more focused and not repetitive.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (2018)	Amount (2019)	Units
Direct economic value generated (revenue)	29.56	30.58	B PhP
Direct economic value distributed:			
a. Employee wages and benefits	0.94	1.095	B PhP
b. Payments to suppliers, other operating costs	15.99	16.33	B Php
c. Dividends given to stockholders and interest payments to loan providers	3.64	4.92	B PhP
d. Taxes given to government	3.05	3.18	B PhP
e. Investments to community (e.g. donations, CSR)	0	0	B PhP

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Not available yet[1]	%

[1]*We do not currently tag our payments to suppliers according to our definition of what is local. We will develop the system in 2020 to be able to report in 2021.*

Economic Performance and Procurement Practices
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Impacts. About 82% of our revenue flows back to society, through our key stakeholder, our suppliers, employees, and government. Our impact to the economy is in terms of how we increase or decrease and distribute economic activity in the areas where we operate and in the locations of our suppliers. How we flow value to our different stakeholders determines whether we are equitable and inclusive and if we contribute to economic growth or diminish economic value. How we distribute economic opportunities to both urban and rural areas in the country also shapes our economic performance.

In 2019, nine percent of our revenue went to government in the form of taxes. Our employees got three percent, while investors and lenders got 13%. Our biggest value distribution went to suppliers (59%) and their suppliers who are supporting a significant number of jobs. The value we retained and reinvested for business growth was at 16%.

Our key properties i.e. malls, office buildings, and hotels and resorts also host more than 9,700 businesses who also create and support around 140,390 decent jobs.

Risks. Since 59% of our revenue flows to our suppliers, the biggest risk of inequitable flow of economic value lies in our supply chain. Any unfair practice from our suppliers in the way they deal with their suppliers or employees could pose a risk to our ability to flow value to society in an equitable way. In addition, our inability to serve local businesses in our malls and offices may also severely affect their ability to compete and succeed in the market.

Management Approach for Impacts and Risks

Ensuring Equitable Flow of value. We ensure that we maintain highest standards of corporate governance, i.e. anti-corruption in all our transactions to safeguard that economic value flows to the right stakeholders. We make sure that we pay a fair price to all our stakeholders to ensure equitable distribution of economic value. Year-on-year, we monitor the total economic value distribution as percentage of our revenue. In the last five years, an average of 82% of our revenues has flowed back to the economy. The value that we retained is reinvested to drive future growth.

Fostering equitable distribution of economic opportunities. In our malls, we exert an effort to hire locally to provide locals access to economic opportunities wherever we locate. We prioritize sourcing goods and services locally if suppliers who meet our minimum standards are available in the locality. We only source in Metro Manila when qualified suppliers do not exist in local areas. We also take an effort to source from MSMEs whenever possible. Currently, we are still challenged to find the right suppliers that will meet our supplier accreditation criteria, particularly in our Visayas and Mindanao locations. We are currently implementing initiatives to build our supplier base in areas outside the greater Metro Manila.

Ensuring equitable access to our products. Our malls and offices enable businesses to grow and flourish by providing the right locations that affords them and their clients a space to transact their businesses. We ensure that we cater to the needs of local merchants and organizations and grow local businesses as well as foreign brands.

Ensuring fair compensation to our employees. We benchmark our compensation packages against industry standards in the Philippines to ensure our compensation package remains competitive in the market, while ensuring our employees are paid at least a minimum wage and afford them social safety nets in cases of emergencies.

Opportunities & Management Approach

We see opportunities to improve our performance particularly on how we assess the economic performance of our suppliers on their policy and practice on anti-corruption and compensation and benefits. As a management approach, we will undergo a review of our accreditation and supplier assessment processes to incorporate criteria that measure the economic performance of our suppliers. We are also working on a strategy to ensure that all employees are paid, at least, a living wage.

Climate-related risks and opportunities

Being a real estate company, we recognize that climate related risks and opportunities are material to our organization. However, this year we are still in the process of scoping and understanding the risks and opportunities related to climate impacts. At the same time, we are working on embedding this framework into our risk management processes to sufficiently and systematically produce a good basis for management to design effective approaches to manage them. When we get a strong understanding of the topic, we will elevate the same to the board and create a function in one of our board committees to look after this concern. We target to accomplish all this in the next 3-5 years, which is an ideal timeline recommended by TCFD experts we consulted.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity (2019)	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training[1]	0	%
Percentage of employees that have received anti-corruption training	0	%

[1]Upon boarding, the board of directors receives orientation on RLC's Code of Conduct which includes anti-graft corruption policy. The Company is committed to promoting transparency and fairness to all stakeholders. The Board sets the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program. Some of the Company's Anti-Corruption programs are embodied in the Code of Business Conduct and Ethics, Conflict of Interest, Offenses Subject to Disciplinary Action (OSDA), among others.

Note: The Company initiated and organized an in-house Corporate Governance Seminar for its Directors and Key Officers on January 29, 2019. This was applied to SEC as Corporate Governance Training Program for the Company. The Commission approved and granted the said request on January 24, 2019.

Incidents of Corruption

Disclosure	Quantity (2019)	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Anti-Corruption
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Corruption undermines our ability to equitably flow value to our key stakeholders, i.e. suppliers, employees, government, and providers of capital. Risks can exist in key areas such as in procurement, and those functions that directly interfaces with government.

Management Approach for Impacts and Risks

The Company is committed to promoting transparency and fairness to all stakeholders. The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program. Some of the Company's Anti-Corruption programs are embodied in the Code of Business Conduct and Ethics, Conflict of Interest, Offenses Subject to Disciplinary Action (OSDA), among others. The same are disseminated to all employees across the Company through trainings to embed them in the Company's culture. New employees are oriented regarding policies and procedures related to Business Conduct and Ethics and similar policies. All employees are given periodic reminders. Further, all concerned employees are required to comply with the Annual Self-Disclosure Activity on an annual basis.

The following Business Conduct & Ethics Policies are in place:

- **Conflict of Interest -** The Company's Code of Business Conduct and Conflict of Interest Policy require employees to make a conscious effort to avoid conflict of interest situations that his judgment and discretion are not influenced by considerations of personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.

- **Conduct of Business and Fair Dealings** – The Company's employees that recommend, endorse, or approve the procurement or sale of goods and services should make a conscious effort to avoid any conflict of interest situation in transactions that they are involved in.

- **Receipt of Gifts from Third Parties** – The Company discourages the acceptance of gifts. However, gifts like advertising novelties maybe given or accepted during the Christmas season. There is no restriction in the value of the gift accepted. However, accepted gift with an estimated value of over 2,000.00 PhP must be disclosed to the Conflicts of interest Committee.

- **Compliance with Laws and Regulations** - The Company ensures that all transactions comply with relevant laws and regulations. Any deficiencies are immediately rectified.

- **Respect for Trade Secrets/Use of Non-public Information** - The Company has policies that ensure proper and authorized disclosure of confidential information. Disclosures to the public can only be done after the disclosure to SEC and PSE by the Company's authorized officers.

- **Use of Company Funds, Assets and Information** - Employees are required to safeguard the Company resources and assets with honesty and integrity. Employees must ensure that these assets are efficiently, effectively, and responsibly utilized.

- **Employment and Labor Laws and Policies -** The Company ensures the observance, strict implementation and compliance with employment and labor laws and policies with regards to recruitment, employment, retention and benefits of the employees. Minimum notice period regarding operational changes ranges from three to six months, dependent on the proponent of change.

- **Whistleblowing** – The stakeholders may discuss or disclose in writing any concern on potential violation of the Code of Business Conduct with the Conflicts of Interest Committee. Reports or disclosures can be made in writing or by email. All information received in connection with the reports or disclosures shall be strictly confidential and shall not be disclosed to any person without prior consent of CICOM. The Company commits to protect those who report in good faith from retaliation, harassment and even informal pressures. It will take the necessary and appropriate action to do so in enforcing the policy.

Violation of any provision of the Code of Business Conduct as determined through a due process may result in disciplinary action, including dismissal and reimbursement for any loss to the Company that result from the employee's action. If appropriate, a violation may result in legal action against the employee or referral to the appropriate government authorities.

The following shows the process of termination upon findings of Anti-Corruption:

1. In case an Offense is committed or supposed to have been committed by an employee or business partner, his immediate superior or transacting department must properly investigate the matter.
2. Establish and check facts that will serve as basis for decision, examining evidence physical or otherwise. Twin notices are to be sent. The concerned employee or business partner is asked to air side, while there will also be an employee conference.

3. Analysis and evaluation of the findings
4. Preserving the integrity and reliability of evidence
5. Recommendation of Penalty. If the recommended penalty is dismissal, the department head shall endorse the matter to HRD for further evaluation and will in turn endorse the matter to Corporate Legal for the conduct of Administration Investigation/hearing to determine whether or not the matter merit the imposition of dismissal
6. Imposing the penalty/dismissal will be documented using the appropriate forms
7. The concerned party will be informed verbally by explaining the findings and the penalty. All concerned parties/department must be notified of the disciplinary penalty.
8. Upon recommendation of Corporate Legal of dismissal, the Notice of Dismissal is subject to approval by the President or Company Officer authorized to do so. Upon approval of the Notice of Dismissal, the department head will serve the notice to the employee. If the employee refuses to acknowledge receipt copy of notice as such fact(s) will be annotated on all copies of the notice. The said Notice of Dismissal has to be sent via a registered mail or other accredited courier to the last known address of the employee. Proof of delivery must be kept as evidence to show that the notice was served. All concerned Departments must be noticed of the dismissal.

Opportunities and Management Approach

We are taking steps to evaluate the effectiveness of implementation of our anti-corruption policy. We are looking at opportunities to engage our employees more on this topic through conducting more regular formal trainings on anti-corruption and how to best ensure that incidences are better tracked and avoided in the company.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity (2019)	Units
Energy consumption (renewable sources)[1]	47,319	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)[2]	350,161	GJ
Energy consumption (electricity)[3]	572,057,401	kWh

[1]These are generated from the rooftop solar facility of our malls.
[2]The boundary includes office buildings (stand-by generators) and residential construction activities. Consumption data from malls and resorts and hotels are still being consolidated and will be disclosed in 2020 report.
[3]This covers all our properties

Reduction of energy consumption

We have conducted several energy-efficiency projects for our malls and office building including changing of light bulbs to LED and retrofit/replacement of electronic equipment and other measures to meet the green building standards. However, we have yet to set-up the data management system to effectively track the savings and energy reduction from these initiatives. We aim to set-up the monitoring and data consolidation system by 2021.

Energy and Reduction of Energy Consumption
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Our consumption of energy, primarily electricity, does not have material impacts in our facilities. Impacts to environment and people occur at the generation of electricity. Energy generation in the Philippines is still primarily reliant on thermal technologies. These technologies impact the environment and people through GHG emissions, air pollution, water consumption, among others. Communities surrounding thermal power plants would have higher exposure to air pollutants (i.e. NOx, SOx, and Particulate matter). GHG emissions from these plants contribute to Climate Change that impacts vulnerable countries like the Philippines.

Management Approach for Impacts and Risks

To reduce our indirect impacts to the environment and people from our consumption of electricity, we have invested in rooftop solar power generation since 2015. In 2019, we have invested PhP200 million, to install a total of 18,164 panels, adding 5.8 MW power generation capacity that is used in our malls. To date, we have invested a total of PHP1.7 billion to build and operate a combined 22 MW capacity, which generated about 47,319 GJ of renewable power in 2019. Using the Philippine grid emission factor, we avoided a total of 8,985.35 tonnes of CO_2, in 2019 from our renewable power generation.

Our properties are also designed to consume less electricity. The retail complex in our Robinsons Magnolia Mall is has a skylight, a glass curtains that allow for natural lighting, and LED light fixtures, all translating to considerable energy savings. For our office buildings, we have built LEED-certified buildings which is designed and constructed with energy efficient features such as double-glazed glass façade which reduces need for cooling, as well as LED lights that reduce power consumption.

Opportunities and Management Approach

As prices of solar panels go down, we see more opportunities in scaling our rooftop solar generation. We also see opportunities of purchasing renewable power directly from renewable energy generators through retail electricity supply agreements, to bring down our emissions relevant to our consumption of electricity (scope 2).

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	5,135,256	Cubic meters
Water consumption[1]	We have yet to collect this data	Cubic meters
Water recycled and reused	We have yet to collect this data	Cubic meters

[1]To calculate our water consumption, we need to gather our total water discharge volume in all of our properties. While water withdrawal data is already being consolidated centrally because of its cost implications, water discharge volume is only being tracked at the property level. We will put together the data management system to consolidate discharge data from our 210 properties across the country, and be able to report by 2021.

Water Consumption
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Water is a vital element of our malls' operations. We work to ensure availability of water to provide our customers clean and well-maintained premises. Because of our constant need for water, we also recognize our responsibility to use this resource as efficiently as possible. We understand that for every litter of water that we consume, we could potentially deprive communities or agriculture the water that they need, given the limited freshwater availability in many cities in the Philippines where we locate. To the extent that we can, we tap with the local water utility to take advantage of surface water sources. In some areas however, it is currently inevitable that we source from ground water. The water that we use in our operations are treated well before they are discharged.

Management Approach for Impacts and Risks

We put in place measures to reduce water consumption in our facilities, such as water saving fixtures in restrooms. We also educate our customers and employees on the importance of water conservation. 30 of our 52 Robinsons malls are designed with either/and (i) rainwater collection system, and (ii) wastewater treatment and recycling facility to reuse water for non-potable uses. One of them is the Robinsons Magnolia Mall that became Quezon City's first green mall, certified in 2013 by the local government as a green building. Even as we continue to expand our malls, our water consumption has gone down, showing that our efforts on water management are effective. Today, our malls use recycled wastewater for toilets and for garden use. Our wastewater recovery program has reduced our wastewater discharge to public sewers.

In our construction activities particularly in residential properties, we conserve water by water rationing for masonry and testing activities onsite.

For our Summit Hotels and Go Hotels, water is an essential part of our operations and maintenance. Long and frequent hotel showers and use of pool amenities are a few of the many ways our guests enjoy in their stay in our hotels. Not to mention, guests are also keen on clean bedsheets and covers, and well-maintained amenities and facilities such as the garden and pool area. Hence, our options for water efficiency are limited to periodic checking of leaks and investment in water-efficient fixtures and water-conserving reminders to our guests.

Opportunities and Management Approach

We see an opportunity to conserve more water by increasing our wastewater recycling capacity and rainwater harvesting in our different properties. Water catchments and water impounding areas are also good measures we are exploring to help recharge the aquifer and reduce impact of ground water extraction.

Materials used by the organization

Disclosure	Quantity (2019)	Units
Materials used by weight or volume		
• renewable	0	
• non-renewable[1]		
• Cement	192,545,412	Kg
• Glass	727,777	Kg
• Rebars	27,631,105	Kg
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

[1]This covers office buildings, residential properties, and hotels and resort. We have yet to set-up the data collection system for the malls/commercial centers.

Materials
Management Approach for Impacts and Risks

Our business entails the use of a considerable amount of materials to construct buildings, malls, houses, and paved roads in our subdivisions, mixed-use developments, and townships. We recognize that materials such as cement, rebars, and glass are non-renewable, and it requires high amounts of energy and emissions to produce them. We also recognize that the mining of minerals needed for glass, steel, and cement production could impact biodiversity. Our limestone deposits in the Philippines is also finite, hence conserving the use of minerals will help extend the life of these finite resources for future generations. Materials use impacts all stakeholders in general. Scarcity of materials also impacts pricing which indirectly affects our own competitiveness.

Management Approach for Impacts and Risks

To ensure it remains within a manageable level, we regularly monitor our materials consumption and intensity. We work with our contractors who build our properties to continually improve on designs and construction practices to ensure our buildings are designed and constructed with most optimized use of materials, without compromising quality and durability.

Opportunities and Management Approach

A large part of the cost of constructing a property is the materials. Reducing material use has equivalent financial benefits. In 2019, we began analyzing materials efficiency of our buildings. We will use this information to look into better designs and construction systems to increase our efficiency in the use of materials, use more renewable materials and opt to use materials with recycled content.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

This is considered not material for our company since we do not have operations within or adjacent to biodiversity-rich areas.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions[1]	1,286	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions[2]	407,761	Tonnes CO2e
Indirect Emissions (Scope 3)[3]	22,993	Tonnes CO2e
Emissions of ozone-depleting substances (ODS) R-22 (has ODP of 0.05)[4]	481.8	Kg

[1]Scope 1 includes diesel consumption in operations of office buildings, as well as emissions from leakage of refrigerants. This excludes direct emissions from other properties such as malls, and Hotels and Resorts.

[2]Boundary covers Hotels and Resorts, Office Buildings, Commercial Centers, and Residential Properties. This excludes industrial facilities – warehouses.

[3]Boundary covers construction of residential properties which is subcontracted to a third-party entity.

[4]Boundary covers office buildings only. The amount represents the total. We have yet to set-up the system to collect data from all the rest of the properties.

Greenhouse Gas (GHG) Emissions
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Most of our emissions come from electricity consumption. The impacts of this activity occur at the power generation facilities. See discussion on impacts for energy, above. For scope 3, while these emissions are owned by our suppliers, they occur in our owned and controlled facilities. Since GHG emissions has global warming and climate change impacts, all stakeholders are generally affected, primarily those that are most vulnerable to climate impacts.

Management Approach for Impacts and Risks

Since our biggest emissions is generated at the power generation, our options for emission reduction is limited to choosing where to buy power while ensuring our efficiency is continually improved. The section on Energy above describes our investments in solar rooftop that has measured impacts in reducing our scope 2 emissions.

Most of the emissions that occur in our facilities are contributed by our suppliers. In 2019, we have started collecting consumption data from our suppliers. We will use the same data to map the strategies that we will implement in partnership with our suppliers to reduce our overall emissions at the construction.

Opportunities and Management Approach

We see opportunities for reducing carbon emissions through purchase of renewable energy for our malls and office buildings from Retail Electricity Suppliers that can provide RE at a competitive price. This has a potential to significantly reduce our Scope 2 emissions. Moving forward, we will explore this option and find financially viable models for this mitigation strategy.

Air pollutants

The topic on air pollutants is relevant in our properties that have stand-by generators. Since they're stand-by power only, its use is limited only in times of power interruption, which has become very rare in recent years. Even so, we ensure that we comply with clean air standards of the Department of Environment and Natural Resources (DENR). Our gensets are being tested twice a year by third-party consultants to ensure that it remains within DENR standards. In 2019 however, we have not consolidated the results across our different properties in the country, hence we will not be able to report on this disclosure. We will set-up the right data management system for this in 2020 and will be able to report in 2021.

Solid and Hazardous Wastes

Solid Waste[1]

Disclosure	Quantity	Units
Total solid waste generated	14,700	kg
Reusable	500	kg
Recyclable	700	kg
Composted	3000	kg
Incinerated	none	kg
Residuals/Landfilled	10,500	kg

[1]Covers only the waste generated at Residential Properties during construction and upon operations. We have yet to collect data from other properties and will be reported in 2022

Hazardous Waste[1]

Disclosure	Quantity	Units
Total weight of hazardous waste generated Electronic Wastes Used Oil Busted light bulbs	 233.95 5677 3022.06	 Kg L Pcs
Total weight of hazardous waste transported		kg

[1]Covers only the hazardous waste generated at our Office Buildings. We have yet to collect data from other properties and will disclose in 2022.

Solid and Hazardous Wastes
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Wastes generated from our facilities are collected by our accredited waste haulers and disposed properly in the landfills closest to our locations. We recognize that there are gaps in this system such that we are not able to fully monitor how much of the wastes that are being collected from our facilities are recycled and how much end up in landfills. We also recognize that some landfills may not be effective in storing wastes, hence it could potentially contribute to marine litter. This could affect us and our stakeholders, including government, communities, waste pickers, and the environment. Biodegradable wastes in landfills are also a major source of GHG emissions.

Management Approach for Impacts and Risks

Currently, we make sure that we assess the capability of our waste haulers to manage our wastes, including making sure that they dispose of our wastes in a legally operated landfill that meets the standards of DENR. In our properties, we allocate a space for our materials recovery facility. We designate key people to effectively manage and operate the MRFs according to DENR standards.

We provide training to our housekeeping staff who handles the wastes to ensure wastes are properly managed, and hauling is done regularly.

For hazardous wastes, we engage with DENR accredited transporter and treater. We allocate a separate space to store these wastes in our facilities before they are collected.

Opportunities and Management Approach

With increasing awareness on the issue on marine litter we see an opportunity to be part of the solution and position our properties to have the best waste management system in the country. We are currently improving our waste management system by working with our merchants to replace non-recyclables with recyclables to reduce total residual wastes that are more difficult to manage. We are also working with recyclers to link them with our waste collectors to ensure the recyclable waste we generate are recycled. We are also exploring ways to process our biodegradable waste into compost or energy to reduce the total waste sent to landfills. We are piloting the system in our two malls and if proven to be successful it will be scaled-up to all our malls and offices.

Effluents

Effluents is relevant in all our properties. By design all our commercial, office, and hotels have been fitted with wastewater treatment facilities to meet with the regulatory requirements of DENR.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations[1]	180,077.33	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

[1]*This occurs only in 9 out of 210 properties and involve minor non-compliances to DENR and National Water Regulatory Board (NWRB) regulations.*

Environmental Compliance
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

The activities that we do in our value chain such as in construction involves movement of soil, materials, and potential disruption of the environment. Operating large properties like office buildings and malls also consume significant quantities of resources and produce large volumes of wastes. Hence, risk to non-compliance to environmental laws exist across our value chain.

Impacts of non-compliance to environmental laws and regulations could grossly impact our operations and costs, including reputation. Non-compliance could affect a lot of stakeholders from our own employees, to those in the surrounding communities, including the environment itself.

Management Approach for Impacts and Risks

Compliance to environmental laws is fundamental to our operations. We have a designated unit that ensures all aspects of our operations are compliant with relevant laws. We ensure our gensets are maintained well to meet air quality standards and that our sewage treatment facilities are fully operational to ensure our effluents meet the Clean Water Act.

Opportunities and Management Approach

We plan to step-up our internal capability building and improve our systems so that all activities that we will do will remain compliant to regulations. We will invest in training and monitoring activities to correct any non-compliance issues in our operations internally to reduce findings from audits of government and third -party consultants.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity (2019)	Units
Total number of employees	2408	#
a. Number of female employees	1448	#
b. Number of male employees	960	#
Attrition rate[1]	16.31%	rate
Ratio of lowest paid employee against minimum wage	1:1	ratio

[1]*New Hires in 2019 = 812; Turn-over = 455; 2018 average employee count: 1970*

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS[1]	Y	10.50%	2.08%
PhilHealth[1]	Y	8.43%	5.42%
Pag-ibig[1]	Y	No data available[4]	No data available[4]
Parental leaves[2]	Y	3.9%	1.6%
Vacation leaves[2]	Y	87.65%	79.45%
Sick leaves[2]	Y	88.86%	80.00%
Medical benefits (aside from PhilHealth)[3]	Y	No data provided by HMO	No data provided by HMO
Housing assistance (aside from Pag-ibig)	N	-	-
Retirement fund (aside from SSS)	N	-	-
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	N	-	-
Flexible-working Hours	N	-	-
Rice Subsidy	Y	100%	100%

[1]*Based on total number of employees – 2408, covering both regular (1457) and probationary (951). Note that 100% of our regular employees (1457) are covered by mandatory benefits.*

[2]*Based on total number of regular employees who are entitled to leaves and the actual number of employees who availed the leaves.*

[3]*100% of employees are covered with at least PhP 70k/month for entry level but availment of HMO benefits is not yet being logged.*

[4]*All our employees are entitled to this benefit as provided by law, but we don't have the means to collect the number of our employees who availed of its benefits. We will work with the concerned government office to track how many of our employees are able to avail of their services beginning 2020 and disclose in 2021.*

[5] *Unclaimed Vacation and Sick Leaves for non-executive positions are convertible to cash. Unclaimed Sick leaves for executives are convertible at 50% of daily rate.*

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	60.13	%
% of male workers in the workforce	39.87	%
Number of employees from indigenous communities and/or vulnerable sector*	Not being tracked as of the moment	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

Employee Hiring and Benefits, Diversity and Equal Opportunity
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Our policy and practice in hiring determines our ability to foster equal distribution of opportunities across diverse set of peoples. For example, setting a policy on gender equality or hiring people coming from vulnerable groups will determine how much opportunity we are able to distribute to the male and female population or vulnerable groups given their nuanced needs and circumstances. Hence, we take our hiring policy seriously to provide everyone a level plane field to access the employment opportunities that we create through our business.

The benefits we provide our employees deliver a lasting effect to our employee's quality of life. For example, providing health care coverage to our employees determines their resilience to medical emergencies, which is key to maintaining quality of life. Employees who enjoy good quality of life will tend to be more engaged and productive in the workplace, which impacts our business positively.

Management Approach for Impacts and Risks

Hiring, Benefits, Diversity and Equal Opportunity. We hire based on capability and alignment with the requirements of the job. In our hiring process, we do not discriminate against any person in terms of gender, ethnicity, age, and other circumstances. We apply anticipatory hiring strategy looking at our needs in the next 3-5 years based on our long-term business strategy. We have an intake program to hire early on and better prepare our new hires even before the actual needs arises.

In terms of gender diversity, we currently have about 60% female and 40% male. We are working towards striking a better balance in terms of gender. RLC was included in the 2020 Bloomberg Gender Equality Index for scoring at or above global threshold established by Bloomberg to reflect high level of disclosure and over-all performance across the frameworks' five pillars: Female Leadership and Talent Pipeline; Equal pay and Gender Pay Parity; Inclusive Culture; Sexual Harassment Polices; and Pro-Women Brand.

In particular, RLC scored high in Female Leadership and Talent Pipeline or equal representation and opportunities in the workplace. The company's ratio of men to women in leadership positions is 50:50, while six in 10 employees are women. It can also be noted that 71% of promoted employees are Female. Also, 85% of women are in line position or in revenue position roles. This reflects the company's commitment to attracting, retaining, and developing women into senior leadership positions.

Benefits. We benchmark our benefit structure with the industry standards and adjust accordingly to stay within the industry average. On top of government-mandated benefits, we provide other benefits as part of our engagement initiatives such as healthcare coverage (HMOs), life insurance, medical allowance, rice subsidy, bereavement assistance, discounts to our products, and access to affordable emergency loans.

We also take advantage of our business ecosystem in the JG Summit Group by linking our employees to Robinsons Bank for access to affordable loans tailor fitted for our employees.

Attrition Rate. Our attrition rate is currently at 16.31%. This is net of involuntary attrition such as retirement and termination. In exit interviews, we see offers for better employment opportunities remain the biggest reasons for attrition.

Opportunities and Management Approach

Attrition. We are looking into ways to reduce our attrition rate by 5 percentage points in the next 5 years through improved training and development, increased mentorship and guidance by supervisors, more discussion with employees and managers on employee's career growth, as well as review of our benefits and total rewards policy.

Benefits. To improve our talent retention and employee engagement, we see an opportunity to assess the benefit availment rates of our employees across our different benefit types to determine overall effectiveness of our benefit structure. We will continue to innovate on structures that better responds to the real needs of our employees.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	8,472	hours
b. Male employees	9,818	hours
Average training hours provided to employees[1]		
a. Female employees	5.85	hours/employee
b. Male employees	10.23	hours/employee

[1]*Training hours indicated here are the Instructor-led Classroom internal trainings. Not reflected are trainings attended by employees outside the organization, hands-on/on-the job trainings, computer/video base e-learnings, and coaching and mentoring.*

[2] *There are 716 female employees and 615 male employees who underwent formal training in 2019.*

Employee Training and Development

Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

The level of training hours is an important driver to employee growth and development. Our ability to meet our employees training needs impacts their overall growth as a professional. Highly trained and highly engaged employees tend to be more productive, which also benefits the company. This year about 8,400 and 9,800 training hours were provided to female and male employees, respectively. We recognize that in terms of average training hours there is a disparity of allocation between gender this year. In 2020, we will assess this performance and determine ways we can make training more equally accessible and attractive across genders.

Management Approach for Impacts and Risks

We adopt a centralized learning framework that is anchored on the Core Values of the organization. RLC follows curriculum consistent with the standards of JG Summit group of companies, which are categorized into internal learning courses as follows:

1. **Core Development Programs -** enhances the soft skills of employees. This includes programs on customer service, communication, and professional image.
   Management Development Programs aim to provide a strong leadership and coaching culture in the organization, hence programs aimed to develop these competencies fall under this.
   Executive Development Programs target high potential and high performing leaders. This covers programs on problem solving, negotiation, finance, and strategic communication.

2. **Functional Training Programs.** There are Functional Training Programs that are customized per department that address the gaps of different functions. These programs include development plans for Engineering, Leasing, Marketing, Construction Management, and Operations. There is a continuous development of in-house SMEs (subject matter experts) who continue to impart learning on the job to their colleagues via share and learn sessions that allows for sharing of best practices while learning new technology and trends at the same time.

RLC promotes the development of employees by continuously providing relevant and timely training programs anchored on the training needs of the company and the employees. To make training more accessible, we have converted some programs into E-Learning Modules that can be accessed by employees on their own time. This allows employees to learn basic programs like customer service and employee discipline, from their desktops. We also plan to convert the existing Onboarding Program to an e-learning module as well.

Opportunities and Management Approach

We continue to anticipate new skills and capability needed by our employees to help us prepare for the future in terms of new technologies and industry practices in real estate. For example, we are continually on the look-out for new and better technologies and practice in managing malls and hotels or in the design and construction of different property formats. Being continually informed on new industry developments enable us to take leadership in the market.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements[1]	5	%
Number of consultations conducted with employees concerning employee-related policies[2]	No data available	#

[1]*The 5% is comprised of the covered rank and file employees of 2 properties, specifically, Holiday Inn Manila Galleria and Summit Circle Cebu.*

[2]*In general, we consult our employees on any new policy that affects our them. Based on our corporate governance we afford ample time for employees to provide their inputs and feedback before we put policies in effect. However, we do not track yet how often we did this in 2019. We will begin to track this data in 2020.*

Labor – Management Relations
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Good labor-management relations create a healthy workplace for us. It enables our employees to raise their concerns to the management. It helps the management find ways to refine its policies and systems that improve our workplace conditions in both construction and in operations particularly in our malls and hotels and resorts. Good workplace conditions help reduce health and safety risks and provide social safety nets for our employees in times of crisis.

Poor Labor-Management relations grossly affect performance and inherently has high reputational risk especially when labor unions resort to actions beyond close-door dialogues.

Management Approach for Impacts and Risks

We are committed to providing decent workplace for our employees and provide their needs to be effective in their work. We practice an open door policy. Employees may directly communicate to their immediate superior or to HR department. We also listen to our employees through employee engagement surveys and other adhoc surveys that are conducted by our HR. We also provide informal avenues for employees to raise their concerns to the management, such lunch meetings and get together activities.

The Company ensures the observance, strict implementation and compliance with employment and labor laws and policies with regards to recruitment, employment, retention and benefits of the employees. Minimum notice period regarding operational changes ranges from three to six months, dependent on the proponent of change.

Opportunities and Management Approach

We continually look for better ways to solicit feedback from our employees through formal and informal feedback sessions. Most of all, we will create a more deliberate approach to account for and assess the feedback for a more systematic approach of addressing them.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety[1]

Disclosure	Quantity*	Units
Safe Man-Hours	5,918,607	Man-hours
No. of work-related injuries	10	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	0	#

[1]*This disclosure includes 8 projects currently being handled by our Robinsons Construction Management unit, including 3 hotels, 3 malls, and 2 residential properties. We have yet to set-up the data management system to effectively collect this data for all our projects. We aim to report better numbers by 2020.*

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Indicated in the Employee Discipline Policies and Guidelines; “Notwithstanding the express enumeration of acts, omission or incidents in the Offenses Subject to Disciplinary Action (OSDA), the pertinent provisions of the Labor Law and allied laws, rules, and regulations are deemed incorporated in the OSDA. For acts or omission not specifically treated in the OSDA, the pertinent provision of law shall apply”
Child labor	Y	
Human Rights	Y	Indicated in OSDA; (1) Sections 3- Acts or Omissions Concerning Relationships with Superior, Attendance to and Performance of Assigned Duties, (2) Section 4- Acts or Omissions Concerning Harmony and Good Order, Safety and Decency at Work

Workplace Conditions, Labor Standards, and Human Rights
Impacts and Risks: Where it occurs, RLC’s involvement, stakeholders affected

Compliance to labor laws and human rights standards, as well as safe operation and accident prevention are fundamentals to running a good business.

Threats to the rights, health, and safety of our employees impacts our productivity, employee retention, and employee engagement. More importantly, it impacts the wellbeing and quality of life of our employees. Risks to health and safety are greater in construction sites than in operations.

Management Approach for Impacts and Risks

OSH management system is primarily designed to protect the health and safety of individual workers or members of the company. OSH Trainings are regularly conducted for the Lead Persons – Engineers, Security, Operations personnel.

Health and safety risks are regularly assessed to identify ways to eliminate or minimize incidence. We set standards for safe working practices and ensure they are practiced by all our employees, especially those involved in construction and operations. In-house auditing and inspections are being conducted by facility's/property engineers and operation's personnel. Documentations is done by engineering and security and validated by a JG Summit Engineering group.

We regularly submit our safety records to the Department of Labor and Employment (DOLE) to comply with their safety, health, and welfare standards and policies. In addition, all properties/facilities of RLC's have clinics to cater to employees and workers.

Beyond safety, we ensure all our operations comply with labor laws, including those relevant to forced labor, child labor, and human rights. We conduct periodic internal audits to monitor these risks in all our operations. The findings are discussed in the top management.

Opportunities and Management Approach

We continue to work with our contractors to build a culture of safety in all our construction and operations. More frequent and deliberate activities will be done to educate and remind our employees on safety standards and protocols to strengthen our safety culture and make safety a second nature to our employees not just in the workplace but even in their homes.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:
Yes. Pertinent portion is re-stated in column no# 3 below.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N[1]	
Forced labor	N[1]	
Child labor	N[1]	
Human rights	N[1]	
Bribery and corruption	Y	4. **As stipulated in Supplier Accreditation Policy,** "…Without the written consent of the company, directly or indirectly offers or gives any benefit or compensation in cash or otherwise, to a company employee because of the employee's association, engagement or duties with the company.

[1]*We do not have explicit written corporate policies relating to these topics since these are expressly defined in our Philippine labor laws, which we ensure compliance in all our operations.*

Supply Chain Management
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

About 59% of our revenue flows to our suppliers. Most of the activities we do in the value chain is carried out by suppliers from construction to property management. Hence the impact of our suppliers to environment, society, and economy (ESE) is a significant portion of our impact. Our supplier's success in delivering their output determines our own success. Their impacts to ESE affect essentially all our stakeholders.

Management Approach for Impacts and Risks

Our current supplier accreditation policy ensures that all our suppliers meet the minimum standards to deliver quality output for us. Through our accreditation process, we assess their capability and compliance to all relevant laws and regulations.

Our supplier accreditation process are as follows:

1. **Application** - All suppliers intending to do business with any BU must apply for accreditation through the submission of an accomplished Supplier Accreditation Application (SAA) together with the required documents. SAA contains the basic information about the supplier's company, organization, products or services offered and other relevant information necessary to evaluate the supplier's overall competencies.

2. **Appraisal** - RLC shall appraise all suppliers applying for accreditation using a rating system for both the company and the product or service. The Rating System for each accreditation criteria may vary by commodity group. The supplier must meet at least 75% to be recommended for accreditation approval.
3. **Accreditation Approval** – Approval will be done by the corporate supplier accreditation team of the JG Summit group.

On top of accreditation process, the following processes are being done to assess the performance of suppliers.

1. **Maintenance –** All accredited suppliers shall be included and maintained in the supplier information database.
2. **Review and Evaluation** – on a periodic basis, a complete reassessment of the supplier performance like the initial accreditation process will be conducted based on key performance metrics.

Any supplier that fails to comply with minimum standards go through the following recourse: 1) Suspension, 2) Debarment, 3) Appeal Process, and 4) Reinstatement if the supplier is able comply with our minimum standards.

Opportunities and Management Approach

We are currently reviewing our supplier accreditation policy to include relevant to environment, social, and economic criteria to ensure that our sustainability standards and practices is also applied to the supplier. We hope to come-up with a revised policy by end of 2020 and be able to cascade to all suppliers beginning 2021.

Relationship with Community

Significant Impacts on Local Communities

1. Operations with Significant impacts on local communities: Linkod Pinoy Centers
The Lingkod Pinoy Centers emerged from the RLC's desire to ease the delivery of essential government services to every Filipino. It is a one stop shop where people can access a variety of public services. Started in 2011, the Lingkod Pinoy Center is now present nationwide to provide convenience and comfortable venues to make transactions. The Malls provides the area at no cost to the government, saving the state an estimate of PhP 15.80 million a month. The centers average daily transaction in 2019 is at 58,788. It hosts 19 Government Agencies and offices. By hosting select government satellite offices RLC reduces the need for people to take multiple trips and in process reduce carbon emissions from vehicle use. **Location:** Available in 44 malls around the country **Vulnerable groups:** Everyone including vulnerable groups are served. **Impact on Indigenous peoples:** No particular negative impacts to indigenous groups. **Community rights and concerns of communities:** It allows the citizens to exercise their rights to access government services. **Mitigating Measures:** The operations have no significant negative impact, hence it requires no mitigating measures.

2. Operations with Significant impacts on local communities: Transport Hubs
RLC presence in several communities makes it a strategic hub for transport connectivity. By providing terminal spaces for public utility vehicles, the malls improve accessibility to several destinations for commuters. Robinsons Malls host a variety of transport services: from P2P buss, UV Express Services and vans, electric and regular jeepneys and tricycles. Some of the Malls also provide loading bays to ensure a safe and systematic way for commuters to board and alight from public transport vehicles. In total, 58,257 sqm of space in Robinsons Malls were allotted for public transport terminals **Location:** Available in 21 malls around the country **Vulnerable groups:** Everyone including vulnerable groups are served. **Impact on Indigenous peoples:** No particular negative impacts to indigenous groups. **Community rights and concerns of communities:** It allows the citizens to exercise their rights to access government services. **Mitigating Measures:** The operations have no significant negative impact, hence it requires no mitigating measures.

3. **Operations with Significant impacts on local communities:** Go Hotels Operations & Children's Rights
Location: All Go Hotels in the country Our hotels are exposed to risks of child abuse that may be committed by some of our customers. **Vulnerable groups:** Yes. Children and Youth **Impact on Indigenous peoples:** No particular negative impacts unique to indigenous groups. **Community rights and concerns of communities:** Children's Rights. **Mitigating Measures:** To manage the risks, we have set-up a Child Safeguarding and Protection policy and practice in our hotels. Go hotels is committed to implement child protection through establishing framework for staff development and capacity-building of tourism professionals and front liners.

Disclosure on Free and Prior Informed Consent (FPIC) is not material given that there are no operations that is within or adjacent to ancestral domains of indigenous peoples.

Relationship with Communities
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Community could get impacted positively or negatively ranging from physical risks to social and economic risks. For example, displacement can be both physical displacement or economic displacement due to our presence.

Negative impacts in the community could have significant impact to our reputation and social license to operate. Conversely, delivering positive benefits to community enable us to build stronger partnerships such as in local sourcing of goods and talents.

Management Approach for Impacts and Risks

Our social/community impact assessment and risk management process is a mandatory process that guides sustainability-related risk management and integrates a risk register into operating plans. As part of that process, exploration, production and major projects are examined against the physical, social and political settings of our operations. Local concerns may influence the potential importance of these stakeholder and environmental matters including long-term risks and cumulative impacts. Risks are identified and described by a diverse group of subject matter experts in each business unit (BU) and project.

To help Business Units in Community Assessment and affairs a System Management Approach is developed:

1. Impact and Risk Assessment- Assessment is basically the identification of potential and likely risks within a particular community, and the process of prioritizing those risks. The community risk assessment process can be as complex and detailed as local resources permit. Or, using basic skills and resources available to most organizations, can be a more simplified process that will produce basic information that can be used effectively for intervention/enhancement projects.
2. Mapping Stakeholders and Prioritizing Risks- Identifying the people related to the project, those who will be affected by the development and those than can influence, and to help develop strategies to engage these people in the right way. In most contexts community development projects will have a wide-variety of actors. Also, during this process, a risk register is developed looking at the long term and short term, and also looking at the probability and severity.
3. Addressing the Risk- A structured and coherent approach to managing the identified and ranked risk.
4. Engage Stakeholders- Communicate and collaborate on strategies and action plans in addressing risks and impacts.
5. Measure and Monitor- Tracking and assess actions to ensure ongoing adequacy and effectiveness of the management system.

Over-all, incorporating community affairs strategy into business brings transformative power through business excellence. Our philosophy is based on the idea that corporate success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources and adept government, to prosper and compete effectively. Also, for society to thrive, profitable and competitive business must be developed and supported to create income, wealth, tax revenues and opportunities for engaged social development.

Opportunities and Management Approach

RLC is currently cascading the Community Assessment tool to be used during the different phases of development; from Business development, construction and operations of projects and properties. Done properly, commercial development can improve a local community in more ways than one, by adjusting, innovating and continuously improving systems, services and products being put-out by the company.
Accordingly, since engagement and transparent reporting and disclosure of how we minimize and mitigate risks associated with construction and operations is a top business priority and key concern of our stakeholders; periodic communication and reporting is to be enhanced.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third-party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No surveys done in 2019[1]	N

[1]Our last customer satisfaction survey was conducted in 2017, which covers our residential business. In our customer satisfaction survey of 2017, 108 respondents covering 19 properties gave us an average score of 4.2 out of 5.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety	No Data[2]	#
No. of complaints addressed	No Data[2]	#

[2]We have different channels to receive customer complaints relevant to our various product formants and services, however we do not have a system yet to filter the complaints relevant to health and safety aspect, hence we could not disclose this data at this time. We will improve the system capability to collect this data for reporting in 2021.

Marketing and labelling

This topic is not material to our company, since we do not sell fast-moving consumer products.

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

Customer Management - Health and Safety, Customer Privacy and Data Security
Impacts and Risks: Where it occurs, RLC's involvement, stakeholders affected

Customer management is fundamental to corporate success and sustainability. Our ability to keep our customers satisfied is at the core of our performance as a corporation. Ensuring their health and safety in the use of our products, and protecting their information are ways to deliver customer satisfaction.

Our inability to meet their expectation poses a significant risk to our viability in both the short-and-long term horizons.

Management Approach for Impacts and Risks

Customer Satisfaction. We conduct periodic market research to gauge customer expectations and build the right products and services to meet their expectations, needs, and capabilities. Our customer satisfaction surveys tell us whether the products and services as designed has indeed met their requirements. We continually iterate and improve our performance through these processes.

Health and Safety. We ensure that our properties do not pose any risk to health and safety of our employees. This is assured from the design process to construction as well as operations that it meets the highest building standards that ensures it is resilient to any structural threats. In our malls, we continue to assess risks to our customers such as slippage and fall and periodically audit to ensure compliance to our standards.

Customer Privacy and Data Security. All customer personal information such as names, addresses, contact information, signature, and other details that we collect in the course of our transactions with them are logged in our database and can be accessed only by duly authorized personnel.

To protect customer data as well as all our other confidential information, we have implemented a strong security policy, put in place advanced network security protection and monitoring process in the following aspects of our data management system:

- Secured Email System. RLC is using advanced security protection thru Microsoft Office 365 as employee's corporate email. It provides URL filtering, screening of attachments and links to be protected from spam and phishing.
- End-point Security Protection. RLC installed Symantec Endpoint Protection as last defense layer to protect end-user from malware, spam and phishing.
- Protection of RLC's edge network. RLC used a strong network firewall rules that serve as a network gateway to only allow authorized and specific ports to pass through. It also includes URL filtering and secured VPN connections among its remote sites.
- Disallowed the use of external storage by employees.
- We have corporate information security team that performs Security Vulnerability Assessment and Penetration Testing (SVAPT) on regular and on-demand basis specially before we launch a new website
- 24x7 IT Service Desk that also monitors all our network, systems and applications thru our monitoring system which could detect performance degradation, capacity threshold breach and availability faults. The team is alerted and performs remediation actions following incident management process and service level targets.

Opportunities and Management Approach

Customer management is a continual improvement process. We continually assess our customer experience journey and find ways to better meet their expectations. Moving forward, we aim to define more precise metrics for measuring our performance on these areas. Beyond customer satisfaction, we intend to measure the real economic and social value we contribute to our customers and their stakeholders, such as how our malls are able to increase their access to market through increased foot traffic to our malls to better understand how our product enable them to grow as they locate with us. A more systematized measurement of economic and social value will enable us to better optimize our products for increased value to the customers we serve and to society in general.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Office Space	We provide a suitable location where businesses can operate and grow contributing to job creation and increased economic activity in the areas where we locate. To date we have 666,448 square meters of gross floor area.	Apart from the environmental, social, and economic impacts identified above, we see no further material negative impacts of this product to SDGs.	Nothing material that we could identify
Mall Space	We provide a space where our customers (merchants) benefit from the foot traffic to the malls. It allows foreign and local enterprises to access key markets and scale their businesses. People around our locations can access quality products that meets their needs from food, medicine, clothing, and other needs that improve their quality of life. To date, we have a total of 3,009,511 square meters of gross floor area. In addition, 18 of our malls offer low-carbon malls spaces, as they're fitted with solar panels that meets a significant part of their power requirement.	Current businesses could be negatively affected through reduced customers. Increased consumerism could reduce savings of citizens. May cause traffic congestion that reduces productivity of population.	When we enter a location, we map which local enterprises could be negatively affected by our entry. We assess the impact and provide opportunities for the affected parties to locate in our mall, or their household members to given employment opportunities.
Hotel Rooms	We provide affordable, quality accommodation options for tourists who contribute economic value to the local areas where we operate. People who travels to offsite locations on business are also able to access quality rooms that meets their budget. Currently, we have 2,368 rooms in our Go Hotels and Summit Hotels Brands.	Apart from the environmental, social, and economic impacts identified above, we see no further material impacts of this product to SDGs.	Nothing material that we could identify
Vertical and Residential Products	We help families achieve their dreams of owning a home. We have a deep understanding of the needs of our customers and build for them a	Apart from the environmental, social, and economic impacts identified above, we see	Nothing material that we could identify

	house that meets their needs wherever they are in their journey towards financial freedom. In 2019, we have a total of 5,272 residential units.	no further material impacts of this product to SDGs.	
Logistics (Storage)	We provide storage space that help product-based businesses make their distribution system more efficient, ensuring that their goods are well secured. To date we have 77,000 square meters of warehouse space.	Apart from the environmental, social, and economic impacts identified above, we see no further material impacts of this product to SDGs.	Nothing material that we could identify
Master planned mixed-use developments and townships	Our master planned properties are designed to foster resilience, mobility, security, connectivity, and comfort. With well-designed combination of office space, commercial and residential areas, we create an urban environment that supports economic growth in a manner that protects the environment and puts people's needs at the heart of it. With efficient master-planning, innovative designs, and quality construction, our townships will raise the standards of mixed-use developments in the country. Overall, the locations and design will attract foreign investments that will increase our country's overall economic pool. The compact communities that we built also helps reduce the need to travel by car, fosters walkability, that has long term benefits to air quality, health, and climate mitigation. Currently, we have a total of 256 hectares of township developments.	Apart from the environmental, social, and economic impacts identified above, we see no further material impacts of this product to SDGs.	Nothing material that we could identify

Other SDG Contributions:

Below is a summary of all our other SDG contributions.

Annex A. Location of Operations

Robinsons Malls (Total of 52)

Robinsons Malls	Address	Year Opened
Metro Manila (9)		
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1990
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1997
Robinsons Novaliches	Quirino Highway, Novaliches, Quezon City	2001
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2001
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2004
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2007
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012
Magnolia Expansion	Aurora Blvd. corner Doña Hemady St., Quezon City	2019
Robinsons Town Mall Malabon	Gov. Pascual Ave. cor. Crispin St., Tinajeros, Malabon	2013
Robinsons Place Las Piñas	Alabang-Zapote Road, Brgy. Talon, Las Piñas City	2014

Outside Metro Manila Robinsons Malls	Address	Year Opened
Luzon ex-Metro Manila (22)		
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1998
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002
Robinsons Santa Rosa	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2002
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2003
Robinsons Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004
Robinsons Place Angeles	McArthur Highway, Balibago, Angeles City, Pampanga	2004
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2008
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2008
Robinsons Ilocos Norte	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2009
Robinsons Place Pangasinan	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012
Robinsons Place Palawan	National Highway, Brgy. San Miguel, Puerto Princesa City	2012
Robinsons Place Malolos	MacArthur Highway, Brgy. Sumapang Matanda, Malolos City, Bulacan	2013
Robinsons Place Santiago	Maharlika Highway, Brgy Mabini, Santiago City, Isabela	2014
Robinsons Place Antipolo	Sumulong Highway, cor. Circumferential Road, Antipolo City	2014
Robinsons Place General Trias	Governor's Drive, General Trias, Cavite	2016
Robinsons Place Naga	Roxas Ave., cor. Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur	2017
Robinsons Place Tuguegarao	Brgy. Tanza, Tuguegarao City, Cagayan	2018
Galleria South	San Pedro, Laguna	2019

Robinsons Malls	Address	Year Opened
Visayas (14)		
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997
Robinsons Fuente Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000

Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2001
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2004
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009
Robinsons Place Dumaguete	Calindagan Business Park, Dumaguete City	2009
Robinsons Cybergate Cebu	Don Gil Garcia St., Capitol, Cebu City	2009
Robinsons Place Roxas	Immaculate Heart of Mary Avenue, Pueblo de Panay, Brgy. Lawa-an, Roxas City, Capiz	2014
Robinsons Place Antique	Brgy. Maybato, San Jose, Antique	2015
Robinsons Galleria Cebu	Gen. Maxilom Ave. Ext, Cebu City, Cebu	2015
Robinsons Place Jaro	E Lopez St. Jaro, Iloilo City, Iloilo	2016
Robinsons North Tacloban	Brgy. Abucay, Tacloban City, Leyte	2017
Robinsons Place Ormoc	Brgy. Cogon, Ormoc City, Leyte	2018
Robinsons Place Pavia	Brgy. Ungka 2, Pavia, Iloilo	2018
	Total	

Robinsons Malls	**Address**	**Year Opened**
Mindanao (7)		
Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2002
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009
Robinsons Place Butuan	J.C. Aquino Avenue, Brgy Libertad, Butuan City	2013
Robinsons Place Tagum	Tagum City, Davao del Norte	2016
Robinsons Place Iligan	Macapagal Ave., Brgy. Tubod, Iligan City, Lanao del Norte	2017
Robinsons Place Valencia	Sayre Highway, Brgy. Hagkol, Bagontaas Valencia, Bukidnon	2018
	Total	

Office Buildings (Total of 23)

Office Building

Name	Location	Address	Size & designation
Metro Manila (16)			
Galleria Corporate Center	Quezon City	Along EDSA corner Ortigas Ave, Queszon City	30-storey
Robinsons-Equitable Tower	Ortigas Center, Pasig City	Corner of ADB Ave and Poveda St., Oritgas Center, Pasig City	45-stroey
Robinsons Summit Center	Makati City	Ayala Avenue, Makati City	37-storey
Robinsons Cybergate Center Tower 1	Mandaluyong City	Pioneer St., Mandaluyong City	18-storey
Robinsons Cybergate Center Tower 2	Mandaluyong City	Pioneer St., Mandaluyong City	27-storey
Robinsons Cybergate Center Tower 3	Mandaluyong City	Pioneer St., Mandaluyong City	27-storey
Robinsons Cybergate Plaza	Mandaluyong City	EDSA, Manadaluyong City	12-storey
Robinsons Cyberscape Alpha	Ortigas Center, Pasig City	Sapphire and Garnet Roads, Ortigas Center, Pasig City	26-storey
Robinsons Cyberscape Beta	Ortigas Center, Pasig City	Ruby and Topaz Roads, Pasig City	37-storey
Tera Tower	Bridgetowne West, Quezon City	Bridgetowne, E. Rodriguez (C5) Avenue, Quezon City	20-storey
Cyber Sigma	Fort Bonifacio, Taguig City	Lawton Avenue, Mckinley West, Fort Bonifacio, Taguig City	21-storey
Robinsons Cyberscape Gamma	Ortigas Center, Pasig City	Ruby and Topaz Roads, Pasig City	37-storey
Exxa Tower	Bridgetowne West, Quezon City	Bridgetowne, E. Rodriguez (C5) Avenue, Quezon City	20-storey
Zeta Tower	Bridgetowne West, Quezon City	Bridgetowne, E. Rodriguez (C5) Avenue, Quezon City	20-storey
Cybergate Magnolia	Cubao, Quezon City	Aurora Blvd. corner Doña Hemady St., Quezon City	10-storey
Giga Tower	Bridgetowne West, Quezon City	Bridgetowne, E. Rodriguez (C5) Avenue, Quezon City	20-storey

Provincial (7)

Name	Location	Address	Size & designation
Robinsons Cybergate Cebu	Cebu City	Fuente Osmena, Bo. Capitol, Cebu City	3-storey
Robinsons Galleria Cebu Office	Cebu City	Gen. Maxilom Avenue, Cebu City	4-storey
Robinsons Place Ilocos Office	Ilocos Norte	San Nicolas, Ilocos Norte	4-storey
Robinsons Luisita Office	Luisita Tarlac	McArthur Highway Bo. Tarlac City, Tarlac	3-storey
Robinsons Luisita 2			
Cybergate Delta	Davao City	JP. Laurel Ave., Davao City	5-storey
Cybergate Naga	Naga City	Almeda Highway, cor Roxas Avenue, Naga, Camarines Sur	4-storey

Hotels and Resorts (Total of 20 owned hotels and resort)

#	Locations	Address	No. of Rooms
	Metro Manila		
1	Go Hotels Mandaluyong	UG/F, Robinsons Cybergate Plaza, EDSA cor. Pioneer Street, Mandaluyong City, 1550	223
2	Go Hotels Otis	5F Robinsons Otis 1536 Paz Guazon St. 831 Zone 90 Paco Manila, 1007	118
3	Go Hotels Ortigas Center	Robinsons Cyberscape Alpha, Garnet Road, Ortigas Center, Pasig City, 1605	198
	VISAYAS		
1	Go Hotels Puerto Princesa	North Road, Brgy. San Manuel, Puerto Princesa City, Palawan, 5300	108
2	Go Hotels Dumaguete	Calindagan corner South Road, Dumaguete Central Business District, Dumaguete City, 6200 Negros Oriental, 6200	102
3	Go Hotels Tacloban	Tabuan National Highway, Marasbaras, Tacloban City, Leyte, 6500	98
4	Go Hotels Bacolod	Lacson Street, Mandalagan, Bacolod City 6100, Negros Occidental	108
5	Go Hotels Iloilo	Ledesma Street Corner Queson Street, Iloilo City, Iloilo 5000	167
	MINDANAO		
1	Go Hotels BUTUAN	JC Aquino Ave., Brgy. Bayanihan, Butuan City, Agusan Del Norte, 8600	104
2	Go Hotels Lanang Davao (JV)	Phoenix Mega Service Station, J.P Laurel Ave., cor. Arroyo St., Lanang, Davao City, 8000	183
3	Go Hotels Iligan	Robinsons Place Iligan, Brgy. Tubod, Iligan City, Lanao Del Norte	100
	VANGUARD (Franchisee)		
1	Go Hotels Parañaque	608 Quirino Avenue, Brgy. Tambo, Parañaque City	199
2	Go Hotels North Edsa	1107 EDSA, Veterans Village, Bago Bantay, Quezon City	167
3	Go Hotels Cubao	840 Aurora Blvd., Brgy. Kaunlaran, Cubao, Quezon City	159
4	Go Hotels Ermita	1412 A. Mabini St. Ermita Manila City	219
5	Go Hotels Timog	63 Timog ave south triagle Quezon City	219
	Total		1509
	LUZON		
1	Summit Ridge	Km. 58 Gen. Aguinaldo Highway, Maharlika West, Tagaytay City, Philippines	108
2	Summit Magnolia	Robinsons Magnolia, Dona M. Hemady Avenue corner Aurora Boulevard, New Manila, Quezon City 111	82
3	Summit Greenhills	13 Annapolis, San Juan, 1504 Metro Manila	100
	VISAYAS		
1	SCC Fuente	Fuente Osmeña Corner F. Ramos St. Cebu City	211
2	SGC Maxilom	Gen. Maxilom Ave cor. Benedicto St. Cebu City	220
3	SHT Tacloban	Brgy. Marasbaras, Tacloban City, Leyte	138
	Total		859
#	Locations	**Address**	**No. of rooms**
	Metro Manila		
1	Holiday Inn	ADB Avenue, Ortigas Center, Pasig	285

2	Dusit Thani	Mactan, Cebu	271
3	Crowne Plaza	Ortigas Ave., corner ADB Ave., Ortigas Center, Quezon City	263
	Total		819

Residential Buildings

Project Name	**Address**
COMMUNITIES	
Acacia Escalades Condominium Corporation	Amang Rodriguez Ave corner Calle Industria, Brgy. Manggahan, Pasig City
Axis Residences Condominium Corporation	Pioneer St., Brgy. Barangka Ilaya, Mandaluyong City
Escalades at 20th Avenue Condominium Corporation	Corner 20th Avenue and Aurora Boulevard, Cubao, Quezon City
Escalades East Tower Condominium Corporation	20th Avenue, San Roque, Cubao, Quezon City
Escalades South Metro Condominium Corporation	Meralco Rd. corner Dr. A. Santos, Brgy. Sucat, Muntinlupa City
Gateway Garden Ridge Condominium Corporation	Epifanio Delos Santos Ave., Brgy. Barranca, Mandaluyong City
The Pearl Place Condominium Corporation	Gold Loop corner Pearl Drive, Brgy. San Antonio, Pasig City
The Wellington Courtyard Condominium Corporation	J.P. Rizal Avenue cor. Mayor’s Drive, Tagaytay City
Woodsville Viverde Mansions Condominium Corporation	Edison Ave. corner West Service Rd., Brgy. Merville, Parañaque City
Project Name	**Address**
RESIDENCES AND LUXURIA	
Robinsons Adriatico Residences Condominium Corporation	Adriatico St. corner Pedro Gil, Ermita, Manila
Amisa Private Residences Condominium Corporation	Brgy. Punta Engaño, Lapu-Lapu City, Cebu
Azalea Place Cebu Condominium Corporation	Gorordo Ave., Brgy. Lahug, Cebu City
East of Galleria Condominium Corporation	Topaz Road corner Ruby Road, Ortigas Center, Pasig City
Fifth Avenue Place Condominium Corporation	5th Ave. corner 21st Drive, Bonifacio Global City, Taguig
Galleria Regency Condominium Corporation	Ortigas Ave. corner ADB Ave., Quezon City
Mckinley Park Residences Condominium Corporation	3rd Avenue corner 31st Street, Crescent Park West, Fort Bonifacio, Taguig City
Robinsons Gateway Residences Condominium Corporation	Pioneer Street, Mandaluyong City
Robinsons Place Residences Condominium Corporation	Padre Faura St., Ermita, Manila
Sonata Private Residences Condominium Corporation	San Miguel Avenue corner Lourdes St., Mandaluyong City
Signa Designer Residences Condominium Corporation	Valero Street corner Rufino Street, Salcado Village, Makati City
The Sapphire Bloc Condominium Corporation	Sapphire, Garnet, and Onyx Roads, Ortigas Center, Pasig City
The Fort Trion Towers Condominium Corporation	8th Avenue corner McKinley Parkway, Fort Bonifacio, Taguig City

Robinsons Fort Residences Condominium Corporation	8th Avenue corner McKinley Parkway, Fort Bonifacio, Taguig City
TMR New Manila Condominium Corporation	The Magnolia Residences, Aurora Blvd. corner Doña Hemady and N. Domingo Streets, New Manila Quezon City
Vimana Verde Residences Condominium Corporation	St. Martin, Brgy. Oranbo, Pasig City
Woodsville Residences Condominium Corporation	West Service Road, Brgy. Merville, Parañaque City
The Radiance North-South Manila Bay Condominium Corporation	Roxas Boulevard corner Maytubig Street, Pasay City

Robinsons Homes	
Property Name	**Location**
Brighton Parkplace	Brgy. Araniw, Laoag, Ilocos Norte
Brighton Parkplace North	Brgy. Araniw, Laoag, Ilocos Norte
Hanalei Heights	Brgy. Balatong, Laoag City, Ilocos Norte
Fernwood Parkhomes	Brgy. Magalang, Mabalacat Road, Pampanga
Forest Parkhomes	Brgy. Sto. Niño, Angeles City
Forest Parkhomes North	Brgy. Sto. Niño, Angeles City
Grand Tierra	Brgy. Sto. Domingo I Capas, Tarlac
Brighton Baliwag	J.P. Rizal St. Brgy. Sta. Barbara, Baliuag Bulacan
Mirada Dos	Brgy. Sindalan, San Fernando Pampanga
Rosewood Parkhomes	Brgy. Cutcut, Angeles City
Robinsons Homes East	Brgy. San Jose, Antipolo City
San Lorenzo Homes	Brgy. San Jose, Antipolo City
San Jose Estates	Brgy. San Jose, Antipolo City
St. Bernice Estates	Brgy. San Jose, Antipolo City
St. Judith Hills	Brgy. San Jose, Antipolo City
Springdale Phase 1 at Pueblo Angono	Brgy. Mahabang Parang, Angono Rizal
Springdale Phase 2 at Pueblo Angono	Brgy. Mahabang Parang, Angono Rizal
Brighton at Pueblo Angono	Brgy. Mahabang Parang, Angono Rizal
Robinsons Residenza Milano	Brgy. San Isidro, Batangas City
Robinsons Vineyard	Brgy. Sampaloc IV, Dasmariñas, Cavite
Southsquare Village	Brgy. Pasong Kawayan II, General Trias, Cavite
Bloomfields Heights Lipa	Brgy. Tibig, Lipa City, Batangas
Bloomfields Tagaytay	Brgy. Maharlika, Tagaytay City
Brighton Puerto Princesa	Brgy. Santa Lourdes, Puerto Princesa, Palawan
Aspen Heights	Brgy. Danglag, Consolacion, Cebu
Blue Coast Residences	Brgy. Punta Engaño, Mactan, Cebu
Brighton Bacolod	Brgy. Estefania, Bacolod, Negros Occidental
Fresno Parkview	Brgy. Lumbia, Cagayan De Oro City
Hillsborough Pointe	Upper Carmen, Cagayan De Oro City
Richmond Hills	Brgy. Camaman-an, Cagayan De Oro City
Bloomfields Cagayan De Oro	Brgy. Lumbia, Cagayan De Oro City
Robinsons Davao Highlands	Brgy. Buhangin, Davao City
Montclair Highlands	Diversion Road, Buhangin, Davao City
Nizanta at Ciudades	Brgy. Tigatto & Waan, Davao City

Bloomfields Davao	Brgy. Angliongto Sr., Buhangin District Lanang, Davao City
Bloomfields General Santos	National Highway, Brgy. Labangal, General Santos City

Robinsons Land Logistics (RLX)	
Property Name	**Location**
RLX Sucat 1	East Service Road, Brgy. Sucat, Muntinlupa City, Metro Manila
RLX Calamba 1	Brgy. Maunong, Calamba City

RLC Integrated Developments	
Property Name	**Location**
Bridgetowne West	Brgy. Ugong Norte, Quezon City, Metro Manila
Bridgetowne East	Brgy. Rosario, Pasig City
Sierra Valley	Ortigas Extension Ave, Cainta, Rizal
Montclair	Brgy. Manuali, Porac, Pampanga

PART VI - EXHIBITS AND SCHEDULES

Item 17. Exhibits And Reports On SEC Form 17-C

(A) Exhibits-See Accompanying Index To Exhibits (Page 246)

The following exhibit is filed as a separate section of this report:

(Exhibit 18) Subsidiaries Of The Registrant (page 247)

The other exhibits, as indicated in the Index to exhibits are either not applicable to the Company or does not require an answer.

(B) Reports on SEC Form 17-C (Current Report)

Following is a list of corporate disclosures of RLC filed under SEC Form 17-C for the period from July 1, 2019 to December 31, 2019:

Date of Disclosure	Subject Matter
July 31, 2019	PSE Disclosure Form 6-3 – Declaration of Property Dividends
December 9, 2019	PSE Disclosure Form 4-2 – Joint Ventures

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of ________ on ____________.

By:

Lance Y. Gokongwei
Chairman
(Acts as Principal Financial Officer)
2-28-20

Frederick D. Go
President & Chief Executive Officer
2-28-20

Kerwin Max S. Tan
Chief Financial Officer
2-28-20

Anna Katrina C. De Leon
VP - Group Controller/
Principal Accounting Officer
2-28-20

Rosalinda F. Rivera
Corporate Secretary
2-28-20

FEB 28 2020

SUBSCRIBED AND SWORN to before me this ________ day of __________ 2020, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Lance Y. Gokongwei	14503307	Jan. 21, 2020	Pasig City
Frederick D. Go	3650727	Jan. 7, 2020	Quezon City
Kerwin Max S. Tan	P0352145A	Sept. 23, 2016 - Sept. 22, 2021	Manila
Anna Katrina C. De Leon	EC4251546	May. 25, 2015 - May. 24, 2020	DFA NCR Central
Rosalinda F. Rivera	SSS No. 33-2484959-1		

Doc No. IV;
Page No. 119;
Book No. 39;
Series of 2020

ATTY. CONCEPCION N. VILLARENA
Notary Public for Quezon City
Until December 31 2021
PTR No. 9296041 - 1-2-2020/ QC
IBP No. 093586 - 10-22 2019/ QC
Roll No. 30457 - 05 09-80
MCLE V-0012536 - 12 21 2015
Adm. Matter No. NP 001(2020-2021)
TIN NO. 131-942-754

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

ROBINSONS LAND CORPORATION

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

February 28, 2020

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

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2019, 2018 and 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Lance Y. Gokongwei
Chairman

Frederick D. Go
President and Chief Executive Officer

Kerwin Max S. Tan
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this day FEB 2 8 2020 at Q.C.

ATTY. CONCEPCION P. VILLARENA
Notary Public for Quezon City
Until December 31, 2021
PTR No. 9296041 - 1-2-2020 QC
IBP No. 093586 - 10-22-2019 QC
Roll No. 30457 - 05-09-80
MCLE V-0012536 - 12-21-2015
Adm. Matter No. NP-001(2020-2021)
TIN NO. 131-942-754

Signed this ___ day of _______.
Doc. No. 49;
Page No. 10;
Book No. 37;
Series of 2020

SGV
Building a better
working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

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

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2019 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the input method as the measure of progress in determining real estate revenue; (4) determination of the actual costs incurred as cost of sales; and (5) recognition of cost to obtain a contract.

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

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

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

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

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion method in amortizing sales commission consistent with the Group's revenue recognition policy.

The disclosures related to the real estate revenue are included in Note 23 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

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

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

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

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2019 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta
Ysmael S. Acosta
Partner
CPA Certificate No. 112825
SEC Accreditation No. 1744-A (Group A),
March 14, 2019, valid until March 13, 2022
Tax Identification No. 301-106-775
BIR Accreditation No. 08-001998-130-2018,
February 9, 2018, valid until February 8, 2021
PTR No. 8125201, January 7, 2020, Makati City

February 28, 2020

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 22, 33 and 34)	**₱7,060,438,523**	₱2,543,840,827
Receivables (Notes 8, 22, 33 and 34)	**3,146,968,482**	2,572,371,888
Subdivision land, condominium and residential units for sale (Note 9)	**36,062,897,387**	31,464,454,298
Contract assets (Notes 10 and 22)	**3,007,038,670**	4,642,475,062
Other current assets (Notes 11, 33 and 34)	**7,501,779,810**	11,736,262,913
Total Current Assets	**56,779,122,872**	52,959,404,988
Noncurrent Assets		
Noncurrent receivables (Notes 8, 22, 33 and 34)	**3,677,362,062**	1,756,064,862
Noncurrent contract assets (Notes 10 and 22)	**7,843,135,383**	6,121,887,223
Investment properties (Notes 3 and 12)	**103,799,140,203**	99,317,095,827
Property and equipment (Note 13)	**8,896,623,535**	7,844,144,072
Investments in joint ventures (Note 32)	**2,350,181,648**	1,383,353,670
Right-of-use assets (Notes 3 and 36)	**1,171,733,998**	–
Other noncurrent assets (Notes 3, 14, 22, 33 and 34)	**5,133,910,060**	4,776,209,643
Total Noncurrent Assets	**132,872,086,889**	121,198,755,297
	₱189,651,209,761	₱174,158,160,285
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Notes 18, 33 and 34)	**₱8,491,700,000**	₱896,700,000
Accounts payable and accrued expenses (Notes 15, 33, 34 and 36)	**14,391,060,544**	14,324,566,708
Contract liabilities (Note 16 and 22)	**14,184,663,585**	12,931,513,843
Deposits and other current liabilities (Notes 17, 22, 33 and 34)	**3,091,851,056**	2,904,239,770
Income tax payable	**1,030,917,681**	1,037,345,923
Current portion of loans payable (Notes 18, 33 and 34)	**155,000,000**	15,000,000
Total Current Liabilities	**41,345,192,866**	32,109,366,244
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 18, 33 and 34)	**34,560,272,176**	36,473,539,001
Deferred tax liabilities - net (Note 29)	**4,368,107,776**	3,580,648,835
Noncurrent contract liabilities (Note 16)	**2,958,482,166**	2,378,690,953
Deposits and other noncurrent liabilities (Notes 19, 22, 31, 33, 34 and 36)	**6,341,484,299**	5,696,198,747
Total Noncurrent Liabilities	**48,228,346,417**	48,129,077,536
Total Liabilities	**89,573,539,283**	80,238,443,780
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 21)	**5,193,830,685**	5,193,830,685
Additional paid-in capital (Note 21)	**39,041,328,236**	39,041,328,236
Other equity reserve (Note 21)	–	(87,597,873)
Other comprehensive income:		
Remeasurements of net defined benefit liability - net of tax (Note 31)	**(9,766,232)**	(36,195,795)
Fair value reserve of financial assets at FVOCI - net of tax (Notes 8 and 34)	**86,835,269**	8,822,352
Cumulative translation adjustment	**41,302,360**	74,843,981
Retained earnings (Note 20)		
Unappropriated	**28,155,279,155**	22,315,570,513
Appropriated	**27,000,000,000**	27,000,000,000
	99,508,809,473	93,510,602,099
Non-controlling interest	**568,861,005**	409,114,406
	100,077,670,478	93,919,716,505
	₱189,651,209,761	₱174,158,160,285

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

	Years ended December 31		
	2019	2018	2017
REVENUE (Notes 6 and 23)			
Real Estate Operations			
Rental income (Notes 12, 17, 23 and 36)	**₱15,420,499,255**	₱13,548,204,208	₱11,581,560,401
Real estate sales (Notes 5 and 23)	**9,028,944,073**	10,892,384,961	5,973,248,023
Amusement income (Note 23)	**2,151,785,393**	1,972,527,785	1,802,643,181
Others (Notes 23 and 32)	**1,549,966,856**	1,163,227,782	1,266,492,267
	28,151,195,577	27,576,344,736	20,623,943,872
Hotel Operations (Note 23)	**2,432,639,988**	1,982,137,914	1,892,873,758
	30,583,835,565	29,558,482,650	22,516,817,630
COSTS (Notes 6 and 24)			
Real Estate Operations			
Cost of rental services	**5,363,923,175**	5,072,692,446	4,499,595,017
Cost of real estate sales (Note 9)	**4,235,325,163**	4,931,427,825	3,143,037,387
Cost of amusement services	**956,468,868**	906,006,116	820,824,802
Others	**1,558,840,833**	1,201,585,102	812,417,065
	12,114,558,039	12,111,711,489	9,275,874,271
Hotel Operations (Note 24)	**2,089,588,261**	1,556,880,775	1,350,512,369
	14,204,146,300	13,668,592,264	10,626,386,640
	16,379,689,265	15,889,890,386	11,890,430,990
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6 and 25)	**4,096,793,400**	3,996,352,869	3,328,016,547
OPERATING INCOME	**12,282,895,865**	11,893,537,517	8,562,414,443
OTHER INCOME (LOSSES)			
Interest income (Note 7 and 28)	**287,417,657**	156,969,192	36,809,915
Gain on sale of property and equipment (Note 13)	**560,459**	3,361,606	–
Gain from insurance claims	–	22,985,311	28,397,634
Gain (loss) on foreign exchange	**1,017,983**	2,290,232	(14,019,285)
Loss on deconsolidation (Note 2)	**(12,284,783)**	–	–
Interest expense (Notes 18, 28 and 36)	**(1,052,823,418)**	(836,112,262)	(778,194,869)
	(776,112,102)	(650,505,921)	(727,006,605)
INCOME BEFORE INCOME TAX	**11,506,783,763**	11,243,031,596	7,835,407,838
PROVISION FOR INCOME TAX (Note 29)	**2,814,174,005**	3,019,067,011	1,950,969,881
NET INCOME	**8,692,609,758**	8,223,964,585	5,884,437,957
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Cumulative translation adjustment	**(33,541,621)**	(565,483)	39,079,980
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability (Note 31)	**50,628,481**	39,319,717	96,533,340
Fair value reserve of financial assets at FVOCI (Note 8)	**98,843,664**	(9,064,944)	–
Income tax effect (Note 29)	**(44,841,643)**	(9,076,432)	(28,960,002)
	104,630,502	21,178,341	67,573,338
Total Other Comprehensive Income	**71,088,881**	20,612,858	106,653,318
TOTAL COMPREHENSIVE INCOME	**₱8,763,698,639**	₱8,244,577,443	₱5,991,091,275

(Forward)

	Years Ended December 31		
	2019	2018	2017
Net Income Attributable to:			
Equity holders of Parent Company	**₱8,686,233,159**	₱8,216,002,328	₱5,881,150,728
Non-controlling interest in consolidated subsidiaries	**6,376,599**	7,962,257	3,287,229
	₱8,692,609,758	₱8,223,964,585	₱5,884,437,957
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱8,757,322,040**	₱8,236,615,186	₱5,987,804,046
Non-controlling interest in consolidated subsidiaries	**6,376,599**	7,962,257	3,287,229
	₱8,763,698,639	₱8,244,577,443	₱5,991,091,275
Basic/Diluted Earnings Per Share (Note 30)	**₱1.67**	₱1.62	₱1.44

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

For the Year Ended December 31, 2019

	Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 21)	**Additional Paid-in Capital** (Note 21)	**Other Equity Reserve** (Note 21)	**Remeasurements of Net Defined Benefit Liability** (Note 31)	**Cumulative Translation Adjustment**	**Fair value reserve of financial assets at FVOCI** (Note 8)	**Unappropriated Retained Earnings** (Note 20)	**Appropriated Retained Earnings** (Note 20)	**Total**	**Non-controlling Interest**	**Total Equity**
Balances at January 1, 2019, as previously reported	**₱5,193,830,685**	**₱39,041,328,236**	**(₱87,597,873)**	**(₱36,195,795)**	**₱74,843,981**	**₱8,822,352**	**₱22,315,570,513**	**₱27,000,000,000**	**₱93,510,602,099**	**₱409,114,406**	**₱93,919,716,505**
Effect of adoption of new accounting standard (Note 3)	–	–	–	–	–	–	387,988,699	–	387,988,699	–	387,988,699
Balances at January 1, 2019, as restated	**5,193,830,685**	**39,041,328,236**	**(87,597,873)**	**(₱36,195,795)**	**74,843,981**	**8,822,352**	**22,703,559,212**	**27,000,000,000**	**93,898,590,798**	**409,114,406**	**94,307,705,204**
Comprehensive income											
Net income	–	–	–	–	–		**8,686,233,159**	–	**8,686,233,159**	**6,376,599**	**8,692,609,758**
Other comprehensive income, net of tax	–	–	–	**35,439,937**	**(33,541,621)**	**69,190,565**	–	–	**71,088,881**	–	**71,088,881**
Total comprehensive income	–	–	–	**35,439,937**	**(33,541,621)**	**69,190,565**	**8,686,233,159**	–	**8,757,322,040**	**6,376,599**	**8,763,698,639**
Reversal of appropriation (Note 20)	–	–	–	–	–	–	**27,000,000,000**	**(27,000,000,000)**	–	–	–
Appropriation (Note 20)	–	–	–	–	–	–	**(27,000,000,000)**	**27,000,000,000**	–	–	–
Cash dividends (Note 20)	–	–	–	–	–	–	**(2,596,915,343)**	–	**(2,596,915,343)**	**(5,880,000)**	**(2,602,795,343)**
Property dividends (Notes 2 and 20)	–	–	**87,597,873**	**(188,022)**	–	–	**(637,597,873)**		**(550,188,022)**	–	**(550,188,022)**
Incorporation of a subsidiary (Notes 2 and 21)	–	–	–	–	–	–	–	–	–	**159,250,000**	**159,250,000**
Balances at December 31, 2019	**₱5,193,830,685**	**₱39,041,328,236**	**₱–**	**(₱943,880)**	**₱41,302,360**	**₱78,012,917**	**₱28,155,279,155**	**₱27,000,000,000**	**₱99,508,809,473**	**₱568,861,005**	**₱100,077,670,478**

For the Year Ended December 31, 2018

	Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 21)	Additional Paid-in Capital (Note 21)	Treasury Stock (Note 21)	Other Equity Reserve (Note 21)	Remeasurements of Net Defined Benefit Liability (Note 31)	Cumulative Translation Adjustment	Fair value reserve of financial assets at FVOCI (Notes 8 and 34)	Unappropriated Retained Earnings (Note 20)	Appropriated Retained Earnings (Note 20)	Total	Non-controlling Interest	Total Equity
Balances at January 1, 2018, as previously reported	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	(₱63,719,597)	₱75,409,464	₱–	₱18,385,021,808	₱24,500,000,000	₱67,091,340,611	₱281,277,149	₱67,372,617,760
Effect of adoption of new accounting standard (Notes 8 and 23)	–	–	–	–	–	–	15,167,813	84,325,424	–	99,493,237	–	99,493,237
Balances at January 1, 2018, as restated	4,111,528,685	20,392,532,781	(221,834,657)	(87,597,873)	(63,719,597)	75,409,464	15,167,813	18,469,347,232	24,500,000,000	67,190,833,848	281,277,149	67,472,110,997
Comprehensive income												
Net income	–	–	–	–	–	–		8,216,002,328	–	8,216,002,328	7,962,257	8,223,964,585
Other comprehensive income, net of tax	–	–	–	–	27,523,802	(565,483)	(6,345,461)	–	–	20,612,858	–	20,612,858
Total comprehensive income	–	–	–	–	27,523,802	(565,483)	(6,345,461)	8,216,002,328	–	8,236,615,186	7,962,257	8,244,577,443
Reversal of appropriation (Note 20)	–	–	–	–	–	–	–	24,500,000,000	(24,500,000,000)	–	–	–
Appropriation (Note 20)	–	–	–	–	–	–	–	(27,000,000,000)	27,000,000,000	–	–	–
Cash dividends (Note 20)	–	–	–	–	–	–	–	(1,869,779,047)	–	(1,869,779,047)	–	(1,869,779,047)
Issuance of capital stock (Note 21)	1,082,302,000	18,648,795,455	221,834,657	–	–	–	–	–	–	19,952,932,112	–	19,952,932,112
Incorporation of a subsidiary (Note 2)	–	–	–	–	–	–	–	–	–	–	120,000,000	120,000,000
Sale of investment in subsidiary	–	–	–	–	–	–	–	–	–	–	(125,000)	(125,000)
Balances at December 31, 2018	₱5,193,830,685	₱39,041,328,236	₱–	(₱87,597,873)	(₱36,195,795)	₱74,843,981	8,822,352	₱22,315,570,513	₱27,000,000,000	₱93,510,602,099	₱409,114,406	₱93,919,716,505

For the Year Ended December 31, 2017

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

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱11,506,783,763**	₱11,243,031,596	₱7,835,407,838
Adjustments for:			
Depreciation (Notes 12, 13, 24 and 26)	**4,910,281,126**	4,456,732,645	3,914,114,101
Interest expense (Notes 18 and 28)	**907,257,726**	836,112,262	778,194,869
Interest expense on lease liabilities (Note 36)	**145,565,692**	–	–
Accretion expense on security deposits (Notes 17 and 24)	**76,293,508**	72,906,097	56,147,861
Net movement in pension liabilities (Note 31)	**62,844,354**	27,988,636	38,986,245
Amortization of ROU assets (Note 36)	**56,264,289**	–	–
Loss on deconsolidation (Note 2)	**12,284,783**	–	–
Gain on sale of property and equipment (Note 13)	**(560,459)**	(3,361,606)	–
Equity in net earnings (loss) of joint ventures (Note 32)	**(68,305,994)**	26,148,678	–
Interest income (Notes 7 and 28)	**(610,196,621)**	(1,138,588,624)	(1,751,369,198)
Operating income before working capital changes	**16,998,512,167**	15,520,969,684	10,871,481,716
Decrease (increase) in:			
Receivables – trade	**(1,015,408,456)**	(5,585,120,862)	(660,448,292)
Subdivision land, condominium and residential units for sale (inclusive of capitalized borrowing cost)	**(4,487,851,099)**	(936,663,342)	(1,705,159,967)
Other current assets	**5,696,776,754**	(7,413,440,340)	(986,266,081)
Increase (decrease) in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**(40,801,337)**	(1,255,001,726)	6,611,699,733
Customers' deposits	**2,887,232,775**	13,822,253,016	634,837,173
Cash generated from operations	**20,038,460,804**	14,152,996,430	14,766,144,282
Interest received from installment contract receivables (Note 23)	**322,778,964**	942,301,995	1,714,559,283
Income tax paid	**(2,231,008,815)**	(1,805,290,477)	(2,081,859,182)
Net cash flows provided by operating activities	**18,130,230,953**	13,290,007,948	14,398,844,383
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from cash and short-term investments	**283,605,870**	77,230,423	18,441,353
Decrease (increase) in:			
Receivables from affiliated companies (Notes 8 and 22)	**(1,148,150,529)**	(184,215,751)	(5,276,611)
Advances to suppliers and contractors (Notes 11 and 14)	**(583,995,374)**	57,145,969	522,468,189
Other noncurrent assets	**30,353,916**	86,550,417	(301,116,636)
Advances to lot owners (Notes 11 and 14)	**(1,808,458,201)**	(1,603,678,636)	(681,303,655)
Additions to:			
Investment properties and (inclusive of capitalized borrowing cost) (Note 12)	**(9,679,041,704)**	(11,479,665,291)	(22,110,417,355)
Property and equipment (Note 13)	**(1,788,359,350)**	(1,965,253,586)	(1,898,020,108)
Investments in joint ventures (Note 32)	**(1,124,368,855)**	(2,400,000,000)	–
Proceeds from:			
Noncontrolling interest for newly incorporated subsidiary	**159,250,000**	120,000,000	–
Disposal of property and equipment	**560,459**	3,361,606	–
Disposal of investment in subsidiary	–	56,079,593	–
Net cash flows used in investing activities	**(15,658,603,768)**	(17,232,445,256)	(24,455,224,823)

(Forward)

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES (Note 37)			
Proceeds from availment of:			
Short-term loans (Note 18)	**₱8,491,700,000**	₱896,700,000	₱15,693,400,000
Stock rights offering	**–**	20,020,000,000	–
Loans payable (Note 18)	**–**	1,192,801,668	12,340,263,710
Sale of lease-to-own receivables	**–**	1,135,920,631	901,570,286
Payments of:			
Cash dividends (Notes 15 and 20)	**(2,602,812,061)**	(1,867,464,936)	(1,448,810,138)
Loans payable (Note 18)	**(1,806,127,328)**	(396,938,050)	(10,000,000)
Interests on loans	**(908,519,293)**	(853,111,456)	(764,240,887)
Interests on lease liabilities	**(38,218,003)**	–	–
Short-term loans (Note 18)	**(896,700,000)**	(15,693,400,000)	(16,010,000,000)
Principal portion of lease liabilities	**(98,488,847)**	–	–
Stock issuance cost (Note 21)	**–**	(67,067,888)	–
Debt issue cost (Note 18)	**–**	–	(57,500,000)
Increase (decrease) in payable to affiliated companies and other noncurrent liabilities (Note 17)	**(95,863,957)**	43,383,643	50,941,415
Net cash flows provided by financing activities	**2,044,970,511**	4,410,823,612	10,695,624,386
NET INCREASE IN CASH AND CASH EQUIVALENTS	**4,516,597,696**	468,386,304	639,243,946
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,543,840,827**	2,075,454,523	1,436,210,577
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱7,060,438,523**	₱2,543,840,827	₱2,075,454,523

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

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

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

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

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

The consolidated financial statements as of December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018 and 2017 were authorized for issue by the Parent Company's board of directors (BOD) on February 28, 2020.

2. Basis of Preparation

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

Statement of Compliance
The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) which include the availment of the relief granted by the SEC under Memorandum Circular No. 4-2020 and Memorandum Circular Nos. 14-2018 and 3-2019 for the following implementation issues of PFRS 15 affecting the real estate industry:

a. Exclusion of land in the determination of percentage of completion (POC) discussed in Philippine Interpretations Committee (PIC) Q&A No. 2018-12-E
b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c. Accounting to Common Usage Service Area (CUSA) Charges discussed in PIC Q&A No. 2018-12-H
d. Adoption of PIC Q&A No. 2018-14: PFRS 15 – Accounting for Cancellation of Real Estate Sales
e. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (Philippine Accounting Standards 23, *Borrowing Cost*) for Real Estate industry

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as of December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018 and 2017.

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

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

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

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

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

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

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

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

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

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

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

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as of December 31, 2019, 2018 and 2017:

	Country of Incorporation	Effective Percentage of Ownership		
		2019	2018	2017
Robinson's Inn Inc.	Philippines	**100%**	100%	100%
Robinsons Realty and Management Corp.	Philippines	**100%**	100%	100%
Robinsons Properties Marketing and Management Corp.	Philippines	**100%**	100%	100%
Manhattan Buildings and Management Corp.	Philippines	**100%**	100%	100%
Robinson's Land (Cayman), Ltd.	Cayman Islands	**100%**	100%	100%
Altus Mall Ventures, Inc.	Philippines	**100%**	100%	100%
Bonifacio Property Ventures,Inc.	Philippines	**100%**	100%	–
Bacoor R and F Land Corporation (BRFLC)	Philippines	**70%**	70%	–
Altus Angeles, Inc. (AAI)	Philippines	**51%**	51%	51%
GoHotels Davao, Inc. (GDI)	Philippines	**51%**	51%	51%
RLC Resources Ltd. (RLCRL)	British Virgin Island	**100%**	100%	100%
Land Century Holdings Ltd. (LCHL)	Hong Kong	**100%**	100%	100%
World Century Enterprise Ltd. (WCEL)	Hong Kong	**100%**	100%	100%
First Capital Development Ltd. (First Capital)	Hong Kong	**100%**	100%	100%
Chengdu Xin Yao Real Estate Development, Co. Ltd. (Chengdu Xin Yao)	China	**100%**	100%	100%
RLGB Land Corporation (RLGB)	Philippines	**51%**	–	–
Altus Property Ventures, Inc. (formerly Altus San Nicolas Corporation) (APVI)	Philippines	**–**	100%	100%
Lingkod Pinoy Bus Liner, Inc. (LPBLI)	Philippines	**–**	–	80%

The functional currency of Robinson's Land (Cayman), Ltd. and RLCRL is the US Dollar (US$); LCHL, WCEL and First Capital is the Hong Kong Dollar (HKD); and Chengdu Xin Yao is the Renminbi (RMB).

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

On April 20, 2018, the BOD approved the sale of the Parent Company's 80% share in Lingkod Pinoy Bus Liner, Inc. (LPBLI) for ₱56 million to Gran Cruiser Bus Corp.

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

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

On June 7, 2019, RLGB Land Corporation (RLGB) was incorporated for the primary purpose to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other real estate and/or structures of whatever kind, together with their appurtenances. The Parent Company owns 51% of the subscribed capital stock of RLGB.

On July 31, 2019, the BOD of the Parent Company approved the declaration, by way of property dividend of up to One Hundred Million (100,000,000) common shares of APVI in favor of the registered shareholders (the Receiving Shareholders) of the Parent Company as of August 15, 2019. The SEC approved the property dividend declaration on November 15, 2019 and the Certificate Authorizing Registration was issued by the Bureau of Internal Revenue on December 6, 2019.

The Receiving Shareholders received a ratio of one (1) share of APVI for every fifty-one and 9384/10000 (51.9384) shares of the Parent Company, net of applicable final withholding tax. No fractional shares were issued and no shareholder was entitled to any fractional shares. The fair value of the APVI shares is P10.10 per share, based on the Valuation and Fairness Opinion rendered by an independent advisor.

As a result of the dividend distribution, the Group lost control over APVI. Accordingly, the Group derecognized the related assets and liabilities of APVI and the remaining interest of 6,106,366 shares, representing 6.11% of total common shares of APVI, with an equivalent fair value of ₱61,674,297 was recognized as financial assets at FVOCI under “Other noncurrent assets” in the consolidated statement of financial position. The resultant loss of ₱12 million was recognized under “Loss on deconsolidation” in the consolidated statements of comprehensive income.

Voting rights held by non-controlling interests on AAI, GDI, BRFLC, and RLGB are equivalent to 49%, 49%, 30% and 49%, respectively. As of December 31, 2019 and 2018, the Group does not consider these subsidiaries as having material non-controlling interest that would require additional disclosures.

3. **Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of following new and amended PFRSs which became effective January 1, 2019.

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

- PFRS 16, *Leases*

PFRS 16 supersedes PAS 17, *Leases*, Philippine Interpretation IFRIC 4, *Determining whether an Arrangement contains a Lease*, Philippine Interpretation SIC-15, *Operating Leases-Incentives* and Philippine Interpretation SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

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. Therefore, PFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted PFRS 16 using the modified retrospective approach upon adoption of PFRS 16 in 2019 and elects to apply the standard to contracts that were previously identified as leases applying PAS 17 and Philippine Interpretation IFRIC 4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying PAS 17 and Philippine Interpretation IFRIC 4.

The increase (decrease) in the relevant accounts as a result of the adoption of PFRS 16 as at January 1, 2019 is as follows:

	Increase (decrease)
Consolidated statement of financial position:	
Right-of-use assets (Note 36)	₱1,227,998,287
Investment properties	(29,922,064)
Other noncurrent assets	(344,592,257)
Deferred tax assets	81,607,728
	₱935,091,694
Accounts payable and accrued expenses	(₱1,606,837,416)
Lease liabilities (Note 36)	1,888,807,393
Deferred tax liabilities	265,133,018
	547,102,995
Retained earnings	387,988,699
	₱935,091,694

The Group has lease contracts for various items of investment properties. Before the adoption of PFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 4 for the accounting policy prior to January 1, 2019.

Upon adoption of PFRS 16, the Group applied a single recognition and measurement approach for all leases. Refer to Note 4 for the accounting policy beginning January 1, 2019.

Leases previously accounted for as operating leases
The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for some leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at January 1, 2019:

- Right-of-use assets of ₱1,228 million were recognized and presented separately in the consolidated statement of financial position.
- Investment properties decreased by ₱30 million because of the adjustment on the depreciation of property.
- Additional lease liabilities of ₱1,889 million were recognized.
- Prepayments under Other noncurrent assets amounting to ₱345 million and accrued rent under Accounts payable and accrued expenses amounting to ₱1,607 related to previous operating leases arising from straight lining under PAS 17 were derecognized.
- Deferred tax liabilities - net increased by ₱184 million because of the deferred tax impact of the changes in assets and liabilities.
- The net effect of these adjustments had been adjusted to retained earnings ₱387 million.

The lease liability as at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 follows:

Operating lease commitments as at December 31, 2018	₱6,670,839,319
Weighted average incremental borrowing rate at January 1, 2019	7.102-7.566%
Lease liabilities recognized at January 1, 2019	**₱1,888,807,393**

Due to the adoption of PFRS 16, the Group's operating profit in 2019 will improve, while its interest expense will increase. This is due to the change in the accounting for rent expense related to leases that were classified as operating leases under PAS 17.

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

  Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest (SPPI) on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

  These amendments do not have any impact on the Group's consolidated financial statements.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

  The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

  - Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

  The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

  The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted.

  The Group has amended its retirement plan during the year and accordingly, applied this amendment. The application of this amendment did not have significant impact on the Group's consolidated financial statements.

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

  The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

  The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

  Since the Group accounts for its investments in joint ventures through the equity method, the amendment does not have any impact on its consolidated financial statements.

- 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

  The entity is required to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and use the approach that better predicts the resolution of the uncertainty. The entity shall assume that the taxation authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If an entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of the uncertainty for each uncertain tax treatment using the method the entity expects to better predict the resolution of the uncertainty.

  Based on the Group's assessment, it has no material uncertain tax treatments, accordingly, the adoption of this Interpretation has no significant impact on the consolidated financial statements.

- Annual Improvements to PFRSs 2015-2017 Cycle
  - Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*

    The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

    A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

    An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted.

    These amendments are currently not applicable to the Group but may apply to future transactions.

- Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

  An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments are not relevant to the Group because dividends declared by the Group do not give rise to tax obligations under the current tax laws.

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

  The amendment does not have significant impact on the consolidated financial statements.

<u>Standards Issued but not yet Effective</u>
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, 2020

- Amendments to PFRS 3, *Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  These amendments will apply on future business combinations of the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgments.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

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

Deferred effectivity

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

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

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

- *Deferment of Implementation of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (IAS 23, Borrowing Cost) for the Real Estate Industry*

In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35(c) of IFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under IAS 23 considering that these inventories are ready for their intended sale in their current condition.

The IFRIC agenda decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

On February 11, 2020, the Philippine SEC issued Memorandum Circular No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 1, 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred.

This adjustment should have been applied retrospectively and would have resulted to restatement of prior year financial statements. A restatement would have impacted interest expense, cost of sales, provision for deferred income tax, real estate inventories, deferred tax liability and opening balance of retained earnings.

4. Summary of Significant Accounting Policies

Revenue and Cost Recognition

Revenue Recognition effective January 1, 2018

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity, and common use service area in its mall retail spaces, wherein it is acting as agent.

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

Real estate sales – Philippines Operations – Performance obligation is satisfied over time
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses input method. Input methods recognize revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated development costs of the real estate project. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and development receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized trade receivables and contract assets is included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Real estate sales – Philippines Operations – Performance obligation is satisfied at a point in time
The Group also derives real estate revenue from sale of parcels of raw land and developed land. Revenue from the sale of these parcels of raw land are recognized at a point in time (i.e., upon transfer of control to the buyer) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use but the Group does not have an enforceable right to payment for performance completed to date. The Group is only entitled to payment upon delivery of the land to the buyer and if the contract is terminated, the Group has to return all payments made by the buyer.

Real estate sales – China Operations
Taking into account the contract terms per house purchase and sales contract, Chengdu Xin Yao's business practice and the legal and regulatory environment in China, most of the property sales contracts in China do not meet the criteria for recognizing revenue over time and therefore, revenue from property sales continues to be recognized at a point in time, while some property sales contracts meet the criteria for recognizing revenue over time as the properties have no alternative use to the Group due to contractual reasons and the Group has an enforceable right to payment from customer for performance completed to date. Under PFRS 15, revenue from property sales is generally

recognized when the property is accepted by the customer, or deemed as accepted according to the contract, whichever is earlier, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

Rental income
The Group leases its commercial real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term and may include contingent rents based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

Amusement income
Revenue is recognized upon rendering of services or at a point in time.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered or over time. Revenue from banquets and other special events are recognized when the events take place or over time. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Other income
Other income is recognized when earned.

<u>Costs Recognition</u>
Cost Recognition effective January 1, 2018
Cost of Real Estate Sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Contract Balances
Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

In September 2019, the PIC issued additional guidance to the real estate industry on the implementation of PFRS 15, including guidance on the recording of the difference between the consideration received from the customer and the transferred goods to the customer (i.e., measured based on percentage-of-completion). The PIC allowed real estate companies to recognize the difference as either a contract asset or unbilled receivable. If presented as a contract asset, the disclosures required under PFRS 15 should be complied with. Otherwise, the disclosures required under PFRS 9 should be provided.

The Group opted to retain its existing policy of recording the difference between the consideration received from the customer and the transferred goods to the customer as contract asset.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Real estate costs and expenses” account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets
Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group's contract fulfillment assets pertain to connection fees and land acquisition costs.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract
The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within general and administrative expenses.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Revenue Recognition prior to January 1, 2018
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxes or duty.

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

Real estate sales
Revenue from sales of real estate and cost from completed projects is accounted for using the percentage of completion (POC). In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1, the POC is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to buyer and the costs incurred or to be incurred can be measured reliably. Under the POC method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of project.

Revenue recognition commences when the construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the required buyer's equity is met. Buyer's equity represents the percentage of collection over the total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group.

If any of the criteria under the percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits from real estate buyers" account which is shown as part of the "Deposits and other current liabilities" and "Deposits and other noncurrent liabilities" account in the liabilities section of the consolidated statement of financial position.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

Amusement income
Revenue is recognized upon rendering of services.

Rental income
The Group leases its commercial and office real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term and may include contingent rents based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when the events take place. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR) method.

Other income
Other income is recognized when earned.

Cost Recognition prior January 1, 2018
Cost of Real Estate Sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision land and condominium units and residential units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Commission Expense
The Group recognizes commission expense when services are rendered by the broker and agent. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

Cost Recognition prior to and effective January 1, 2018
Costs and General and Administrative Expense
Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:
- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Leases
Group as a Lessee effective January 1, 2019
The Group assesses whether a contract is, or contains a lease, at the inception of a contract. This assessment involves the exercise of judgment about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of the asset, whether the Group has the right to direct the use of the asset. The Group recognizes a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases and leases of low-value assets.

Right-of-use assets
The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and any estimated costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the remaining lease term of up to approximately 34 years.

ROU assets are subject to impairment. Refer to the accounting policies in Impairment of nonfinancial assets section.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflected the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the commencement date if the interest rate implicit to the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Group as a Lessee prior to January 1, 2019
The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a, c or d above, and at the date of renewal or extension period for scenario b.

Group as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense under "Cost of sales and services" and "General administrative expenses" in profit or loss in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Group as a lessor (applicable to all periods)
Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases where the Group transfers substantially all the risk and benefits of ownership of the assets are classified as finance leases. The Group recognizes assets held under a finance lease in its consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. The lease payments received from the lessee are treated as repayments of principal and finance income. Initial direct costs may include commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging the lease. They are included in the measurement of the net investment in the lease at inception and reflected in the calculation of the implicit interest rate. The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current and Noncurrent Classification
The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Financial Instruments - Initial Recognition and Subsequent Recognition effective January 1, 2018
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15. Refer to the accounting policies in section "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As of December 31, 2019 and 2018, the Group's financial assets at amortized cost include cash and cash equivalents, receivables (except for receivables from lease-to-own arrangements), restricted cash under "Other current assets" and refundable utility deposits under "Other current and noncurrent assets".

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

As of December 31, 2019 and 2018, the Group's debt instruments at fair value through OCI include receivables from lease-to-own arrangements under Receivables.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

As of December 31, 2019, the Group's equity instruments at fair value through OCI presented under "Other noncurrent assets" include investment in equity instruments of affiliates under the common control of the ultimate parent company.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

As of December 31, 2019 and 2018, the Group does not have financial assets at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for rental and accrued rent receivables and receivables from hotel operations and a vintage analysis for installment contract receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Group applies the low credit risk simplification. The investments are considered to be low credit risk investments as the counterparties have investment grade ratings. It is the Group's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

For other financial assets such as receivables from affiliated companies and utility deposits, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date.

Determining the stage for impairment
The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-off of financial assets
A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows (e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the Group has effectively exhausted all collection efforts).

<u>Financial Liabilities</u>
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

As of December 31, 2019 and 2018, the Group's financial liabilities under this category include accounts payable and accrued expenses (except statutory liabilities), short-term loans, loans payable, and payable to affiliated companies and deposits from lessees which are both included under "Deposit and other current liabilities" and "Deposit and other noncurrent liabilities".

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Debt Issue Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Customers' Deposits
Deposits from lessees
Deposits from lessees are measured initially at fair value. After initial recognition, customers' deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the "Deposits and other liabilities" in the consolidated statement of financial position) and amortized on a straight-line basis over the lease term.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. The Group assesses that it has currently enforceable right to offset if the right is not contingent on a future event and is legally enforceable in the event of insolvency or bankruptcy of the Group and all of the counterparties.

Financial Instruments – initial recognition and subsequent measurement prior to January 1, 2018

Financial Instruments
'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability.

In cases where variables used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Impairment of Financial Assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the consolidated statement of comprehensive income. Interest income (recorded as finance income in the statement of profit or (loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Derecognition
Financial Assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or,
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Debt Issue Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Subdivision Land, Condominium and Residential Units for Sale
Subdivision land, condominium and residential units for sale in the ordinary course of business are carried at the lower of cost and net realizable value (NRV). Cost includes land costs, costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, contractor's fees and other professional fees, property transfer taxes, construction overheads and other related costs) and borrowing costs on loans directly attributable to the projects which were capitalized during construction.

NRV is the estimated selling price in the ordinary course of business less cost of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Prepaid Expenses
Prepaid expenses pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Advances to Contractors and Suppliers, Advances to Lot Owners
Advances to contractors and suppliers and advances to lot owners are carried at cost less impairment losses, if any.

Value-added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statements of financial position.

Investment Properties

Investment properties – Land, Land Improvements, Buildings and Improvements and Construction in Progress

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the companies consolidated into the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day-to-day servicing of an investment property. Investment properties are depreciated and amortized using the straight-line method over their estimated useful lives (EUL) as follows:

	Years
Buildings	20 - 30
Building improvements	10
Land improvements	10

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the profit and loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

Investment Properties – Land held for future development

Land held for future development consist of raw land held by the Group which will be developed into investment properties in the future. Land held for future development is carried at cost less any impairment in value. Transfers are made to investment properties when there is commencement of construction of commercial centers or office building on the land property. Transfers are made from land held for future development to either property and equipment or subdivision land, condominium and residential units for sale when, and only when, there is change in use, as evidenced by owner occupation or upon commencement of real estate development with a view to sell.

Land held for future development are derecognized when either they have been disposed of or when the land is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of land held for future development is recognized in the profit and loss in the period of retirement or disposal.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition. Cost also includes interest and other charges on borrowed funds used to finance the construction of property and equipment to the extent incurred during the period of construction and installation.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation commences once the assets are available for use and is calculated on a straight-line basis over the estimated useful life of over the EUL as follow:

	Years
Buildings	20-30
Building improvements	10
Land improvements	5
Theater furniture and equipment	5
Other equipment	2.5

Assets under construction are transferred to a specific category of property and equipment when the construction and other related activities necessary to prepare the property and equipment for their intended use are completed and the property and equipment are available for service.

Other equipment includes china, glassware, silver and linen on stock used in hotel operations.

The useful life and depreciation method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that the Group's land held for future development, investment properties, right-of-use assets, property and equipment, investment in joint ventures and other noncurrent assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the consolidated statement of comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs (included in "Subdivision land, condominium and residential units for sale", "Property and equipment" and "Investment properties" accounts in the Group's consolidated statement of financial position). Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings.

All other borrowing costs are expensed in the period they occur and is recorded under "Interest expense."

Equity

Capital stock is measured at par value for all shares issued. When the Group issues more than one capital stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend distribution when they are declared by the subsidiaries as approved by their respective BOD.

Treasury Stock

Own equity instruments which are acquired (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit and loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Other equity reserve

Other equity reserve pertains to the difference between the consideration paid and the carrying value of the non-controlling interest acquired. Upon disposal of the related investment, the other equity reserve is transferred to retained earnings.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered. The Group does not recognize deferred income tax assets that will reverse during the income tax holiday (ITH).

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension Expense
The Group has a noncontributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related liabilities). If the fair value of the plan assets is higher than the present value of the defined benefit liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Joint Operation
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Investments in Joint Ventures
Investments in joint ventures (investee companies) are accounted for under the equity method of accounting. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes a joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statements of comprehensive income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Foreign currencies
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

As of the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date and their statement of comprehensive income accounts are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognized in the consolidated statement of comprehensive income and reported as a separate component of equity as "Cumulative Translation Adjustment". On disposal of a foreign entity, the deferred cumulative amount recognized in the consolidated statement of comprehensive income relating to that particular foreign operation shall be recognized in the consolidated statement of comprehensive income.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation for consolidation
On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in the cumulative translation adjustment (CTA) in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss when the standard permits.

Earnings Per Share (EPS)
Basic EPS is calculated by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares.

Operating Segment
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable. However, when the realization of income is virtually certain, the related asset is not a contingent asset and will be recognized.

Events After the Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. **Significant Accounting Judgments and Estimates**

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

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

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

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements.

Real estate revenue recognition upon adoption of PFRS 15

Identifying performance obligation

In 2018, the Parent Company entered into a contract to sell covering a land upon which, site preparation will be performed prior to turnover to the buyer. The Group concluded that the revenue and cost of real estate sales should be recorded upon completion of the site preparation activities as specifically stated in the contract to sell, which is at a point in time, since there is only one performance obligation (i.e., developed land) and the Parent Company does not have a right to demand payment for work performed to date from the buyer (see Notes 22 and 32).

In 2018, the Parent Company entered into a contract to sell covering raw land. The Group concluded that there is one performance obligation in this contract, the raw land. Revenue and cost of real estate sales should be recorded upon delivery of the raw land to the buyer which is at a point in time (see Notes 22 and 32).

Revenue recognition method and measure of progress

For the revenue from real estate sales in the Philippines, the Group concluded that revenue is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that input method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Principal versus agent considerations
The contract for the mall retail spaces and office spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air conditioning charges and common usage service area (CUSA) like maintenance, janitorial and security services.

For the electricity and water usage and CUSA, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company and to provide services such as maintenance, janitorial and security services. The utility and service companies, and not the real estate developer, are primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the provision of air conditioning, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of air conditioning to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the air conditioning charges. However, since the Group has availed of the relief to the real estate industry by deferring the application of accounting to CUSA charges discussed in PIC Q&A No. 2018-12-H, the Group retained its current assessment and accounting for air conditioning charges.

Revenue and cost recognition effective January 1, 2018
The Group's real estate sales is recognized overtime and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended and actual overhead incurred over the total expected project development cost. Actual costs also include incurred costs but not yet billed which are estimated by the project engineers. Expected project development costs include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Real estate revenue and cost recognition from pre-selling in Chengdu Project
In July 2018, Chengdu Xin Yao secured the license to sell the condominium units in Phase 1 of its residential development in Chengdu Xin Yao Ban Bian Jie. As of December 31, 2019 and 2018, the deposits received from buyers amounted to ₱9,119 million and ₱8,208 million, respectively.

Revenue from the sale of real estate units of Chengdu Xin Yao will be accounted for under a full accrual method (i.e., at a point in time) in the Group's consolidated financial statements. Under paragraph 35(c) of PFRS 15, "*An entity shall consider the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date in accordance with paragraph 35 (c). The right to payment for performance completed to date does not need to be for a fixed amount. However, at all times throughout the duration of the contract, the entity must be entitled to an amount that at least compensates the entity for performance completed to date if the contract is terminated by the customer or another party for reasons other than the entity's failure to perform as promised.*" Based on management's assessment, throughout the duration of the contract term, Chengdu Xin Yao is entitled to an amount that does not compensate it for performance completed to date if the contract is terminated by the buyer or another party for reasons other than Chengdu Xin Yao's failure to perform as promised.

Revenue and cost recognition on real estate sales – prior to January 1, 2018
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgment based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group.

Definition of default and credit-impaired financial assets – effective January 1, 2018
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria – for installment contract receivable, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets 'unlikeliness to pay' criteria, which indicates the customer is in significant financial difficulty. These are instances where:
a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Joint Control
The Parent Company entered into various joint ventures with Shang Properties, Inc., Hong Kong Land Group, DMCI Project Developers, Inc. and DoubleDragon Properties Corp. The Parent Company considers that it has joint control over these arrangements since decisions about the relevant activities of the joint ventures require unanimous consent of the parties as provided for in the joint venture agreements and shareholders' agreements.

Determining whether it is reasonably certain that a renewal and termination option will be exercised – Group as a lessee (effective January 1, 2019)
The Group has several lease contracts that include renewal and termination options. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or terminate (e.g., a change in business strategy).

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to renew the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group did not include the option to renew nor the option to terminate the lease in the lease term as the Group assessed that it is not reasonably certain that these options will be exercised.

Operating leases commitments - Group as lessee (prior to January 1, 2019)
The Group has entered into lease contracts to develop commercial or office properties on the leased land premises. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased land are not transferred to the Group. In determining significant risks and benefits of ownership, the Group considered, among others, that there is no transfer of ownership of the asset to the lessee by the end of the lease term (see Note 36).

Operating lease commitments - Group as lessor
The Group has entered into commercial and office property leases on its investment properties portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases. In determining significant risks and benefits of ownership, the Group considered, among others, the significance of the lease term as compared with the EUL of the related asset.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee (see Note 36).

Finance lease commitments - Group as lessor
The Group has entered into property leases on some of its real estate condominium unit property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the bargain purchase option and minimum lease payments that the Group has transferred all the significant risks and rewards of ownership of these properties to the lessee and accounts for them as finance leases (see Note 36).

Distinction among real estate inventories, land held for future development and investment properties
The Group determines whether a property will be classified as Real estate inventories, Land held for future development and Investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (Real estate inventories), whether it will be retained as part of the Group's strategic land banking activities for development or sale in the medium or long-term (Land held for future development) or whether it will be held to earn rentals or for capital appreciation (Investment properties). For land properties, the Group considers the purpose for which the land was acquired.

Contingencies
The Group is currently involved in various legal proceedings and tax assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the internal and external counsel handling the defense on these matters and is based upon an analysis and judgment of potential results by the management. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, that future results of operations could be materially affected by changes in the judgement or in the effectiveness of the strategies relating to these proceedings (see Note 36).

Estimates
The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue and cost recognition
The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue and cost from real estate where performance obligation is satisfied over time and recognized based on the percentage of completion is measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of the project. For the years ended December 31, 2019, 2018 and 2017, the real estate sales recognized over time amounted to ₱8,708 million, ₱8,345 million and ₱5,973 million, respectively, while the related cost of real estate sales amounted to ₱4,150 million, ₱4,533 million and ₱3,143 million, respectively.

The Group also recognized revenue when control is passed on a certain point in time. The Group's revenue and cost of real estate sales were recognized upon transfer of control to the buyer. Real estate sales pertaining to this transaction amounted to ₱321 million and ₱2,547 million for the years ended December 31, 2019 and 2018, respectively. The related cost of sales amounted to ₱85 million and ₱398 million for the years ended December 31, 2019 and 2018, respectively.

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed

property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of December 31, 2019 and 2018, the Group's subdivision land, condominium and residential units for sale amounted to ₱36,063 million and ₱31,464 million, respectively (see Note 9).

Recognition of deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning. Deferred tax assets recognized as of December 31, 2019 and 2018 amounted to ₱858 million and ₱881 million, respectively (see Note 29).

The Group has deductible temporary difference that is available for offset against taxable income or tax payable which deferred tax asset has not been recognized. This pertains to NOLCO of subsidiaries amounting to ₱9 million and ₱3 million as of December 31, 2019 and 2018, respectively. The related deferred tax assets amounted to ₱3 million and ₱1 million as of December 31, 2019 and 2018 (see Note 29).

Provision for expected credit losses of trade receivables and contract assets
The Group uses a provision matrix to calculate ECLs for trade receivables other than installment contract receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for installment contract and contract assets. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying value of trade receivables as of December 31, 2019 and 2018 amounted to ₱4,717 million and ₱3,904 million, respectively (see Note 8). The carrying value of contract assets as of December 31, 2019 and 2018 amounted to ₱10,850 million and ₱10,764 million, respectively (see Note 10)

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology.

Estimation of useful lives of property and equipment and investment properties
The Group estimates the useful lives of its depreciable property and equipment and investment properties based on the period over which the assets are expected to be available for use. The EUL of the said depreciable assets are reviewed at least annually and are updated, if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the EUL of the depreciable property and equipment and investment properties would increase depreciation expense and decrease noncurrent assets.

The carrying value of depreciable property and equipment as of December 31, 2019 and 2018 amounted to ₱8,897 million and ₱7,844 million, respectively (see Note 13). The carrying value of depreciable investment property as of December 31, 2019 and 2018 amounted to ₱58,717 million and ₱54,957 million, respectively (see Note 12)

Impairment of nonfinancial assets
The Group assesses impairment on its nonfinancial assets (i.e., investment properties, property and equipment, right-of-use assets, other noncurrent assets and investment in joint ventures) and considers the following important indicators:
- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results; and
- Significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect the carrying amount of the assets.

The carrying values of the Group's nonfinancial assets as of December 31, 2019 and 2018 are disclosed below. No impairment was recognized for the Group's nonfinancial assets.

	2019	2018
Investment properties (Note 12)	**₱103,799,140,203**	₱99,317,095,827
Property and equipment (Note 13)	**8,896,623,535**	7,844,144,072
Other noncurrent assets (Note 14)	**4,297,855,641**	3,983,978,634
Investment in joint venture (Note 32)	**2,350,181,648**	1,383,353,670
Right-of-use asset (Note 36)	**1,171,733,998**	–
	₱120,515,535,025	₱112,528,572,203

Pension cost
The determination of the obligation and cost of pension benefits is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates (see Note 31).

The cost of defined benefit pension plan and the present value of the pension liabilities are determined using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

As of December 31, 2019 and 2018, the Group's net pension liabilities amounted to ₱361 million and ₱325 million, respectively (see Note 31).

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities amounted to ₱1,936 million as of December 31, 2019 (see Note 36).

6. **Operating Segments**

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

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest, income tax, depreciation and other income (losses) (EBITDA). The Group does not report its results based on geographical segments because the Group currently only has revenue generating activities in the Philippines as revenue recognition from the real estate development in China will commence upon completion of development activities and when the property is accepted by the customer or deemed as accepted according to the contract.

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

Cost and expenses exclude interest, taxes and depreciation.

The Group derives its revenue from the following reportable units:

Commercial Center Division - develops, leases and manages shopping malls/commercial centers all over the Philippines.

Residential Division - develops and sells residential condominium units, as well as horizontal residential projects.

Office Buildings Division - develops and leases out office spaces.

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

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

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

	2019						
	Commercial Centers Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Industrial and Integrated Developments	Intersegment Eliminating Adjustments	Consolidated
Revenue							
Segment revenue:							
Revenues from contracts with customers	**₱2,151,785,393**	**₱8,708,003,578**	**₱–**	**₱2,432,639,988**	**₱320,940,495**	**₱–**	**₱13,613,369,454**
Rental income	**10,812,598,105**	**100,976,731**	**4,369,279,039**	**–**	**137,645,380**	**–**	**15,420,499,255**
Other income	**284,687,409**	**318,779,532**	**946,142,007**	**–**	**357,908**	**–**	**1,549,966,856**
Intersegment revenue	**43,217,951**	**–**	**496,000**	**2,537,052**	**–**	**(46,251,003)**	**–**
Total Revenue	**13,292,288,858**	**9,127,759,841**	**5,315,917,046**	**2,435,177,040**	**458,943,783**	**(46,251,003)**	**30,583,835,565**

(Forward)

	2019						
	Commercial Centers Division	**Residential Division**	**Office Buildings Division**	**Hotels and Resorts Division**	**Industrial and Integrated Developments**	**Intersegment Eliminating Adjustments**	**Consolidated**
Costs and expenses							
Segment costs and expenses	**₱4,427,161,923**	**₱6,199,429,618**	**₱756,306,859**	**₱1,730,215,872**	**₱221,280,013**	**₱–**	**₱13,334,394,285**
Intersegment costs and expenses	**496,000**	**43,217,951**	**(7,555,220)**	**10,092,272**	**–**	**(46,251,003)**	**–**
Total Costs and expenses	**4,427,657,923**	**6,242,647,569**	**748,751,639**	**1,740,308,144**	**221,280,013**	**(46,251,003)**	**13,334,394,285**
Earnings before interest, taxes and depreciation	**8,864,630,935**	**2,885,112,272**	**4,567,165,407**	**694,868,896**	**237,663,770**	**–**	**17,249,441,280**
Depreciation and amortization (Notes 24 and 26)	**3,652,030,906**	**95,074,282**	**833,893,624**	**359,372,389**	**26,174,214**	**–**	**4,966,545,415**
Operating income	**₱5,212,600,029**	**₱2,790,037,990**	**₱3,733,271,783**	**₱335,496,507**	**₱211,489,556**	**₱–**	**₱12,282,895,865**
Assets and Liabilities							
Segment assets	**₱73,472,525,100**	**₱59,962,694,934**	**₱24,309,288,716**	**₱10,194,629,208**	**₱21,712,071,803**	**₱–**	**₱189,651,209,761**
Investment in subsidiaries - at cost	**10,910,909,370**	**–**	**165,750,000**	**25,500,000**	**780,000,000**	**(11,882,159,370)**	**–**
Total segment assets	**₱84,383,434,470**	**₱59,962,694,934**	**₱24,475,038,716**	**₱10,220,129,208**	**₱22,492,071,803**	**(₱11,882,159,370)**	**₱189,651,209,761**
Total segment liabilities	**₱58,335,790,786**	**₱20,717,183,095**	**₱4,534,903,265**	**₱1,325,361,503**	**₱4,660,300,634**	**₱–**	**₱89,573,539,283**
Other segment information:							
Capital additions (Notes 12 and 13)							**₱11,444,282,141**
Additions to subdivision land, condominium and residential units for sale (Note 9)							**₱8,746,295,175**
Cash flows from:							
Operating activities	**₱9,326,112,683**	**₱5,506,243,970**	**₱3,690,293,288**	**₱264,036,093**	**(₱656,455,081)**	**₱–**	**₱18,130,230,953**
Investing activities	**(4,841,728,095)**	**(3,186,979,630)**	**(4,043,094,712)**	**(1,920,539,197)**	**(1,666,262,134)**	**–**	**(15,658,603,768)**
Financing activities	**(4,545,991,517)**	**1,832,092,728**	**680,285,494**	**1,833,618,329**	**2,244,965,477**	**–**	**2,044,970,511**

	2018						
	Commercial Centers Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Industrial and Integrated Developments	Intersegment Eliminating Adjustments	Consolidated
Revenue							
Segment revenue:							
Revenues from contracts with customers	₱1,972,527,785	₱8,345,617,524	₱–	₱1,982,137,914	₱2,546,767,437	₱–	₱14,847,050,660
Rental income	9,764,937,175	113,115,164	3,535,276,772	–	134,875,097	–	13,548,204,208
Other income	202,813,085	202,711,808	757,721,885	–	(18,996)	–	1,163,227,782
Intersegment revenue	42,846,948	–	–	2,471,781	–	(45,318,729)	–
Total Revenue	11,983,124,993	8,661,444,496	4,292,998,657	1,984,609,695	2,681,623,538	(45,318,729)	29,558,482,650
Costs and expenses							
Segment costs and expenses	4,274,831,274	6,478,178,974	532,882,081	1,308,642,999	613,677,160	–	13,208,212,488
Intersegment costs and expenses	–	42,846,948	(5,438,907)	7,910,688	–	(45,318,729)	–
Total Costs and expenses	4,274,831,274	6,521,025,922	527,443,174	1,316,553,687	613,677,160	(45,318,729)	13,208,212,488
Earnings before interest, taxes and depreciation	7,708,293,719	2,140,418,574	3,765,555,483	668,056,008	2,067,946,378	–	16,350,270,162
Depreciation (Notes 24 and 26)	3,420,651,538	81,030,767	693,501,790	248,237,776	13,310,774	–	4,456,732,645
Operating income	₱4,287,642,181	₱2,059,387,807	₱3,072,053,693	₱419,818,232	₱2,054,635,604	₱–	₱11,893,537,517
Assets and Liabilities							
Segment assets	₱73,959,589,978	₱53,680,024,065	₱19,462,199,172	₱7,881,486,731	₱19,174,860,339	₱–	₱174,158,160,285
Investment in subsidiaries - at cost	11,486,832,946	–	–	25,500,000	780,000,000	(12,292,332,946)	–
Total segment assets	₱85,446,422,924	₱53,680,024,065	₱19,462,199,172	₱7,906,986,731	₱19,954,860,339	(₱12,292,332,946)	₱174,158,160,285
Total segment liabilities	₱49,605,728,995	₱20,608,010,769	₱3,655,455,825	₱1,166,561,653	₱5,202,686,538	₱–	₱80,238,443,780
Other segment information:							
Capital additions (Notes 12 and 13)							₱13,444,918,877
Additions to subdivision land, condominium and residential units for sale (Note 9)							₱5,868,091,167
Cash flows from:							
Operating activities	₱9,325,467,987	(₱91,578,957)	₱3,550,353,853	₱720,903,816	(₱215,138,751)	₱–	₱13,290,007,948
Investing activities	(9,838,247,513)	(2,710,192,203)	(2,493,308,706)	(2,217,625,037)	26,928,203	–	(17,232,445,256)
Financing activities	946,746,362	2,720,437,095	(1,046,865,599)	1,507,780,576	282,725,178	–	4,410,823,612

	2017						
	Commercial Centers Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Industrial and Integrated Developments	Intersegment Eliminating Adjustments	Consolidated
Revenue							
Segment revenue:							
Revenues from contracts with customers	₱1,802,643,181	₱5,973,248,023	₱–	₱1,892,873,758	₱–	₱–	₱9,668,764,962
Rental income	8,809,667,773	89,680,665	2,668,883,078	–	13,328,885	–	11,581,560,401
Other income	177,019,084	489,898,273	598,571,854	–	1,003,056	–	1,266,492,267
Intersegment revenue	52,219,142	–	–	1,875,627		(54,094,769)	–
Total Revenue	10,841,549,180	6,552,826,961	3,267,454,932	1,894,749,385	14,331,941	(54,094,769)	22,516,817,630
Costs and expenses							
Segment costs and expenses	3,751,872,140	4,734,196,063	337,498,332	1,169,386,910	47,335,641	–	10,040,289,086
Intersegment costs and expenses	–	52,219,142	(5,924,414)	7,800,041	–	(54,094,769)	–
Total Costs and expenses	3,751,872,140	4,786,415,205	331,573,918	1,177,186,951	47,335,641	(54,094,769)	10,040,289,086
Earnings before interest, taxes and depreciation	7,089,677,040	1,766,411,756	2,935,881,014	717,562,434	(33,003,700)	–	12,476,528,544
Depreciation (Notes 24 and 26)	3,040,446,157	62,880,399	629,271,677	181,125,459	390,409	–	3,914,114,101
Operating income	₱4,049,230,883	₱1,703,531,357	₱2,306,609,337	₱536,436,975	(₱33,394,109)	₱–	₱8,562,414,443

	2017						
	Commercial Centers Division	Residential Division	Office Buildings Division	Hotels and Resorts Division	Industrial and Integrated Developments	Intersegment Eliminating Adjustments	Consolidated
Assets and Liabilities							
Segment assets	₱66,493,808,490	₱40,777,979,053	₱17,909,268,241	₱5,954,062,532	₱16,991,429,486	₱–	₱148,126,547,802
Investment in subsidiaries - at cost	11,486,332,946	–	–	25,500,000		(11,511,832,946)	–
Total segment assets	₱77,980,141,436	₱40,777,979,053	₱17,909,268,241	₱5,979,562,532	₱16,991,429,486	(₱11,511,832,946)	₱148,126,547,802
Total segment liabilities	₱62,143,777,422	₱9,113,640,640	₱3,002,130,903	₱1,010,470,775	₱5,483,910,302	₱–	₱80,753,930,042
Other segment information:							
Capital additions							₱24,009,878,752
Additions to subdivision land, condominium and residential units for sale							₱4,846,756,065
Cash flows from:							
Operating activities	₱6,078,064,085	₱666,663,039	₱3,013,552,393	₱22,614,776	₱4,617,950,090	₱–	₱14,398,844,383
Investing activities	(10,399,659,284)	(731,233,889)	(3,208,653,145)	(863,716,944)	(9,251,961,561)	–	(24,455,224,823)
Financing activities	4,677,899,180	277,349,253	195,865,811	908,008,362	4,636,501,780	–	10,695,624,386

The revenue of the Group consists of sales to domestic customers. Inter-segment revenue accounted for under PFRS arising from lease arrangements amounting ₱46 million, ₱45 million and ₱54 million for the years ended December 31, 2019, 2018 and 2017, respectively, are eliminated in consolidation.

The carrying amount of assets located outside the Philippines amounted to ₱21,715 million and ₱22,379 million as of December 31, 2019 and 2018, respectively.

No operating segments have been aggregated to form the above reportable segments. Capital additions consists of additions to Property and equipment and Investment properties.

Significant customers in lease arrangements include the affiliated entities (see Note 22). Rental income arising from the lease of commercial properties to affiliated companies which are not part of the Group and therefore not eliminated amounted to ₱2,997 million, ₱2,787 million and ₱2,337 million for the years ended December 31, 2019, 2018 and 2017, respectively.

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

	December 31		
	2019	2018	2017
EBITDA	**₱17,249,441,280**	₱16,350,270,162	₱12,476,528,544
Depreciation and amortization (Notes 24 and 26)	**(4,966,545,415)**	(4,456,732,645)	(3,914,114,101)
Other losses - net	**(776,112,102)**	(650,505,921)	(727,006,605)
Income before income tax	**₱11,506,783,763**	₱11,243,031,596	₱7,835,407,838

7. Cash and Cash Equivalents

	2019	2018
Cash on hand and in banks	**₱6,338,788,195**	₱1,129,430,200
Short-term investments (Note 22)	**721,650,328**	1,414,410,627
	₱7,060,438,523	₱2,543,840,827

Cash in banks earns annual interest at the prevailing bank deposit rates. Short-term investments are invested for varying periods of up to three months and earn interest at the prevailing short-term investment rates ranging from 1.00% to 3.50%, 0.20% to 3.90% and 1.25% to 3.00% for the years ended December 31, 2019, 2018 and 2017, respectively.

Interest earned from cash in banks and short-term investments for the years ended December 31, 2019, 2018 and 2017 amounted to ₱287 million, ₱157 million, and ₱37 million, respectively (see Note 28).

8. **Receivables**

	2019	2018
Trade		
Installment contract receivables - at amortized cost	**₱323,213,221**	₱267,215,352
Installment contract receivables - at FVOCI	**990,081,179**	785,221,675
Rental receivables (Note 22)	**1,022,641,161**	1,426,650,345
Accrued rent receivables	**1,672,789,954**	1,256,405,124
Hotel operations	**708,232,304**	168,058,728
	4,716,957,819	3,903,551,224
Affiliated companies (Note 22)	**1,355,316,367**	207,635,524
Others		
Receivable for insurance	**549,764,921**	30,687,835
Receivable from condominium corporations	**163,242,405**	161,311,324
Advances to officers and employees	**58,583,438**	51,749,347
Others	**28,142,195**	21,178,097
	6,872,007,145	4,376,113,351
Less allowance for impairment losses	**47,676,601**	47,676,601
	6,824,330,544	4,328,436,750
Less noncurrent portion	**3,677,362,062**	1,756,064,862
	₱3,146,968,482	₱2,572,371,888

Installment contract receivables consist of accounts collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost, except for receivables from lease-to-own arrangements which are carried at fair value through OCI. The title of the real estate property, which is the subject of the installment contract receivable due beyond 12 months, passes to the buyer once the receivable is fully paid. The Group records any excess of progress of work over the right to an amount of consideration that is unconditional as contract asset (see Note 10).

Rental receivables from affiliated companies included under 'Rental receivables' amounted to ₱124 million and ₱168 million as of December 31, 2019 and 2018, respectively (see Note 22).

Accrued rent receivables represent the portion of the lease as a consequence of recognizing income on a straight-line basis. As of December 31, 2019 and 2018, the noncurrent portion of accrued rent receivable amounted to ₱1,659 million and ₱1,243 million, respectively.

Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage and other ancillary services. These are normally collectible within thirty (30) to ninety (90) days.

Receivable from affiliates represent advances made by the Parent Company in accordance with joint venture agreements (see Note 22).

Receivable from insurance consist of claims made by the Group for losses incurred related to its investment properties.

Receivable from condominium corporations pertain mostly to reimbursements for utilities paid by the Parent Company.

The receivables from officers and employees are advances related to conduct of business activities subject to liquidation and for personal loans which are collected through salary deduction.

Other receivables consist primarily of advances to brokers, interest receivable and advances to SSS.

Allowance for impairment losses on trade receivables follows:

	Rental Receivables	Hotels Operations	Installment Contract Receivables	Total
Balances at December 31, 2019 and 2018	**₱13,905,027**	**₱14,771,574**	**₱19,000,000**	**₱47,676,601**

Aging Analysis

The aging analysis of the Group's receivables follows:

	December 31, 2019						
		Neither	**Past Due But Not Impaired**				**Past**
	Total	**Past Due nor Impaired**	**Less than 30 days**	**30 to 60 days**	**61 to 90 days**	**Over 90 days**	**Due and Impaired**
Trade receivables							
Installment contract receivables - at amortized cost	**₱323,213,221**	**₱–**	**₱57,422,900**	**₱21,562,826**	**₱47,341,381**	**₱177,886,114**	**₱19,000,000**
Installment contract receivables - at FVOCI	**990,081,179**	**963,112,977**	**4,443,941**	**2,472,133**	**3,720,782**	**16,331,346**	**–**
Rental receivables (Note 22)	**1,022,641,161**	**269,344,986**	**160,109,276**	**60,412,107**	**26,936,664**	**491,933,101**	**13,905,027**
Accrued rent receivables	**1,672,789,954**	**1,672,789,954**	**–**	**–**	**–**	**–**	**–**
Hotel operations	**708,232,304**	**506,461,162**	**69,831,288**	**31,010,457**	**19,885,001**	**66,272,822**	**14,771,574**
Affiliated companies (Note 22)	**1,355,316,367**	**1,355,316,367**	**–**	**–**	**–**	**–**	**–**
Others	**799,732,959**	**799,732,959**	**–**	**–**	**–**	**–**	**–**
	₱6,872,007,145	**₱5,566,758,405**	**₱291,807,405**	**₱115,457,523**	**₱97,883,828**	**₱752,423,383**	**₱47,676,601**

	December 31, 2018						
		Neither	Past Due But Not Impaired				Past
	Total	Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Due and Impaired
Trade receivables							
Installment contract receivables - at amortized cost	₱267,215,352	₱–	₱35,935,032	₱19,499,719	₱25,272,937	₱167,507,664	₱19,000,000
Installment contract receivables - at FVOCI	785,221,675	768,989,701	2,517,104	744,201	2,731,432	10,239,237	–
Rental receivables (Note 22)	1,426,650,345	694,942,129	210,303,407	43,311,363	21,620,631	442,567,788	13,905,027
Accrued rent receivables	1,256,405,124	1,256,405,124	–	–	–	–	–
Hotel operations	168,058,728	49,736,994	31,718,550	17,266,655	5,210,532	49,354,423	14,771,574
Affiliated companies (Note 22)	207,635,524	207,635,524	–	–	–	–	–
Others	264,926,603	264,926,603	–	–	–	–	–
	₱4,376,113,351	₱3,242,636,075	₱280,474,093	₱80,821,938	₱54,835,532	₱669,669,112	₱47,676,601

A summary of the movements in the installment contract receivables - at FVOCI of the Group is as follows:

	2019	2018
Beginning balance	**₱785,221,675**	₱1,591,198,743
Additions	**106,015,840**	220,241,407
Sale of lease-to-own receivables (Note 22)	**–**	(1,017,153,531)
Fair value adjustment - other comprehensive income	**98,843,664**	(9,064,944)
Ending balance	**₱990,081,179**	₱785,221,675

Upon adoption of PFRS 9 on January 1, 2018, the classification of receivables from lease-to-own arrangements from loans and receivables to financial assets at fair value through OCI resulted to the recognition of fair value gain adjustment recorded in OCI as at January 1, 2018 amounting to ₱15 million (net of tax).

9. Subdivision Land, Condominium and Residential Units for Sale

	2019	2018
Land use right and development cost	**₱15,888,472,944**	₱13,793,027,024
Land and condominium units	**14,087,963,035**	11,600,778,843
Residential units and subdivision land	**3,793,355,987**	3,306,112,679
Land held for development	**2,293,105,421**	2,764,535,752
	₱36,062,897,387	₱31,464,454,298

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

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

	2019	2018
Beginning balance	**₱31,464,454,298**	₱28,854,049,360
Construction and development costs incurred	**8,723,176,262**	5,868,091,167
Transfers (to) / from		
Investment properties (Note 12)	**317,625,677**	2,072,054,274
Property and equipment (Note 13)	**(131,903,733)**	–
Unrealized land cost (sale to SRPI) (Note 22)	**(75,129,954)**	(398,312,678)
Cost of real estate sales (Note 24)	**(4,235,325,163)**	(4,931,427,825)
	₱36,062,897,387	₱31,464,454,298

Borrowing cost capitalized amounted to ₱486 million, ₱548 million and ₱490 million for the years ended December 31, 2019, 2018 and 2017, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the years ended December 31, 2019, 2018 and 2017 is 4.59%, 4.50% and 4.02%, respectively. These amounts were included in the construction and development costs incurred (see Note 18).

The amount of subdivision land, condominium and residential units for sale recognized as cost of real estate sales in the consolidated statements of comprehensive income amounted to ₱4,235 million, ₱4,931 million and ₱3,143 million for the years ended December 31, 2019, 2018 and 2017, respectively (see Note 24).

On October 20, 2015, the Chinese government awarded the Contract for Assignment of the Rights to the Use of State-Owned Land (the Contract) to the Group. In May 2016, the Masterplan had been completed and was submitted for approval to the Chinese government in the same month. The Chinese government approved the Masterplan in the first quarter of 2017 and construction activities have commenced (recognized as land use right and development cost).

Under the Contract, the Group is entitled to transfer, lease, mortgage all or part of the state-owned construction land use right to a third party. Upon receipt of the Certificate of State-owned Land Use Right Assignment, the land title will be subdivided into Individual Property Titles which will be issued to unit owners one year after completion of the development and turn-over of the units to the buyers. When all or part of the state-owned construction land use right is transferred, through sale of commercial units and high-rise condominium units to buyers, the rights and obligations specified in the Contract and in the land registration documents shall be transferred accordingly to the buyer. The use term will be the remaining years as of the date of transfer based on the original use term specified in the Contract.

When the use term under the Contract expires (residential: 70 years and commercial: 40 years) and the land user continues using the assigned land under the Contract, an application for renewal shall be submitted to the Chinese government not less than one (1) year prior to the expiration of the use term.

The land use right amounting to ₱10,221 million as at December 31, 2018 is pledged as security to the Renminbi (RMB) 216 million (₱1,651 million) loan from Agricultural Bank of China (Note 18). The said loan was fully paid in December 2019. No subdivision land, condominium and residential units for sale were pledged as security to liabilities as of December 31, 2019.

10. **Contract Assets**

	2019	2018
Current	**₱3,007,038,670**	₱4,642,475,062
Noncurrent	**7,843,135,383**	6,121,887,223
	₱10,850,174,053	₱10,764,362,285

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contract receivables when the monthly amortization of the customer is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period, increase in percentage of completion, less reclassification of installment contract receivable.

11. **Other Current Assets**

	2019	2018
Restricted cash	**₱2,533,017,832**	₱7,607,789,241
Advances to lot owners	**2,142,570,836**	748,273,145
Advances to suppliers and contractors	**1,140,769,746**	866,819,174
Prepaid expenses (Note 23)	**1,023,727,774**	986,336,548
Input VAT - net	**578,174,256**	1,418,062,733
Supplies	**69,613,798**	60,511,778
Utility deposits	**8,417,364**	7,831,041
Others	**5,488,204**	40,639,253
	₱7,501,779,810	₱11,736,262,913

Restricted cash includes the deposits in local banks for the purchase of land and deposits of buyers of Chengdu Xin Yao which will mainly be used for construction of real estate inventories (see Note 6).

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Advances to suppliers and contractors consist of advance payment for the construction of residential projects.

Prepaid expenses consist mainly of prepayments for taxes and insurance and cost to obtain contract in relation to the Group's real estate sales.
Input VAT - net of output VAT can be applied against future output VAT.

Supplies consist mainly of office and maintenance materials.

Utility deposits consist primarily of bid bonds and meter deposits.

Others consists of advances and reserve funds.

12. Investment Properties

A summary of the movement in the investment properties is set out below:

	December 31, 2019					
	Land Held for Future Development	**Land**	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost						
Balances at January 1, 2019	**₱21,644,110,051**	**₱16,401,461,680**	**₱371,698,367**	**₱86,699,272,436**	**₱6,314,587,588**	**₱131,431,130,122**
Additions	**69,276,337**	**498,975,069**	**33,384,747**	**2,754,948,866**	**6,355,317,188**	**9,711,902,207**
Retirement/disposal	**–**	**(100,000,000)**	**(1,370,033)**	**(1,106,358,267)**	**(39,590,100)**	**(1,247,318,400)**
Reclassification and transfers - net (Notes 9 and 13)	**(534,814,204)**	**130,853,770**	**(41,040,622)**	**5,683,449,981**	**(5,657,635,207)**	**(419,186,282)**
Balances at December 31, 2019	**21,178,572,184**	**16,931,290,519**	**362,672,459**	**94,031,313,016**	**6,972,679,469**	**139,476,527,647**
Accumulated Depreciation						
Balances at January 1, 2019	**–**	**–**	**153,490,503**	**31,960,543,792**	**–**	**32,114,034,295**
Effect of adoption of PFRS 16 (Note 2)	**–**	**–**	**–**	**29,922,064**	**–**	**29,922,064**
Balances at January 1, 2019, as restated	**–**	**–**	**153,490,503**	**31,990,465,856**	**–**	**32,143,956,359**
Depreciation (Notes 24 and 26)	**–**	**–**	**26,209,217**	**3,997,156,833**	**–**	**4,023,366,050**
Retirement/disposal	**–**	**–**	**(789,146)**	**(414,556,318)**	**–**	**(415,345,464)**
Reclassification and transfers	**–**	**–**	**–**	**(74,589,501)**	**–**	**(74,589,501)**
Balances at December 31, 2019	**–**	**–**	**178,910,574**	**35,498,476,870**	**–**	**35,677,387,444**
Net Book Value	**₱21,178,572,184**	**₱16,931,290,519**	**₱183,761,885**	**₱58,532,836,146**	**₱6,972,679,469**	**₱103,799,140,203**

	December 31, 2018					
	Land Held for Future Development	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost						
Balances at January 1, 2018	₱22,685,464,066	₱13,714,664,107	₱244,495,794	₱74,912,347,677	₱9,011,361,402	₱120,568,333,046
Additions	2,188,037,914	3,829,988	54,642,249	4,211,032,313	5,022,122,827	11,479,665,291
Reclassification and transfers - net (Notes 9 and 13)	(3,229,391,929)	2,682,967,585	72,560,324	7,575,892,446	(7,718,896,641)	(616,868,215)
Balances at December 31, 2018	21,644,110,051	16,401,461,680	371,698,367	86,699,272,436	6,314,587,588	131,431,130,122
Accumulated Depreciation						
Balances at January 1, 2018	–	–	133,694,629	28,280,870,347	–	28,414,564,976
Depreciation (Notes 24 and 26)	–	–	19,795,874	3,679,673,445	–	3,699,469,319
Balances at December 31, 2018	–	–	153,490,503	31,960,543,792	–	32,114,034,295
Net Book Value	₱21,644,110,051	₱16,401,461,680	₱218,207,864	₱54,738,728,644	₱6,314,587,588	₱99,317,095,827

Investment properties consisted mainly of shopping malls/commercial centers, office buildings and warehouses that are held to earn rentals. Land held for future development pertains to land held for capital appreciation and land banking activities for development.

Retirement of investment properties includes the derecognition of investment properties of APVI resulting from deconsolidation (see Note 2).

The construction in progress reclassified during the years ended December 31, 2019 and 2018 amounted to ₱5,657 million and ₱7,719 million, respectively. The reclassifications in 2019 represent mall and warehouse in Laguna, expansions of provincial malls, office buildings in Quezon City and Luisita that have been completed during the year ended December 31, 2019 and transferred to the corresponding assets accounts such as buildings and buildings improvements and land improvements. The remaining construction in progress represents new and expansion projects in various cities in Metro Manila and other parts of Luzon and Visayas regions.

For the years ended December 31, 2019 and 2018, the Group reclassified investment properties to subdivision land, condominium and residential units for sale amounting to ₱318 million and ₱2,072 million, respectively (see Note 9).

Depreciation expense charged to operations amounted to ₱4,023 million, ₱3,699 million and ₱3,252 million for the years ended December 31, 2019, 2018 and 2017, respectively (see Notes 24 and 26).

Borrowing costs capitalized amounted to ₱318 million, ₱323 million and ₱472 million for the years ended December 31, 2019, 2018 and 2017, respectively. These amounts were included in the consolidated statements of cash flows under additions to investment properties. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the years ended December 31, 2019, 2018 and 2017 is 4.59%, 4.50% and 4.02%, respectively (see Note 18).

The fair value of investment properties which has been determined based on valuations performed by independent professional qualified appraisers exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm’s length transaction at the date of valuation.

The fair value of investment properties as of December 31, 2019 and 2018 amounted to ₱249,203 million and ₱168,572 million, respectively.

As of December 31, 2019, fair value was measured through income approach using build-up model which the Group believes is an appropriate valuation technique since it provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset. As of December 31, 2018, the fair value was measured through market value approach based on independent third party appraisal reports dated December 31, 2017.

Rental income derived from investment properties amounted to ₱15,420 million, ₱13,548 million and ₱11,582 million for the years ended December 31, 2019, 2018 and 2017, respectively (see Note 23).

Property operations and maintenance costs arising from investment properties amounted to ₱680 million, ₱791 million and ₱710 million for the years ended December 31, 2019, 2018 and 2017, respectively (see Note 24).

There are no investment properties as of December 31, 2019 and 2018 that are pledged as security to liabilities.

13. **Property and Equipment**

	December 31, 2019				
	Land Improvements	**Buildings and Improvements**	**Theater Furniture and Equipment**	**Other Equipment**	**Total**
Cost					
Balances at January 1, 2019	**₱9,701,004**	**₱8,844,656,943**	**₱1,063,841,909**	**₱4,660,858,499**	**₱14,579,058,355**
Additions	**28,330,621**	**1,100,702,143**	**172,421,646**	**486,904,940**	**1,788,359,350**
Retirement/disposal	**(52,669)**	**(1,914,060)**	**–**	**(122,675,974)**	**(124,642,703)**
Reclassifications (Notes 9 and 12)	**(698,241)**	**78,611,425**	**–**	**155,551,154**	**233,464,338**
Balances at December 31, 2019	**37,280,715**	**10,022,056,451**	**1,236,263,555**	**5,180,638,619**	**16,476,239,340**
Accumulated Depreciation					
Balances at January 1, 2019	**6,242,132**	**2,514,458,631**	**835,707,509**	**3,378,506,011**	**6,734,914,283**
Depreciation (Notes 24 and 26)	**2,711,138**	**282,754,871**	**92,855,166**	**508,593,901**	**886,915,076**
Retirement/disposal	**(52,669)**	**(1,914,060)**	**–**	**(114,836,326)**	**(116,803,055)**
Reclassifications (Notes 9 and 12)	**(698,241)**	**(47,493,744)**	**–**	**122,781,486**	**74,589,501**
Balances at December 31, 2019	**8,202,360**	**2,747,805,698**	**928,562,675**	**3,895,045,072**	**7,579,615,805**
Net Book Value	**₱29,078,355**	**₱7,274,250,753**	**₱307,700,880**	**₱1,285,593,547**	**₱8,896,623,535**

	December 31, 2018				
	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost					
Balances at January 1, 2018	₱8,975,133	₱7,531,420,307	₱1,012,987,465	₱4,124,232,121	₱12,677,615,026
Additions	645,871	1,453,993,898	50,854,444	459,759,373	1,965,253,586
Write-off	–	–	–	(63,810,257)	(63,810,257)
Reclassifications (Notes 9 and 12)`	80,000	(140,757,262)	–	140,677,262	–
Balances at December 31, 2018	9,701,004	8,844,656,943	1,063,841,909	4,660,858,499	14,579,058,355
Accumulated Depreciation					
Balances at January 1, 2018	5,429,407	2,299,060,389	745,329,815	2,935,437,010	5,985,256,621
Depreciation (Notes 24 and 26)	812,725	215,398,242	90,377,694	450,674,665	757,263,326
Write-off	–	–	–	(7,605,664)	(7,605,664)
Balances at December 31, 2018	6,242,132	2,514,458,631	835,707,509	3,378,506,011	6,734,914,283
Net Book Value	₱3,458,872	₱6,330,198,312	₱228,134,400	₱1,282,352,488	₱7,844,144,072

Depreciation expense charged to operations amounted to ₱887 million, ₱757 million and ₱662 million for the years ended December 31, 2019, 2018 and 2017, respectively (see Notes 24 and 26).

Borrowing cost capitalized amounted to ₱48 million, ₱63 million and ₱72 million for the years ended December 31, 2019, 2018, 2017, respectively (Note 18).

There are no property and equipment items as of December 31, 2019 and 2018 that are pledged as security to liabilities.

14. **Other Noncurrent Assets**

	2019	2018
Advances to suppliers and contractors	**₱2,257,056,721**	₱1,947,197,919
Advances to lot owners (Note 22)	**1,886,052,753**	1,471,892,243
Utility deposits (Notes 33 and 34)	**744,380,122**	792,181,009
Financial assets at fair value through OCI	**91,674,297**	–
Prepaid rent	**–**	335,964,979
Others (Note 32)	**154,746,167**	228,973,493
	₱5,133,910,060	₱4,776,209,643

Advances to suppliers and contractors represents prepayments for the construction of investment properties and property and equipment.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Utility deposits consist primarily of bill and meter deposits.

Financial assets at fair value through OCI represents equity shares of APVI that were retained by the Group and equity shares of Data Analytics Ventures, Inc., both entities under the common control of the ultimate parent company (see Note 2).

As of December 31, 2018, prepaid rent pertains to advance rentals of the 25-year operating lease agreement between Bases Conversion and Development Authority (BCDA) and APVI (an affiliate). The contract is for the long-term and development of approximately 5,000 sqm Lawton Corporate Center along Lawton Avenue, Bonifacio South, Taguig City. Subsequently, the said contract was assigned to the Parent Company through a Deed of Assignment wherein APVI assigns all its rights, interests, and obligations on the contract of lease with approval of BCDA as provided for under the contract. The said prepaid rent was reclassified to right-of-use asset on January 1, 2019 (Note 3).

"Others" include deposit to various joint venture partners representing the Parent Company's share in an ongoing real estate development which will be liquidated at the end of the joint venture agreement. This deposit will be realized through the Group's share in the completed units or share in the sales proceeds of the units, depending on the agreement with the other party.

Included in "Others" is the upfront fee paid by the Parent Company amounting to ₱100 million to the province of Malolos, Bulacan in relation to the lease agreement executed during the year for the lease of contiguous land situated at Brgy. Bulihan, City of Malolos, owned by the Province of Bulacan, pursuant to Proclamation No. 832 dated July 17, 2014. The project shall involve the lease of the project site and utilization thereof by the Parent Company for a mixed use development.

The lease period of the project site shall be for the twenty-five years (25) commencing on the third (3rd) project year counted from the commencement of the Construction Date, and terminating on the date 25 years thereafter. The lease shall be automatically renewed for another 25 years upon mutual agreement by the parties. The upfront fee will be offset against the rent due starting on the first (1st) year of operation of the Parent Company in the said property. As of December 31, 2019 and 2018, the Parent Company does not have right to access nor the right to use the property since the Provincial Government of Bulacan has not yet completed its undertakings which resulted to non-commencement of the lease.

15. Accounts Payable and Accrued Expenses

	2019	2018
Accounts payable	**₱8,974,009,895**	₱9,429,727,930
Taxes and licenses payable	**2,151,574,064**	2,128,522,470
Accrued rent expense	**927,182,324**	844,364,680
Accrued contracted services	**517,098,147**	491,610,543
Commissions payable	**405,805,820**	231,632,590
Accrued salaries and wages	**333,919,117**	308,964,942
Accrued interest payable	**321,061,312**	322,322,878
Dividends payable	**43,287,603**	43,304,321
Current portion of lease liabilities (Note 36)	**36,016,214**	–
Other accrued payable	**681,106,048**	524,116,354
	₱14,391,060,544	₱14,324,566,708

Accounts payable mainly includes unpaid billings from suppliers and contractors related to construction activities.

Taxes and licenses payable, accrued salaries and wages, accrued interest payable and accrued contracted services are normally settled within one (1) year.

Accrued rent expense represents accrual for film rentals.

Commissions payable arises from obligations from contracts which were qualified for revenue recognition. The Group uses percentage of completion method in amortizing sales commissions consistent with PFRS 15.

Other accrued payable includes accrued utilities and advertising expenses.

16. Contract Liabilities

	2019	2018
Current	**₱14,184,663,585**	₱12,931,513,843
Noncurrent	**2,958,482,166**	2,378,690,953
	₱17,143,145,751	₱15,310,204,796

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred by Group based on percentage of completion. The movement in the contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold from increase in percentage of completion.

The amount of revenue recognized from the amounts included in contract liabilities at the beginning of the year amounted to ₱4,045 million and ₱1,663 million for the year ended December 31, 2019 and 2018, respectively.

17. Deposits and Other Current Liabilities

	2019	2018
Deposits from lessees (Note 19)	**₱2,928,599,269**	₱2,658,678,992
Payables to affiliated companies (Note 22)	**163,251,787**	231,800,778
Others	**–**	13,760,000
	₱3,091,851,056	₱2,904,239,770

Deposits from lessees (including noncurrent portion shown in Note 19) represent cash received in advance equivalent to three (3) to six (6) month rent which shall be refunded to lessees at the end of lease term. These are initially recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of instruments. The accretion expense on these deposits, recognized in "accretion of security deposit" under "Cost of rental services", amounted to ₱76 million, ₱73 million and ₱56 million for the years ended December 31, 2019, 2018 and 2017, respectively (see Notes 24 and 29).

Included in the "Deposit from lessees" are unearned rental income amounting to ₱756 million and ₱604 million as of December 31, 2019 and 2018, respectively. Amortization of unearned rental income included in "Rental income" amounted to ₱83 million, ₱97 million and ₱64 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Others pertain to amount payable to the Parent Company's co-stockholders in its subsidiaries.

18. Loans Payable

Short-term loans

	2019	2018
Short-term loan obtained from local banks that will mature in January 2020. Interest rate is at 4.05% per annum.	**₱5,000,000,000**	₱–
Short-term loan obtained from local banks that will mature in January 2020. Interest rate is at 4.10% per annum.	**2,591,700,000**	–
Short-term loan obtained from a local bank that will mature in January 2020. Interest rate is at 4.25% per annum.	**900,000,000**	–
Short-term loan obtained from a local bank that matured in January 2019. Interest rate is at 5.25% per annum.	–	896,700,000
	₱8,491,700,000	₱896,700,000

Long-term loans

Details of the principal amount of the long-term loans follow:

	2019	2018
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 in annual installment amounting to two percent (2%) of the total drawn principal amount and the balance upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears	**6,860,000,000**	7,000,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	**6,500,000,000**	6,500,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in annual installment amounting to ₱10 million for six years and the balance upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	**4,970,000,000**	4,980,000,000

(Forward)

	2019	2018
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable in annual installment amounting to ₱5 million for nine years and the balance upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	**₱4,490,000,000**	₱4,495,000,000
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	1,364,500,000
Five-year loan maturing in August 2022. Principal of RMB216 million as of December 31, 2018, payable upon maturity, with fixed rate at 4.7500%.	–	1,651,127,328
	34,820,000,000	36,626,127,328
Less debt issue costs	**104,727,824**	137,588,327
Long-term loans net of debt issue costs	**₱34,715,272,176**	₱36,488,539,001
Less current portion	**155,000,000**	15,000,000
Noncurrent portion of long-term loans	**₱34,560,272,176**	₱36,473,539,001

Debt issue costs are deferred and amortized using effective interest method over the term of the related loans.

Total interest cost expensed out from short-term and long-term loans amounted to ₱907 million, ₱836 million and ₱778 million for the years ended December 31, 2019, 2018 and 2017, respectively (see Note 28).

Capitalized borrowing cost amounted to ₱852 million, ₱934 million and ₱1,034 million for the years ended December 31, 2019, 2018 and 2017, respectively (see Notes 9, 12 and 13).

<u>Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022</u>
On February 23, 2015, the Group issued ₱10,636 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants
The Group is required to maintain a debt-to-equity ratio not exceeding 2:1 as referenced from its consolidated financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2019 and 2018.

<u>Seven-year term loan from Metropolitan Bank and Trust Company maturing on March 15, 2024</u>
On March 15, 2017, the Group borrowed ₱7,000 million under Term Loan Facility Agreements with Metropolitan Bank and Trust Company.

The loan amounting to ₱7,000 million was released on March 15, 2017 which bears interest rate at 4.7500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed. Annual principal payment is two percent (2%) of the total loan amount or ₱140 million.

Debt Covenants
The Group is required to maintain a ratio of consolidated total borrowings to consolidated shareholders' equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its calendar year end December 31 and the consolidated interim financial statements as of March 31, June 30, and September 30. The Group has complied with the debt covenant as of December 31, 2019 and 2018.

<u>Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021</u>
On July 8, 2016, the Group borrowed ₱6,500 million under Term Loan Facility Agreements with BDO Unibank, Inc.

The loan was released on July 8, 2016 amounting to ₱3,000 million and on September 27, 2016 amounting to ₱3,500 million with interest rate at 3.8327% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 2:1. The Group has complied with the debt covenant as of December 31, 2019 and 2018.

<u>Seven-year term loan from Bank of the Philippine Islands maturing on August 10, 2023</u>
On August 10, 2016, the Group borrowed ₱5,000 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants
The Group is required to maintain a debt-to-equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2019 and 2018.

<u>Ten-year term loan from BPI maturing on February 13, 2027</u>
On February 10, 2017, the Group borrowed ₱4,500 million under Term Loan Facility Agreements with Bank of the Philippine Islands.

The loan was released on February 10, 2017 amounting to ₱4,500 million with interest rate at 4.9500% per annum and shall be payable quarterly, computed on the basis of a year of 365 calendar days for the actual number of days elapsed.

Partial payment for this loan amounting to ₱5 million was made on February 13, 2019 and 2018.

Debt Covenants
The Group is required to maintain a ratio of net debt-to-equity not exceeding 2:1 as measured at each fiscal year-end date based on the audited consolidated financial statements. The Group has complied with the debt covenant as of December 31, 2019 and 2018.

<u>Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025</u>
On February 23, 2015, the Group issued ₱1,365 million bonds constituting direct, unconditional, unsubordinated, and unsecured obligations of the Parent Company and shall at all times rank pari passu and without preference among themselves and among any present and future unsubordinated and unsecured obligations of the Parent Company, except for any statutory preference or priority

established under Philippine law. The net proceeds of the issue shall be used by the Parent Company to refinance existing debt obligations and to partially fund investment capital expenditures.

Interest on the bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on February 23 and August 23 of each year at which the bonds are outstanding.

Debt Covenants
The Group is required to maintain a debt-to-equity not exceeding 2:1 as referenced from its consolidated audited financial statements as of its fiscal year end September 30 and consolidated interim financial statements as at March 31. The Group has complied with the debt covenant as of December 31, 2019 and 2018.

Five-year loan from Agricultural Bank of China (ABC) maturing in August 2022
In 2017, Chengdu Xin Yao entered into a facility loan agreement with ABC amounting to RMB500 million. On August 22, 2017, Chengdu Xin Yao made a drawdown amounting to RMB60 million (₱458 million) which is payable after a period of 5 years. Interest on the loan shall be based on the rates released by the People's Bank of China which is 4.75% per annum as of loan agreement date.

In 2018, Chengdu Xin Yao made an additional drawdown amounting to RMB156 million (₱1,193 million) which is payable on August 19, 2022.

In 2019, the Group pre-terminated and paid in full the total loan from this bank amounting to RMB216 million (₱1,651 million).

Debt Covenants
Chengdu Xin Yao is required to maintain the following financial indicators: (a) actual revenue in its operating period which should not be lower than 20%; (b) debt-asset ratio should not equal or exceed 70%; (c) the borrower should not have a bad credit; and (d) borrower contingent liability ratio should not exceed 4%. Chengdu Xin Yao has complied with the debt covenant as of December 31, 2018.

Three-year entrusted loan from Chengdu Ding Feng Real Estate Development Co. Ltd. Maturing in December 2019
In 2017, Chengdu Xin Yao entered into a loan agreement with Chengdu Ding Feng Real Estate Development Co. Ltd. amounting to RMB50 million (₱382 million). Interest on the loan is 4.75%.

The said loan was pre-terminated on December 13, 2018.

Details of the Group's loans payable by maturity follow:

Long-term loans

	Within 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
December 31, 2019	**₱155,000,000**	**₱6,655,000,000**	**₱10,790,500,000**	**₱5,085,000,000**	**₱12,134,500,000**	**₱34,820,000,000**
December 31, 2018	₱15,000,000	₱15,000,000	₱6,515,000,000	₱12,301,627,328	₱17,779,500,000	₱36,626,127,328

Debt issue cost

	2019	2018
Beginning balance	**₱137,588,327**	₱169,101,556
Amortizations	**(32,860,503)**	(31,513,229)
Ending balance	**₱104,727,824**	₱137,588,327

19. **Deposits and Other Noncurrent Liabilities**

	2019	2018
Deposits from lessees (Note 17)	**₱3,171,544,926**	₱2,650,771,913
Lease liabilities - net of current portion (Note 36)	**1,899,868,024**	–
Retention payable (Note 22)	**454,267,761**	645,174,274
Pension liabilities (Note 31)	**361,239,256**	325,012,487
Advances for marketing and promotional fund	**243,566,063**	220,031,526
Accrued rent expense	–	1,608,663,933
Others	**210,998,269**	246,544,614
	₱6,341,484,299	₱5,696,198,747

Retention payable represents amounts withheld from payments to contractors as guaranty for any claims against them. These are noninterest-bearing and will be remitted to contractors at the end of the contracted work.

Advances for marketing and promotional fund represents advances from tenants for sales promotions and marketing programs.

Accrued rent expense represents the portion of the lease as a consequence of recognizing expense on a straight-line basis. These pertain to various lease of land entered by the Group where the malls are located. Decrease in the accrued rent expense is due to the Group's adoption of PFRS 16 (Note 3).

Others include payable to the non-controlling interests of the Parent Company's subsidiaries.

20. **Retained Earnings**

The declarable dividend of Parent Company amounted to ₱27,670 million and ₱23,395 million as of December 31, 2019 and 2018, respectively.

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱3,252 million and ₱2,223 million as of December 31, 2019 and 2018, respectively, are not available for dividend declaration by the Parent Company until received in the form of dividends.

Furthermore, ₱27,000 million of retained earnings as of December 31, 2019 and 2018 were appropriated for future and ongoing expansions are not available for dividends.

Dividends declared
Cash dividends
The BOD declared cash dividends in favor of all its stockholders for the years ended December 31, 2019 and 2018 as follows:

	December 31, 2019	December 31, 2018	December 31, 2017
Date of declaration	**May 29, 2019**	April 6, 2018	March 3, 2017
Date of payment	**July 12, 2019**	May 23, 2018	May 2, 2017
Ex-dividend rate	**June 18, 2019**	April 26, 2018	April 3, 2017
Dividend per share	**₱0.50**	₱0.36	₱0.36
Total dividends	**₱2,596,915,343**	₱1,869,779,047	₱1,473,779,046

Property dividend
On July 31, 2019, the BOD of the Parent Company approved the declaration of property dividend in the form of its shares in APVI (see Note 2).

Appropriation
On December 9, 2019, the BOD approved the reversal of the retained earnings it appropriated in 2018 amounting to ₱27,000 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 ₱27,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects. These projects and acquisitions are expected to be completed in various dates in 2020 up to 2024.

On December 14, 2018, the BOD approved the reversal of the retained earnings it appropriated in 2017 amounting to ₱24,500 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱27,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2019 up to 2023.

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

On the same date, the BOD also approved the appropriation of ₱24,500 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2016. These projects and acquisitions are expected to be completed in various dates in 2018 up to 2022.

21. Capital Stock and Other Equity Reserve

The details of the number of common shares as of December 31, 2019 and 2018 follow:

	December 31, 2019		December 31, 2018	
	Shares	**Amount**	Shares	Amount
Authorized - at ₱1 par value	**8,200,000,000**	**₱8,200,000,000**	8,200,000,000	₱8,200,000,000
Issued and outstanding				
Common shares	**5,193,830,685**	**₱5,193,830,685**	5,193,830,685	₱5,193,830,685

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2019:

	Number of shares registered	Issue/ offer price	Date of SEC approval	Number of holders of securities as of year end
Balance before Initial public offering	300,000,000			
Initial public offering	200,000,000	₱1.00/share	February 10, 1989	
Increase in offer price		₱5.81/share	June 3, 1989	
Add:				
1:1 stock rights offering	500,000,000	₱2.50/share	March 15, 1991	
20% stock dividend	200,000,000	₱1.00/share	June 16, 1993	
1:2 stock rights offering	600,000,000	₱2.50/share	March 21, 1995	
Exchange for shares of JGSHI in MMHLC and in RII	496,918,457		April 3, 1997	
1:2 ew share offering	450,000,000	₱12.00/share	September 25, 2006	
1:2 stock rights offering	1,364,610,228	₱10.00/share	May 17, 2011	
December 31, 2017	4,111,528,685			1,066
Add: Stock rights offering (SRO)	1,082,302,000	₱18.20/share	February 8, 2018	(5)
December 31, 2018	5,193,830,685			1,061
Add (deduct) movement	–			(13)
December 31, 2019	5,193,830,685			1,048

JGSHI - JG Summit Holdings, Inc.
MMHLC - Manila Midtown Hotels and Land Corporation
RII - Robinson's Inn Inc.

Stock rights offering
On November 13, 2017, the BOD of the Parent 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 Parent Company intends to use the proceeds from the SRO to finance the acquisition of land located in various parts of the country for all its business segments.

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

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

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

Additional Paid-In Capital Stock
As a result of the SRO, the Group incurred total issuance cost of ₱90 million of which ₱67 million was charged to Additional Paid-In Capital while the ₱21 million was charged to expense.

Below is the movement of the Additional Paid-In Capital:

	2019	2018
Beginning Balance	**₱39,041,328,236**	₱20,392,532,781
Proceeds of SRO in excess of par		
From new shares issued	–	18,615,594,400
From treasury shares	–	100,268,943
Stock issuance costs	–	(67,067,888)
	₱39,041,328,236	₱39,041,328,236

Treasury Shares
On October 22, 2009, the Parent Company's BOD approved the creation and implementation of a share buy-back program allotting up to ₱1,000 million to reacquire a portion of the Parent Company's issued and outstanding common shares, representing approximately 3.1% of current market capitalization.

As of December 31, 2017, the Parent Company had a total of 17,698,000 treasury shares with a total purchase price of ₱222 million at an average price of ₱12.53 per share.

The Parent Company reissued these treasury shares during the SRO in 2018.

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity attributable to the equity holders of the Parent Company. Following is a computation of the Group's debt-to-capital ratio as of December 31, 2019 and 2018.

	2019	2018
(a) Loans payable (Note 18)	**₱43,311,700,000**	₱37,522,827,328
(b) Capital	**₱99,508,809,473**	₱93,510,602,099
(c) Debt-to-capital ratio (a/b)	**0.44:1**	0.40:1

As of December 31, 2019 and 2018, the Group is compliant with its debt covenants with lenders.

Other Equity Reserve
On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in APVI, 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 APVI 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.

On July 31, 2019, the Board of Directors of the Parent Company approved the declaration of a property dividend consisting of up to 100 million common shares of APVI with a par value of One Peso (Php1.00) per share to all eligible stockholders as of record date of August 15, 2019. Upon deconsolidation of APVI, the "Other equity reserve" was transferred to the retained earnings in 2019 (Note 2).

22. Related Party Transactions

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities. Transactions are generally settled in cash, unless otherwise stated.

The amounts and balances arising from significant related party transactions are as follows:

	December 31, 2019			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
Ultimate Parent Company				
a) Rental income/receivable	**₱115,670,106**	**₱4,495,516**	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances from	**(99,461,639)**	**(101,851,768)**	Non-interest bearing; due and demandable	Unsecured
Under common control of Ultimate Parent Company				
c) Cash and cash equivalents				
• Cash in banks	**382,884570**	**1,194,693,239**	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	**721,650,328**	**721,650,328**	Interest bearing at prevailing market rate; at 1.13% to 3.50% per annum due and demandable	Unsecured; no impairment
• Interest income	**15,666,957**	**229,557**		
a) Rental income/receivable	**2,881,473,517**	**119,716,903**	Three to twenty year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	**7,680,843**	**25,316,367**	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	**30,912,648**	**(61,400,019)**	Non-interest bearing; due and demandable	Unsecured
Joint ventures in which the Parent Company is a venturer				
b) Advances to	**1,140,000,000**	**1,330,000,000**	Interest-bearing at PDST R2 of applicable interest period	Unsecured; no impairment
e) Sale of land	**217,380,000**	–	Non-interest bearing	Unsecured; no impairment
Cost of land sold	**(80,087,427)**	–		
f) Sale of land - contract liabilities	–	**(2,705,550,000)**	Non-interest bearing; due in one year	Unsecured; no impairment
g) Sale of land - contract assets	–	**3,008,940,000**	Interest bearing at 4% interest rate; with remaining 3 annual installments	Unsecured; no impairment
Elimination of excess of gain on sale against investment in joint venture	–	**(1,003,834,662)**		

(Forward)

	December 31, 2019			
	Amount/ Volume	**Receivable (Payable)**	**Terms**	**Conditions**
Interest income from sale of land - contract assets	**141,959,070**	**₱141,959,070**		
Elimination of excess of interest income against investment in joint venture – contract liabilities	**70,979,535**	**(70,979,535)**		
Other related parties				
b) Advances to	**77,439,650**	**375,275,547**	Non-interest bearing; due and demandable	Unsecured; no impairment
		₱2,978,660,543		

	December 31, 2018			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
a) Rental income/receivable	₱57,964,248	₱4,495,516	Three to five year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
b) Advances from	45,808,682	(201,313,407)	Non-interest bearing; due and demandable	Unsecured
Under common control of Ultimate Parent Company				
c) Cash and cash equivalents				
• Cash in banks	327,025,906	811,808,669	Interest bearing at prevailing market rate; at 1.00% to 1.13% per annum due and demandable	Unsecured; no impairment
• Short-term investments	1,414,410,627	1,414,410,627	Interest bearing at prevailing market rate; at 1.25% to 3.00% per annum due and demandable	Unsecured; no impairment
• Interest income	53,029,144	337,080		
a) Rental income/receivable	2,728,947,022	163,069,995	Three to five year lease terms at prevailing market lease rate; renewable at the end of lease term	Unsecured; no impairment
b) Advances to	–	17,635,524	Non-interest bearing; due and demandable	Unsecured; no impairment
b) Advances from	299,283	(30,487,371)	Non-interest bearing; due and demandable	Unsecured
d) Sale of lease receivables	1,017,153.531	–	Non-interest bearing; payable in installments	Unsecured; no impairment
Joint ventures in which the Parent Company is a venturer				
b) Advances to	190,000,000	190,000,000	Interest-bearing at PDST R2 of applicable interest period	Unsecured; no impairment
f) Sale of land - contract liabilities	2,705,550,000	(2,705,550,000)	Non-interest bearing; due in one year	Unsecured; no impairment
g) Sale of land - contract assets	2,507,450,000	4,011,920,000	Interest bearing at 4% interest rate; due in 4 annual installment	Unsecured; no impairment
Elimination of excess of gain on sale against investment in joint venture	2,109,137,322	(1,118,639,671)		
Interest income from sale of land - contract assets	78,634,875	78,634,875		
Elimination of excess of interest income against investment in joint venture – contract liabilities	39,317,437	(39,317,437)		
Other related parties				
b) Advances to	297,835,897	297,835,897	Non-interest bearing; due and demandable	Unsecured; no impairment
		₱2,894,840,297		

Outstanding balances consist of the following:

	2019	2018
Cash and cash equivalents (Note 7)	**₱1,916,343,567**	₱2,226,219,296
Receivable from affiliated companies (Note 8)	**1,355,316,367**	207,635,524
Advances to lot owners (Note 14)	**375,275,547**	297,835,897
Rental receivables (Note 8)	**124,212,419**	167,565,511
Others (Note 8)	**229,557**	337,080
Contract assets (Note 10)	**3,150,899,070**	4,090,554,875
Contract liabilities (Note 16)	**(3,780,364,197)**	(3,863,507,108)
Payable to affiliated companies (Note 17)	**(163,251,787)**	(231,800,778)
	₱2,978,660,543	₱2,894,840,297

Significant transactions with related parties are as follows:

a) *Rental income*
The Group leases commercial properties to affiliated companies with a lease term of three to twenty years based on prevailing market lease rates.

b) *Advances to (from) affiliated companies*
The Group, in the normal course of business, has transactions with its major stockholders, Ultimate Parent Company and its affiliated companies consisting principally of lease arrangements and advances principally for working capital requirement, financing for real estate development, and purchase of investment properties.

In October 2018, the Parent Company entered a Loan Agreement with RHK Land Corporation, a joint venture with Hong Kong Land Group, to make available a loan facility amounting to ₱1,400 million. As of December 31, 2019 and 2018, total drawdown from this credit facility is ₱330 million and ₱190 million, respectively.

In 2019 and 2018, the Parent Company has made advances to shareholders of BRFLC amounting to ₱77 million and ₱298 million, respectively, for the purchase of parcels of land.

On June 13, 2019, the Parent Company has made advances to SRPI amounting to ₱1,000 million in accordance with the joint venture agreement. The advances remain outstanding as of December 31, 2019.

c) *Cash and cash equivalents*
The Group maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

d) *Sale of lease receivables*
On May 26, 2017, the Parent Company entered into a master agreement with an affiliate bank to sell the former's installment contract receivable from its lease-to-own arrangements on a without recourse basis through various tranches. For the year ended December 31, 2018, the Parent Company sold its lease receivables with a carrying value of ₱1,017 million to the affiliate bank which resulted to a gain amounting to ₱119 million. No installment contract receivables from lease-to-own arrangements were sold in 2019.

e) *Sale of Land – RLC DMCI Property Ventures, Inc.*
On April 12, 2019, the Parent Company entered a contract to sell a portion of its two (2) parcels of land situated in Las Pinas City, with RLC DMCI Property Ventures, Inc. (RLC DMCI), a joint venture with DMCI Property Developers, Inc. Total selling price is ₱435 million while the cost of the land sold is ₱160 million. This was paid in full on May 9, 2019.

Sale of Land – RHK Land Corporation
In 2018, the Parent Company also entered into a contract to sell a parcel of land located within the Bridgetowne Complex in Pasig City with RHK Land Corporation. Control Total selling price of the land is ₱2,706 million (net of value added tax) which was fully paid as of December 31, 2018 and presented as contract liabilities in consolidated statements of financial position.

g) *Sale of Land – Shang Robinsons Properties, Inc.*
In June 2018, the Parent Company entered into a contract to sell two (2) adjoining parcels of land located at Bonifacio, Global City Taguig, with Shang Robinsons Properties Inc. (SRPI), a joint venture with Shang Properties, Inc. (SPI). Total selling price is ₱5,015 million (net of value added tax) and shall be payable in five (5) annual installments, with interest at a rate of 4% per annum on the unpaid amount of the purchase price. Out of the amount of selling price and cost of land, ₱2,507 million and ₱398 million were recognized in real estate sales and cost of real estate sales, respectively. These amounts represent the portion sold to SPI by virtue of its 50% ownership in SRPI. The remaining 50% will be recognized as the SRPI starts to sell to its customers. In 2019, the Parent Company realized ₱26 million from this deferred gain. As of December 31, 2019, ₱1,079 million was charged against the carrying value of the Investment in SRPI and ₱1,113 million is currently presented under noncurrent contract liabilities as of December 31, 2018 (see Note 32). Outstanding balance for the purchase price amounted to ₱3,009 million presented under contract assets while interest from the said receivable amounted to ₱71 million.

Terms and conditions of transactions with related parties
There have been no guarantees provided or received for any related party receivables or payables. The Group has not recognized any impairment losses on amounts receivables from related parties for the years ended December 31, 2019, 2018 and 2017. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel by benefit type follows:

	2019	2018	2017
Short-term employee benefits	**₱1,233,076,287**	₱971,417,842	₱863,112,728
Post-employment benefits	**63,406,042**	61,807,906	55,303,477
	₱1,296,482,329	₱1,033,225,748	₱918,416,205

There are no other arrangements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled to under the Group's pension plan.

Approval requirements and limits on the amount and extent of related party transactions
Material related party transactions (MRPT) refers to any related party transactions, either individually, or in aggregate over a twelve (12)–month period with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited financial statements.

All individual MRPTs shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a 12-month period that meets or breaches the materiality threshold shall require the same Board approval in item number five (5) above.

23. Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time, respectively, in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

	2019	2018	2017
Revenue from contracts with customers			
Recognized over time			
Residential development	**₱8,708,003,578**	₱8,345,617,524	₱5,973,248,023
Recognized at a point in time			
Industrial and integrated developments	**320,940,495**	2,546,767,437	–
Hotels and resorts	**2,432,639,988**	1,982,137,914	1,892,873,758
Amusement income	**2,151,785,393**	1,972,527,785	1,802,643,181
	4,905,365,876	6,501,433,136	3,695,516,939
Total revenue from contracts with customers	**13,613,369,454**	14,847,050,660	9,668,764,962
Rental income	**15,420,499,255**	13,548,204,208	11,581,560,401
Other income	**1,549,966,856**	1,163,227,782	1,266,492,267
	₱30,583,835,565	₱29,558,482,650	₱22,516,817,630

Performance obligations

Information about the Group's performance obligations are summarized below:

Real estate sales

The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the (i) serviced lot; (ii) serviced lot and house and (ii) condominium unit. The Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31 are, as follows:

	2019	2018
Within one year	**₱14,184,663,585**	₱11,833,678,481
More than one year	**2,958,482,166**	3,476,526,315
	₱17,143,145,751	₱15,310,204,796

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three years and five years, respectively, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

Residential development

Type of Product

	2019	2018	2017
Residences	**₱4,621,972,405**	₱5,118,889,727	₱3,239,567,530
Communities	**1,709,120,601**	1,380,754,562	1,368,215,466
Luxuria	**1,362,067,482**	961,311,272	602,867,325
Homes	**1,014,843,090**	884,661,963	762,597,702
	₱8,708,003,578	₱8,345,617,524	₱5,973,248,023

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Real estate sales include interest income from installment contract receivable amounting to ₱323 million, ₱942 million and ₱1,715 million for the years ended December 31, 2019, 2018 and 2017. These are also recognized over time.

Industrial and integrated developments

The real estate revenues amounting to ₱321 million and ₱2,547 million in 2019 and 2018, respectively, pertain to the sale of parcels of land which were recognized at a point in time (see Note 22).

Hotels and resorts

Type of Product	**2019**	2018	2017
Rooms	**₱1,604,880,400**	₱1,312,576,731	₱1,210,221,728
Food and beverage	**724,881,634**	593,105,042	621,883,904
Franchise revenue	**27,137,473**	16,819,902	16,838,778
Others	**75,740,481**	59,636,239	43,929,348
	₱2,432,639,988	₱1,982,137,914	₱1,892,873,758

Costs to obtain contract

The balances below pertain to the costs to obtain contract presented in the consolidated financial statements.

	2019	2018
Balance at the beginning of the year	**₱283,276,408**	₱354,758,625
Additions	**609,096,655**	653,599,770
Amortization (Note 25)	**(662,201,925)**	(725,081,987)
	₱230,171,138	₱283,276,408

The adoption of PFRS 15 on January 1, 2018 resulted to increase in commission payable under "Accounts payable and accrued expenses" of ₱269 million, increase in prepaid expense under "Other current assets" of ₱353 million and increase in retained earnings of ₱84 million in the consolidated statement of financial position and consolidated statement of changes in equity as of January 1, 2018.

24. **Costs**

	2019	2018	2017
Real Estate Operations			
Cost of Rental Services			
Depreciation (Note 26)	**₱4,607,173,026**	₱4,208,494,869	₱3,732,988,642
Property operations and maintenance costs (Note 12)	**680,456,641**	791,291,480	710,458,514
Accretion of security deposit (Notes 17 and 28)	**76,293,508**	72,906,097	56,147,861
	5,363,923,175	5,072,692,446	4,499,595,017
Cost of Real Estate Sales (Note 9)	**4,235,325,163**	4,931,427,825	3,143,037,387
Cost of Amusement Services			
Film rentals expense	**956,468,868**	906,006,116	820,824,802
Others			
Contracted services	**448,170,471**	363,415,700	253,137,260
Others	**1,110,670,362**	838,169,402	559,279,805
	1,558,840,833	1,201,585,102	812,417,065
	12,114,558,039	12,111,711,489	9,275,874,271
Hotel Operations			
Cost of Room Services			
Property operations and maintenance costs	**454,239,278**	425,605,463	386,759,727
Depreciation (Note 26)	**359,372,389**	248,237,776	181,125,459
	813,611,667	673,843,239	567,885,186
Cost of Food and Beverage	**380,535,302**	320,069,980	353,667,814
Others			
Salaries and wages (Note 27)	**227,866,865**	97,141,168	60,005,353
Contracted services	**162,308,423**	85,818,160	69,033,445
Management fee	**27,473,180**	73,189,792	64,430,314
Supplies	**60,043,442**	37,493,390	21,336,897
Commission	**54,021,163**	15,255,321	8,709,538
Others	**363,728,219**	254,069,725	205,443,822
	895,441,292	562,967,556	428,959,369
	2,089,588,261	1,556,880,775	1,350,512,369
	₱14,204,146,300	₱13,668,592,264	₱10,626,386,640

Others under costs of real estate operations and hotel operations include expenses for utilities, and other overhead expenses.

25. General and Administrative Expenses

	2019	2018	2017
Salaries and wages (Notes 22, 27 and 31)	**₱1,095,392,480**	₱936,084,580	₱858,410,852
Taxes and licenses	**871,343,597**	732,215,601	688,653,834
Commission	**807,360,809**	800,153,709	588,617,839
Advertising and promotions	**610,213,348**	655,239,141	520,144,547
Association dues	**235,682,979**	117,117,754	105,739,200
Insurance	**152,723,079**	132,096,341	140,294,103
Supplies	**97,689,379**	104,142,986	133,003,519
Light, water and communication	**89,871,012**	97,834,528	105,103,790
Travel and transportation	**53,522,483**	77,071,904	69,776,197
Rent (Note 36)	**16,184,587**	245,990,220	52,014,409
Entertainment, amusement and recreation	**16,030,117**	18,231,929	21,153,204
Others	**50,779,530**	80,174,176	45,105,053
	₱4,096,793,400	₱3,996,352,869	₱3,328,016,547

26. Depreciation

	2019	2018	2017
Real estate (Notes 12, 13, 24 and 36)			
Depreciation	**₱4,550,908,737**	₱4,208,494,869	₱3,732,988,642
Amortization of ROU asset	**56,264,289**	–	–
Hotel operations (Notes 13 and 24)			
Depreciation	**359,372,389**	248,237,776	181,125,459
	₱4,966,545,415	₱4,456,732,645	₱3,914,114,101

27. Personnel Expenses

Personnel expenses consist of (see Notes 24 and 25):

	2019	2018	2017
Salaries, wages and other staff costs	**₱1,162,639,446**	₱917,284,253	₱811,588,387
Pension expense (Note 31)	**86,267,912**	61,807,906	55,303,477
SSS contributions, PAG-IBIG contributions, premiums and others	**74,351,987**	54,133,589	51,524,341
	₱1,323,259,345	₱1,033,225,748	₱918,416,205

The above amounts are distributed as follows:

	2019	2018	2017
General and administrative (Note 25)	**₱1,095,392,480**	₱936,084,580	₱858,410,852
Hotel operations (Note 24)	**227,866,865**	97,141,168	60,005,353
	₱1,323,259,345	₱1,033,225,748	₱918,416,205

28. Other Income (Losses), Interest Income, Interest Expense and Finance Charges

Interest income consists of:

	2019	2018	2017
Interest income:			
Cash and cash equivalents (Note 7)	**₱287,417,657**	₱156,969,192	₱36,809,915
Interest income from installment contract receivable - recognized under real estate sales (Note 23)	**322,778,964**	981,619,432	1,714,559,283
	₱610,196,621	₱1,138,588,624	₱1,751,369,198

Interest expense consists of (see Notes 17, 18 and 36):

	2019	2018	2017
Loans payable (Note 18)	**₱907,257,726**	₱836,112,262	₱778,194,869
Lease liabilities (Note 36)	**145,565,692**	–	–
Accretion on deposits – recognized under cost of rental services (Notes 17 and 24)	**76,293,508**	72,906,097	56,147,861
	₱1,129,116,926	₱909,018,359	₱834,342,730

Capitalized borrowing costs for the years ended December 31, 2019, 2018 and 2017 are discussed in Notes 9, 12, 13 and 18.

29. Income Tax

The Group's provision for income tax includes the regular corporate income tax (RCIT), minimum corporate income tax (MCIT) and final tax paid at the rate of 20% for peso deposits and 7.50% for foreign currency deposits which are final withholding tax on gross interest income. Details follow:

	2019	2018	2017
Current			
RCIT	**₱2,249,459,433**	₱2,305,197,006	₱1,771,169,116
Final tax	**22,710,178**	14,307,463	6,460,001
MCIT	**4,699,110**	403,217	315,448
	2,276,868,721	2,319,907,686	1,777,944,565
Deferred	**537,305,284**	699,159,325	173,025,316
	₱2,814,174,005	₱3,019,067,011	₱1,950,969,881

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

	2019	2018	2017
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.33)**	(0.41)	(0.01)
Tax exempt real estate sales	**(0.19)**	(0.22)	(0.11)
Income subjected to BOI, PEZA and lower tax	**(5.03)**	(2.52)	(4.98)
Effective income tax rate	**24.45%**	26.85%	24.90%

Deferred taxes as of December 31, 2019 and 2018 relate to the tax effects of the following:

	2019	2018
Deferred tax assets:		
Lease liabilities	**₱580,765,271**	₱–
Pension liabilities	**126,926,589**	107,369,265
Accrued interest expense	**126,624,344**	242,597,937
Allowance for impairment loss	**14,302,980**	14,302,980
Accrued commissions	**13,103,724**	6,842,082
MCIT	**10,782,821**	2,168,956
Accrued rent expense (Note 3)	**–**	507,821,606
	872,505,729	881,102,826
Deferred tax liabilities:		
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(2,324,264,799)**	(1,877,711,934)
Unamortized capitalized interest expense	**(1,913,922,879)**	(1,961,848,143)
Accrued rent income	**(579,446,575)**	(439,867,823)
Right-of-use asset	**(351,520,199)**	–
Unamortized debt issuance cost	**(34,243,938)**	(44,102,089)
Fair value reserve of financial assets at FVOCI	**(37,215,115)**	(3,781,008)
Prepaid rent (Notes 3 and 14)	**–**	(134,440,664)
	(5,240,613,505)	(4,461,751,661)
Net deferred tax liabilities	**(₱4,368,107,776)**	(₱3,580,648,835)

Provision for deferred tax relating to remeasurements of defined benefit liability recognized directly in equity amounted to ₱12 million, ₱12 million and ₱29 million for the years ended December 31, 2019, 2018 and 2017, respectively.

The Group has deductible temporary difference that is available for offset against taxable income or tax payable for which deferred tax asset has not been recognized. This deductible temporary difference with no deferred tax assets recognized in the consolidated financial statements pertains to NOLCO of subsidiaries amounting to ₱9 million and ₱3 million as of December 31, 2019 and 2018, respectively. The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱3 million and ₱1 million as of December 31, 2019 and 2018, respectively.

The carryover NOLCO that can be claimed as deduction from future taxable income and MCIT that can be used as deductions against income tax liabilities are as follows:

Period of recognition	Amount	Period of expiration
NOLCO		
December 31, 2019	₱8,613,865	December 31, 2022
December 31, 2017	517,845	December 31, 2020
	₱9,131,710	

Period of recognition	Amount	Period of expiration
MCIT		
December 31, 2019	₱4,699,110	December 31, 2022
December 31, 2018	403,217	December 31, 2021
December 31, 2017	315,448	December 31, 2020
	₱5,417,775	

Movement in NOLCO and MCIT follows:

NOLCO	**2019**	2018
Beginning balances	**₱2,854,754**	₱3,754,601
Additions	**8,613,865**	–
Expirations	**(2,336,909)**	(899,847)
Ending balances	**₱9,131,710**	₱2,854,754

MCIT	**2019**	2018
Beginning balances	**₱1,009,765**	₱1,404,339
Additions	**4,699,110**	403,217
Expirations	**(291,100)**	(797,791)
Ending balances	**₱5,417,775**	₱1,009,765

30. Basic/Diluted Earnings Per Share

Earnings per share amounts were computed as follows:

		2019	2018	2017
a.	Net income attributable to equity holders of Parent Company	**₱8,686,233,159**	₱8,216,002,328	₱5,881,150,728
b.	Weighted average number of common shares outstanding adjusted (Note 21)	**5,193,830,685**	5,056,330,685	4,093,830,685
c.	Earnings per share (a/b)	**₱1.67**	₱1.62	₱1.44

There were no potential dilutive shares for the years ended December 31, 2019, 2018 and 2017.

31. Employee Benefits

Pension Plans

The Group has funded, noncontributory, defined benefit pension plans covering all of its regular employees.

It provides benefits based on a number of month's salary for every year of service. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with Robinsons Bank Corporation (RBC) as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Group, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions.

The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. RBC manages the plan assets based on the mandate as defined in the trust agreement.

The components of pension expense (included in "Personnel expenses" under "Costs and General and administrative expenses" in the consolidated statements of comprehensive income) follow:

	2019	2018	2017
Service cost	**₱66,580,614**	₱43,783,555	₱42,269,949
Net interest cost	**19,687,298**	18,024,351	13,033,528
Pension expense	**₱86,267,912**	₱61,807,906	₱55,303,477

The Plan was amended effective April 1, 2019. The effect of the change in retirement plan is reflected as Past Service Cost and recognized immediately in the 2019 pension expense.

There are no plan amendments, curtailments or settlements for the years ended December 31, 2018 and 2017.

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

	2019	2018
Present value of defined benefit obligation	**₱481,501,376**	₱464,993,377
Fair value of plan assets	**(120,262,120)**	(139,980,890)
Pension liabilities	**₱361,239,256**	₱325,012,487

Changes in net defined benefit liability of funded funds follow:

		2019	
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liability/(asset)**
Balance at January 1, 2019	**₱464,993,377**	**₱139,980,890**	**₱325,012,487**
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	**44,277,528**	**–**	**44,277,528**
Past service cost	**22,303,086**	**–**	**22,303,086**
Net interest cost	**26,505,290**	**6,817,992**	**19,687,298**
Subtotal	**93,085,904**	**6,817,992**	**86,267,912**
Benefits paid	**(14,991,030)**	**(15,578,368)**	**587,338**
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	**(144,771,038)**	**–**	**(144,771,038)**
Actuarial changes arising from changes in financial/demographic assumptions	**83,184,163**	**–**	**83,184,163**
Return on plan assets	**–**	**(10,958,394)**	**10,958,394**
Subtotal	**(61,586,875)**	**(10,958,394)**	**(50,628,481)**
Balance at December 31, 2019	**₱481,501,376**	**₱120,262,120**	**₱361,239,256**

		2018	

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at January 1, 2018	₱470,681,322	₱146,133,669	₱324,547,653
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	43,783,555	–	43,783,555
Net interest cost	25,565,458	7,541,107	18,024,351
Subtotal	69,349,013	7,541,107	61,807,906
Benefits paid	(32,771,253)	(10,747,898)	(22,023,355)
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	8,541,377	–	8,541,377
Actuarial changes arising from changes in financial/demographic assumptions	(50,807,082)	–	(50,807,082)
Return on plan assets	–	(2,945,988)	2,945,988
Subtotal	(42,265,705)	(2,945,988)	(39,319,717)
Balance at December 31, 2018	₱464,993,377	₱139,980,890	₱325,012,487

	2017		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at January 1, 2017	₱510,599,931	₱157,465,185	₱353,134,746
Net benefit cost in consolidated statement of comprehensive income:			
Current service cost	42,269,949	–	42,269,949
Net interest cost	19,296,205	6,262,677	13,033,528
Subtotal	61,566,154	6,262,677	55,303,477
Benefits paid	(6,537,538)	(4,285,569)	(2,251,969)
Remeasurements in other comprehensive income:			
Actuarial changes arising from experience Adjustments	(3,493,005)	–	(3,493,005)
Actuarial changes arising from changes in financial/demographic assumptions	(91,454,220)	–	(91,454,220)
Return on plan assets	–	1,586,115	(1,586,115)
Subtotal	(94,947,225)	1,586,115	(96,533,340)
Others	–	(14,894,739)	14,894,739
Balance at December 31, 2017	₱470,681,322	₱146,133,669	₱324,547,653

The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

	2019	2018
Cash and cash equivalents:		
Savings deposit account	**₱1,729,968**	₱12,029,790
Other securities	**5,857,464**	72,112,909
	7,587,432	84,142,699
Investment in debt instruments:		
Fixed rate bonds	**32,429,238**	40,496,961
Other debt instruments	**6,098,772**	593,429
	38,528,010	41,090,390
Accrued interest receivable	**371,611**	1,292,771
Prepaid tax	**–**	86,384
Other assets	**73,779,070**	13,379,547
Accrued trust and management fee payable	**(4,003)**	(10,901)
	₱120,262,120	₱139,980,890

The composition of the fair value of the Fund includes:

- *Cash and cash equivalents* - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas.

- *Investment in debt instruments* - include investment in long-term debt notes and retail bonds issued by locally listed entities.

- *Accrued interest receivable and other receivable* - include interest earned from investments and receivable from affiliated companies.

- *Accrued trust and management fee payable* - pertains mainly to charges of trust or in the management of the plan.

The fund has no investment in the Parent Company as of December 31, 2019 and 2018.

The plan assets have diverse investments and do not have any concentration risk.

The management performs an asset-liability matching strategy annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The overall expected rates of return on assets are based on the market expectations prevailing as at the reporting date, applicable to the period over which the obligation is settled.

The Group expects to contribute ₱74 million to the defined benefit pension plans in 2020.

The average duration of the defined benefit obligation of the Group as of December 31, 2019 and 2018 is 17 years.

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

	2019	2018
Discount rate	**4.52% to 5.16%**	7.22% to 7.47%
Rate of salary increase	**5.70%**	5.70%

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of December 31, 2019 and 2018, assuming if all other assumptions were held constant.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The balances below show the addition/reduction in pension obligation assuming assumptions are changed:

		Increase (decrease) on pension liabilities	
		2019	2018
Discount rates	+1.00%	**(₱35,560,743)**	(₱35,504,208)
	-1.00%	**52,024,195**	30,654,463
Salary increase rates	+1.00%	**₱53,425,615**	₱33,946,545
	-1.00%	**(37,518,849)**	(38,928,574)

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

	2019	2018
Less than 1 year	**₱24,120,310**	₱35,924,617
More than 1 years to 5 years	**195,980,519**	206,215,578
More than 5 years to 10 years	**327,981,150**	359,644,904
More than 10 years to 15 years	**461,128,355**	462,759,453
More than 15 years to 20 years	**466,560,161**	333,364,369
More than 20 years	**968,316,035**	607,938,614

32. **Interest in Joint Ventures and Joint Operations**

A. Interest in Joint Ventures

This account consists of the following:

	Percentage of ownership	**2019**	2018
RHK Land Corporation	60.00	**₱1,375,530,317**	₱1,383,353,670
Robinsons DoubleDragon Corp.	65.72	**613,308,121**	–
RLC DMCI Property Ventures, Inc.	50.00	**361,343,210**	–
Shang Robinsons Properties, Inc.*	50.00	**–**	–
Balance at end of year		**₱2,350,181,648**	₱1,383,353,670

**Net of deferred gain from sale of land*

Details and movements of interests in joint ventures are as follows:

	2019	2018
Investment in stocks - cost:		
Balance at beginning of year	**₱1,409,502,348**	₱–
Additions	**1,124,368,855**	2,400,000,000
Elimination of interest income on the sale of land	**(69,606,759)**	(39,317,437)
Elimination of gain on sale of land to joint venture	**(156,240,112)**	(951,180,215)
Balance at end of year	**2,308,024,332**	1,409,502,348
Accumulated equity in net earnings (loss):		
Balance at beginning of year	**(26,148,678)**	–
Equity in net earnings (loss) during the year	**68,305,994**	(26,148,678)
Balance at end of year	**42,157,316**	(26,148,678)
	₱2,350,181,648	₱1,383,353,670

Joint Venture with Hong Kong Land Group
On February 5, 2018, the Parent Company's BOD approved the agreement with Hong Kong Land Group (HKLG) represented by Hong Kong Land International Holdings, Ltd. and its subsidiary Ideal Realm Limited to form a joint venture corporation (JVC).

On June 14, 2018, RHK Land Corporation (RHK Land), the JVC, was incorporated. RLC and HKLG owns 60% and 40%, respectively, of the outstanding shares in RHK Land. The principal office of the JVC is at 12F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Ortigas Center, Pasig City.

RLC and HKLG, through RHK Land, shall engage in the acquisition, development, sale and leasing of real property. RHK Land shall initially undertake the purchase of a property situated in Block 4 of Bridgetowne East, Pasig City, develop the property into a residential enclave and likewise carry out the marketing and sales of the residential units. RHK Land also plans to pursue other development projects.

In October 2018, the Parent Company entered into a Shareholder Loan Agreement with RHK Land (see Note 22). Repayment date falls on the fifth anniversary of the effective date (see Note 8).

The investment in RHK Land is accounted as an investment in joint venture using equity method of accounting because the contractual arrangement between the parties establishes joint control.

Summarized financial information of RHK Land, presented in Philippine Peso, which is its functional and presentation currency and prepared in accordance with PFRS as at December 31, 2019 and 2018 and for the year ended December 31, 2019 and for the period June 14, 2018 to December 31, 2018 are as follows:

Summarized statements of financial position:

	2019	2018
Current assets	**₱3,383,477,257**	₱3,146,328,337
Noncurrent assets	**72,523,671**	12,077,317
Current liabilities	**(23,155,433)**	(6,149,537)
Noncurrent liabilities	**(681,784,862)**	(380,000,000)
Equity	**2,751,060,633**	2,772,256,117
Proportion of Group's ownership	**60.00%**	60.00%
Group's share in identifiable net assets	**1,650,636,380**	1,663,353,670
Carrying amount of investment	**₱1,375,530,317**	₱1,383,353,670

Summarized statements of comprehensive income:

	2019 (One year)	2018 (Six and a half months)
Interest income	**₱234,930**	₱373,793
Interest expense	**(1,363,546)**	–
Depreciation	**(6,567,627)**	(10,444)
Other expenses	**(25,331,213)**	(40,026,236)
Loss before income tax	**(33,027,456)**	(39,662,887)
Income tax benefit	**9,931,730**	11,919,002
Net loss	**(23,095,726)**	(27,743,885)
Other comprehensive income	**–**	–
Total comprehensive loss	**(₱23,095,726)**	(₱27,743,885)

Additional information:

	2019	2018
Cash and cash equivalents	**₱110,354,539**	₱69,647,842
Noncurrent financial liabilities*	**681,784,862**	380,000,000

**Excluding trade and other payables and provision.*

Reconciliation of the carrying amount of investment in RHK Land as of December 31, 2019 and 2018 is as follows:

	2019	2018
Beginning Balance	**₱1,383,353,670**	₱–
Additional investment	**–**	1,400,000,000
Equity in net loss	**(7,823,353)**	(16,646,330)
Carrying amount of investment	**₱1,375,530,317**	₱1,383,353,670

Joint Venture with DoubleDragon Properties Corporation
On December 26, 2019, Robinsons DoubleDragon Corp. (RDDC) was incorporated as the joint venture company (JVC) between RLC and DoubleDragon Corporation. The primary purpose is to engage in realty development.

The investment in RDDC is accounted as an investment in joint venture using equity method of accounting because the contractual arrangement between the parties establishes joint control.

Summarized financial information of RDDC, presented in Philippine Peso, which is its functional and presentation currency and prepared in accordance with PFRS as at December 31, 2019 and for the period December 26, 2019 to December 31, 2019 are as follows:

Summarized statement of financial position:

Current assets	₱207,092,261
Noncurrent assets	805,030,515
Current liabilities	(78,952,079)
Equity	933,170,697
Proportion of Group's ownership	65.72%
Group's share in identifiable net assets	613,308,121
Carrying amount of investment	₱613,308,121

Summarized statement of comprehensive income:

Other expenses	(₱24,041,690)
Income tax benefit	7,212,387
Net loss	(16,829,303)
Other comprehensive income	–
Total comprehensive loss	(₱16,829,303)

Additional information:

Cash and cash equivalents	₱112,768,935

Reconciliation of the carrying amount of investment in RDDC as of December 31, 2019 is as follows:

Initial investment	₱624,368,855
Equity in net loss	(11,060,734)
Carrying amount of investment, December 31, 2019	₱613,308,121

Joint Venture with DMCI Project Developers, Inc.
In October 2018, the Parent Company entered into a Joint Venture Agreement with DMCI Project Developers, Inc. (DMCI PDI) to develop, construct, manage, and sell a residential condominium situated in Las Pinas City. Both parties agreed to incorporate a joint venture corporation where each party will hold a 50% ownership.

On March 18, 2019, RLC DMCI Property Ventures, Inc. (RLC DMCI) was incorporated as the joint venture company (JVC) between RLC and DMCI PDI. The proposed project is intended to be a multi-tower residential condominium and may include commercial spaces.

The investment in RLC DMCI is accounted as an investment in joint venture using equity method of accounting because the contractual arrangement between the parties establishes joint control.

Summarized financial information of RLC DMCI, presented in Philippine Peso, which is its functional and presentation currency and prepared in accordance with PFRS as at December 31, 2019 and for the period March 18, 2019 to December 31, 2019 are as follows:

Summarized statement of financial position:

Current assets	₱1,990,136,107
Noncurrent assets	42,978,919
Current liabilities	(53,162,175)
Noncurrent liabilities	(992,681,286)
Equity	987,271,565
Proportion of Group's ownership	50.00%
Group's share in identifiable net assets	493,635,783
Carrying amount of investment	₱361,343,210

Summarized statement of comprehensive income:

Interest income	₱5,768,638
Interest expense	(9,882,647)
Other expenses	(4,077,708)
Loss before income tax	(8,191,717)
Income tax benefit	5,463,284
Net loss	(2,728,433)
Other comprehensive income	–
Total comprehensive loss	(₱2,728,433)

Additional information:

Cash and cash equivalents	₱967,056,774
Noncurrent financial liabilities*	(992,681,286)

**Excluding trade and other payables and provision.*

Reconciliation of the carrying amount of investment in RLC DMCI as of December 31, 2019 is as follows:

Initial investment	₱500,000,000
Equity in net loss	(1,364,217)
Elimination of gain on sale of land (Note 22)	(137,292,573)
Carrying amount of investment, December 31, 2019	₱361,343,210

Joint Venture with Shang Properties, Inc.
On November 13, 2017, the Parent Company's BOD approved the agreement with Shang Properties, Inc. (SPI) to form a joint venture corporation (JVC).

On May 23, 2018, Shang Robinsons Properties, Inc. (SRPI), the JVC, was incorporated. Both RLC and SPI each own 50% of the outstanding shares in SRPI. The office address of SRPI is at Lower Ground Floor, Cyber Sigma Building, Lawton Avenue, Fort Bonifacio Taguig.

RLC and SPI, through SRPI, shall build and develop a property situated at McKinley Parkway corner 5th Avenue and 21st Drive at Bonifacio Global City, Taguig, Metro Manila. The project is intended to be a mixed-use development and may include residential condominium units, serviced apartments and commercial retail outlets. SRPI also plans to pursue other development projects.

The investment in the SRPI is accounted as an investment in joint venture using equity method of accounting because the contractual arrangement between the parties establishes joint control.

In accordance with the joint venture agreement with SPI, the Parent Company agrees to extend loan to SRPI, at fair and commercial rates comparable to loans extended by third party banks and financial institutions, an amount of ₱1,000 million annually starting April 1, 2019 up to April 1, 2022. As of December 31, 2019, the Parent Company has already extended a loan to SRPI amounting to ₱1,000 million (see Note 8).

Summarized financial information of SRPI, presented in Philippine Peso, which is its functional and presentation currency and prepared in accordance with PFRS as at and for the years ended December 31, 2019 and 2018 are as follows:

Summarized statements of financial position:

	2019	2018
Current assets	**₱9,146,232,494**	₱6,102,092,876
Noncurrent assets	**9,654,289**	8,483,006
Current liabilities	**(1,944,842,884)**	(1,120,640,577)
Noncurrent liabilities	**(5,052,940,000)**	(3,008,940,000)
Equity	**2,158,103,899**	1,980,995,305
Proportion of Group's ownership	**50.00%**	50.00%
Group's share in identifiable net assets	**1,079,051,949**	990,497,652
Carrying amount of investment	**₱–**	₱–

Summarized statements of comprehensive income:

	2019 (One year)	2018 (Seven months)
Revenue	**₱461,237,320**	₱–
Cost of sales	**172,582,512**	–
Gross profit	**288,654,808**	–
Interest income	**9,735,751**	788,984
Depreciation	**(118,599)**	–
Other income (expenses)	**(46,650,505)**	(28,276,685)
Income (loss) before income tax	**251,621,455**	(27,487,701)
Income tax benefit (expense)	**(74,512,861)**	(8,483,006)
Net income (loss)	**177,108,594**	(19,004,695)
Other comprehensive income	**–**	–
Total comprehensive income (loss)	**₱177,108,594**	(₱19,004,695)

Additional information:

	2019	2018
Cash and cash equivalents	**₱3,379,326,909**	₱739,228,057
Noncurrent financial liabilities*	**2,000,000,000**	–

**Excluding trade and other payables and provision.*

Reconciliation of the carrying amount of investment in SRPI as of December 31, 2019 and 2018 is as follows:

	2019	2018
Beginning balance	**₱990,497,652**	₱–
Additional investment	**–**	1,000,000,000
Equity in net earnings (loss)	**88,554,297**	(9,502,348)
	1,079,051,949	990,497,652
Elimination of gain on sale of land (Note 22)	**(1,079,051,949)**	(990,497,652)
Carrying amount of investment	**₱–**	₱–

Gain on sale of land to SRPI attributable to the Parent Company was offset against the remaining carrying amount of investment in SRPI. The excess of the gain on sale of land amounting to ₱1,004 million and ₱1,119 million were presented as noncurrent contract liability as of December 31, 2019 and 2018, respectively.

B. Joint Operations

The Group has entered into joint venture agreements with various landowners and other companies with various percentage interests in these joint operations depending on the value of the land or investment against the estimated development costs. These joint venture agreements entered into by the Group relate to the development and sale of subdivision land, condominium and residential units, with certain level of allocation of condominium unites/lots to be sold to buyers with provisions for sharing in the cash collection on the sale of allocated developed unites.

The Group's joint venture agreements typically require the joint venture partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all the cost related to the land development and the construction of subdivision land, condominium and residential units, including the facilities.

Sales and marketing costs are allocated to both the Group and the joint operations partner. The projects covering the joint venture agreement are expected to be completed within two to three years. Each joint operations party has committed to contribute capital based on the terms of the joint venture agreement.

Interest in joint projects with Horizon Land Property & Development Corporation, formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (Jointly Controlled Operations)

On February 7, 2011, the Parent Company entered into a joint venture agreement with Horizon Land Property & Development Corporation (HLPDC), formerly Harbour Land Realty and Development Corp and Federal Land, Inc. (FLI) to develop Axis Residences (the Project) located along Pioneer Street in Mandaluyong City. The construction of the planned 2-phase residential condominium has commenced in March 2012. One tower of first phase was completed on September 2015.

The agreed contributions of the parties follow:
a. The Parent Company: Road lot valued at ₱89 million and development costs amounting ₱1,390 million
b. FLI: Development costs amounting ₱739 million
c. HLPDC, an affiliate of FLI: Four (4) adjoining parcels of land valued at ₱739 million located along Pioneer St., Mandaluyong City, 21,109 sqm

Further, the sharing of saleable units (inventories) of real estate revenue, cost of real estate sales and any common expenses incurred, are as follows: the Parent Company-50% and FLI-50%. Based on the foregoing, the Parent Company accounted for the joint arrangement as a jointly controlled operations and accordingly, recognized its share in the installment contract receivables, subdivision land, condominium and residential units for sale, deposits to joint venture partners, accounts payable, real estate sales and cost of real estate sales of the joint operations.

On December 6, 2017, the Parent Company executed an addendum agreement with HLPDC and FLI to discontinue the development of Phase II.

The following were the agreements included in the addendum:
a. The development of the Project shall be limited to Phase 1;
b. The discontinuance shall be without fault on either of the Parties. Accordingly, HLPDC and FLI shall reimburse RLC the amount of ₱193 million representing the non-development of four (4) towers of Phase II;
c. Ownership and right of possession of the parcels of land corresponding to Phase II shall remain to be with HLPDC and shall be excluded from the provisions of the JVA.
d. The perpetual right to use RLC's land contribution is limited to Phase I and to the adjacent properties owned by HLPDC, FLI or its affiliates.

The share of the Parent Company in the net assets and liabilities of the jointly controlled operations at December 31, 2019 and 2018 which are included in the consolidated financial statements follow:

Assets	**2019**	2018
Cash and cash equivalents	**₱961,787,721**	₱1,026,267,143
Receivables	**507,047,094**	214,465,202
Inventory	**352,942,190**	495,074,574
Other Assets	**24,684,586**	72,047,048
Total assets	**₱1,865,003,978**	₱1,821,203,440
Total liabilities	**₱1,753,666,726**	₱1,670,238,492

The following is the share of the Parent Company on the net income of the jointly controlled operations for the years ended December 31, 2019 and 2018:

	2019	2018
Realized sales	**₱389,132,912**	₱177,073,459
Interest and other income	**25,890,660**	59,207,139
	415,023,572	236,280,598
Cost of sales	**314,067,343**	70,889,146
General and administrative expenses	**16,308,595**	35,950,112
Income before income tax	**84,647,633**	201,341,564
Provision for income tax	**21,079,580**	55,007,239
Net income	**₱63,568,053**	₱146,334,325

There were no dividends declared in 2019 and 2018.

33. Financial Risk Management Objectives and Policies

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

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

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 and credit risk. The Group's policies for managing the aforementioned risks are summarized below.

Market risk

Foreign Currency Risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from financial instruments that are denominated in United States Dollar (USD) which result primarily from movement of the Philippine Peso (PHP) against the USD.

The Group does not have any foreign currency hedging arrangements.

The table below summarizes the Group's exposure to foreign currency risk:

	December 31, 2019		December 31, 2018	
Assets				
Cash and cash equivalents	**$900,147**	**₱45,578,947**	$547,927	₱28,809,976
Liabilities				
Accounts payable and accrued expenses	**483,259**	**24,469,776**	431,915	22,710,086
Net foreign currency-denominated assets	**$416,888**	**₱21,109,171**	$116,012	₱6,099,890

	December 31, 2019		December 31, 2018	
Assets				
Cash and cash equivalents	**RMB659,901,092**	**₱4,798,668,758**	RMB15,032,760	₱114,850,286
Restricted cash	**–**	**–**	995,642,536	7,606,708,972
Liabilities				
Accounts payable and accrued expenses	**101,213,015**	**736,000,799**	77,008,156	588,342,313
Loans payable	**–**	**–**	216,116,142	1,651,127,328
Net foreign currency-denominated assets	**RMB558,688,077**	**₱4,062,667,959**	RMB717,550,998	₱5,482,089,617

	December 31, 2019		December 31, 2018	
Assets				
Cash and cash equivalents	**SGD1,632**	**₱61,401**	SGD3,512	₱135,501

	December 31, 2019		December 31, 2018	
Assets				
Cash and cash equivalents	**CAD2,470**	**₱95,608**	₱–	₱–

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of December 31, 2019 and 2018 follow:

	December 31, 2018	December 31, 2018
US Dollar - Philippine Peso exchange rate	**₱50.64 to US$1.00**	₱52.58 to US$1.00

	December 31, 2019	December 31, 2018
Chinese Yuan - Philippine Peso exchange rate	**₱7.27 to RMB1.00**	₱7.64 to RMB1.00

The following table sets forth the impact of the range of reasonably possible changes in the USD-PHP exchange rate on the Group's income before income tax for the year ended December 31, 2019 and 2018.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
December 31, 2019	
2.0% PHP appreciation	**(₱422,182)**
2.0% PHP depreciation	**422,182**
December 31, 2018	
2.0% PHP appreciation	(₱121,998)
2.0% PHP depreciation	121,998

Reasonably Possible Changes in RMB-PHP Exchange Rates	Change in OCI
December 31, 2019	
2.0% PHP appreciation	**(₱81,253,359)**
2.0% PHP depreciation	**81,253,359**
December 31, 2018	
2.0% PHP appreciation	(₱109,560,034)
2.0% PHP depreciation	109,560,034

Sensitivity to foreign exchange rates is calculated on the Group's foreign currency denominated assets and liabilities, assuming a more likely scenario of foreign exchange rate of USD-PHP that can happen within 12 months after reporting date using the same balances of financial assets and liabilities as of reporting date.

The Group does not expect the impact of the volatility on other currencies to be material.

Liquidity risk
Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2019 and 2018, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant.

	December 31, 2019					
	On Demand	**1 to 3 months**	**4 to 12 months**	**More than 1 year but less than 5 years**	**5 years or more**	**Total**
Financial assets at amortized cost						
Cash and cash equivalents	**₱6,338,788,195**	**₱721,650,328**	**₱–**	**₱–**	**₱–**	**₱7,060,438,523**
Receivables						
Trade	**1,257,572,139**	**888,786,336**	**175,560,681**	**824,696,821**	**1,522,665,241**	**4,669,281,218**
Affiliated companies	**1,355,316,367**	**–**	**–**	**–**	**–**	**1,355,316,367**
Others	**35,316,134**	**697,396,765**	**67,020,060**	**–**	**–**	**799,732,959**
Other assets						
Restricted cash	**2,533,017,832**	**–**	**–**	**–**	**–**	**2,533,017,832**
Utility deposits	**8,417,364**	**–**	**–**	**510,878,279**	**233,501,843**	**752,797,486**
Total financial assets	**11,528,428,031**	**2,307,833,429**	**242,580,741**	**1,335,575,100**	**1,756,167,084**	**17,170,584,385**
Contract assets	**–**	**1,186,966,513**	**2,094,841,520**	**3,571,300,104**	**4,960,178,893**	**11,813,287,030**
Total financial assets and contract assets	**₱11,528,428,031**	**₱3,494,799,942**	**₱2,337,422,261**	**₱4,906,875,204**	**₱6,716,345,977**	**₱28,983,871,415**
Accounts payable and accrued expenses	**₱3,414,792,863**	**₱6,000,221,826**	**₱2,824,471,791**	**₱601,897,208**	**₱2,113,477,833**	**₱14,954,861,521**
Payables to affiliated companies and others (included under Deposits and other current liabilities)	**163,251,787**	**–**	**–**	**–**	**–**	**163,251,787**
Deposits from lessees	**–**	**1,432,862,955**	**1,495,736,314**	**1,764,874,057**	**1,406,670,869**	**6,100,144,195**
Loans payable and future interest payment	**–**	**9,168,537,285**	**1,010,879,696**	**28,726,359,279**	**4,697,440,697**	**43,603,216,957**
Other financial liabilities	**₱3,578,044,650**	**₱16,601,622,066**	**₱5,331,087,801**	**₱31,093,130,544**	**₱8,217,589,399**	**₱64,821,474,460**

	December 31, 2018					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Cash and cash equivalents	₱1,129,430,200	₱1,414,410,627	₱–	₱–	₱–	₱2,543,840,827
Receivables						
Trade	1,085,800,675	966,656,728	237,352,358	892,906,428	673,158,434	3,855,874,623
Affiliated companies	207,635,524	–	–	–	–	207,635,524
Others	30,590,863	167,861,293	66,474,447	–	–	264,926,603
Other assets						
Restricted cash	7,607,789,241	–	–	–	–	7,607,789,241
Utility deposits	7,831,041	–	–	558,738,138	233,442,871	800,012,050
Total financial assets	10,069,077,544	2,548,928,648	303,826,805	1,451,644,566	906,601,305	15,280,078,868
Contract assets	–	2,067,637,493	2,499,046,538	5,419,379,334	702,507,889	10,764,362,285
Total financial assets and contract assets	₱10,069,077,544	₱4,616,566,141	₱2,802,873,343	₱6,871,023,900	₱1,609,109,194	₱26,044,441,153
Accounts payable and accrued expenses	₱2,958,788,007	₱5,386,449,769	₱3,850,806,462	₱908,418,034	₱1,670,432,660	₱14,774,894,932
Payables to affiliated companies and others (included under Deposits and other current liabilities)	245,560,778	–	–	–	–	245,560,778
Deposits from lessees	–	1,326,597,382	1,332,081,610	1,847,971,470	802,800,443	5,309,450,905
Loans payable and future interest payment	–	1,450,394,536	1,057,821,292	4,509,498,021	631,982,342	7,649,696,191
Other financial liabilities	₱3,204,348,785	₱8,163,441,687	₱6,240,709,364	₱7,265,887,525	₱3,105,215,445	₱27,979,602,806

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both onshore and offshore.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligation with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts, whenever it's advantageous to the Group.

The Group has no financial instruments with variable interest rates exposed to interest rate risk as of December 31, 2019 and 2018.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis. These measures result in the Group's exposure to impairment loss as not significant.

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2019 and 2018 without considering the effects of collaterals and other credit risk mitigation techniques:

	2019	2018
Cash and cash equivalents (net of cash on hand)	**₱7,031,435,021**	₱2,514,810,790
Receivables - net		
Trade receivables		
Installment contract receivable - at amortized cost	**304,213,221**	248,215,352
Installment contract receivable - at FVOCI	**990,081,179**	785,221,675
Rental receivables	**1,008,736,134**	1,412,745,318
Accrued rent receivable	**1,672,789,954**	1,256,405,124
Hotel operations	**693,460,730**	153,287,154
Affiliated companies	**1,355,316,367**	207,635,524
Other receivables	**799,732,959**	264,926,603
Contract assets	**10,850,174,053**	10,764,362,285
Other assets		
Restricted cash – escrow	**2,533,017,832**	7,607,789,241
Utility deposits	**752,797,486**	800,012,050
Financial assets at fair value through OCI	**91,674,297**	–
	₱28,083,429,233	₱26,015,411,116

The credit risk on installment contract receivables is mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

Applying the expected credit risk model did not result in the recognition of an impairment loss for all financial assets at amortized cost in 2019 and 2018.

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risks.

c. Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as of December 31, 2019 and 2018, gross of allowance for credit and impairment losses:

	December 31, 2019					
	Neither Past Due Nor Impaired					
	High Grade	**Standard Grade**	**Substandard Grade**	**Past Due but not Impaired**	**Past Due and Impaired**	**Total**
Cash and cash equivalents	**₱7,031,435,021**	**₱–**	**₱–**		**₱–**	**₱7,031,435,021**
Receivables:						
Trade receivables						
Installment contract receivables - at amortized cost	**–**	**–**	**–**	**304,213,221**	**19,000,000**	**323,213,221**
Installment contract receivables - at FVOCI	**963,112,977**	**–**	**–**	**26,968,202**	**–**	**990,081,179**
Rental receivables	**269,344,986**	**–**	**–**	**739,391,148**	**13,905,027**	**1,022,641,161**
Accrued rent receivables	**1,672,789,954**	**–**	**–**	**–**	**–**	**1,672,789,954**
Hotel operations	**506,461,162**	**–**	**–**	**186,999,568**	**14,771,574**	**708,232,304**
Affiliated companies	**1,355,316,367**	**–**	**–**	**–**	**–**	**1,355,316,367**
Other receivables	**799,732,959**	**–**	**–**	**–**	**–**	**799,732,959**
Other assets						
Restricted cash	**2,533,017,832**	**–**	**–**	**–**	**–**	**2,533,017,832**
Utility deposits	**752,797,486**	**–**	**–**	**–**	**–**	**752,797,486**
Financial assets at fair value through OCI	**91,674,297**	**–**	**–**	**–**	**–**	**91,674,297**
	₱15,975,683,041	**₱–**	**₱–**	**₱1,257,572,139**	**₱47,676,601**	**₱17,280,931,781**

	December 31, 2018					
	Neither Past Due Nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Past Due and Impaired	Total
Cash and cash equivalents	₱2,514,810,790	₱–	₱–		₱–	₱2,514,810,790
Receivables:						
Trade receivables						
Installment contract receivables - at amortized cost	–	–	–	248,215,352	19,000,000	267,215,352
Installment contract receivables - at FVOCI	768,989,701			16,231,974		785,221,675
Rental receivables	694,942,129	–	–	717,803,189	13,905,027	1,426,650,345
Accrued rent receivables	1,256,405,124	–	–	–	–	1,256,405,124
Hotel operations	49,736,994	–	–	103,550,160	14,771,574	168,058,728
Affiliated companies	207,635,524	–	–	–	–	207,635,524
Other receivables	264,926,603	–	–	–	–	264,926,603
Other assets						
Restricted cash	7,607,789,241	–	–	–	–	7,607,789,241
Utility deposits	800,012,050	–	–	–	–	800,012,050
	₱14,165,248,156	₱–	₱–	₱1,085,800,675	₱47,676,601	₱15,298,725,432

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in foreign and local banks belonging to the top ten (10) banks, including an affiliate bank, in the Philippines in terms of resources, profitability and credit standing.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Receivable from installment contract receivables are considered high grade as title of the real estate property of the subject receivable passes to the buyer once fully paid. Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up actions and extended payment terms.

34. Financial Instruments

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

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

	December 31, 2019		December 31, 2018	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Installment contract receivable				
Measured at amortized cost	**₱304,213,221**	**₱293,559,365**	₱283,447,326	₱265,449,828
Measured at FVOCI	**990,081,179**	**990,081,179**	785,221,675	785,221,675
Equity investment at FVOCI	**91,674,297**	**91,674,297**	–	–
Deposits from lessees	**6,100,144,195**	**5,535,394,216**	5,309,450,905	4,570,524,401
Lease liabilities	**1,935,884,238**	**1,586,920,563**	–	–
Loans payable	**34,715,272,176**	**13,741,562,945**	37,385,239,001	7,649,696,191

The fair values of installment contract receivables, customers' deposits, lease liabilities and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date. The discount rates used range from 3.6% to 4.3% as of December 31, 2019 and 3.0% to 4.7% as of December 31, 2018.

The fair value of equity investments at FVOCI are based on discounted value of future cash flows using the applicable rate of 11.8% to 12.5% as of December 31, 2019.

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 contract receivables, deposits from lessees and loans payable disclosed in the consolidated financial statements is categorized within level 3 of the fair value hierarchy. There has been no reclassification from Level 1 to Level 2 or 3 category.

35. Registration with the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA)

Certain operations of the Group are registered with the BOI and PEZA as preferred pioneer and non-pioneer activities. As registered enterprises, these consolidated subsidiaries are subject to some requirements and are entitled to certain tax and non-tax incentives which are considered in the computation of the provision for income tax.

<u>Dusit Thani Mactan Cebu Resort</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Dusit Thani Mactan Cebu Resort)” on a Non-Pioneer status at a capacity of two hundred seventy two (272) rooms, under Certificate of Registration No. 2019-061 dated March 28, 2019. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from March 2019 to March 2023.

<u>Summit Hotel Greenhills</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Summit Hotel Greenhills)” on a Non-Pioneer status at a capacity of one hundred (100) rooms, under Certificate of Registration No. 2019-093 dated May 15, 2019. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2019 to June 2023.

<u>Go Hotel, Iloilo</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iloilo)” on a Non-Pioneer status at a capacity of one hundred sixty seven (167) rooms, under Certificate of Registration No. 2014-016 dated January 29, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2014 to January 2018.

<u>Go Hotel, Butuan</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Butuan)” on a Non-Pioneer status at a capacity of one hundred four (104) rooms, under Certificate of Registration No. 2014-214 dated December 5, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2015 to December 2019.

<u>Escalades East Tower</u>
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of two hundred twenty six (226) units, under Certificate of Registration No. 2014-197 dated November 6, 2014. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from November 10, 2014 to November 9, 2017.

Axis Residences (Phase 1)-Tower A
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of four hundred fifty six (456) units, under Certificate of Registration No. 2015-048 dated February 26, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from February 27, 2015 to February 26, 2018.

The Pearl Place - Tower B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of four hundred forty six (446) units, under Certificate of Registration No. 2016-159 dated August 3, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from October 2016 to October 2019.

Acacia Escalades-(Phase 2)-Building B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of two hundred eighty-six (286) units, under Certificate of Registration No. 2016-264 dated December 22, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from January 2018 to January 2021.

Axis Residences (Phase 1)-Tower B
The Parent Company is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Non-Pioneer status at a capacity of four hundred fifty-six (456) units, under Certificate of Registration No. 2016-263 dated December 22, 2016. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from August 2018 to August 2021.

Go Hotels Davao, Inc.
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Go Hotels Lanang - Davao City)” on a Non-Pioneer status at a capacity of one hundred eighty three (183) rooms, under Certificate of Registration No. 2015-266 dated December 3, 2015. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from January 2016 to December 2019.

Summit Hotel Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Facility (Summit Hotel Tacloban)” on a Non-Pioneer status at a capacity of one hundred thirty eight (138) rooms, under Certificate of Registration No. 2017-236 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

Go Hotel, Iligan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “New Operator of Tourist Accommodation Establishment (Hotel - Go Hotel, Iligan)” on a Non-Pioneer status at a capacity of one hundred (100) rooms, under Certificate of Registration No. 2017-235 dated August 16, 2017. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from April 2018 to March 2022.

Robinsons Cyberpark
The Group is also registered with PEZA (beginning October 1, 2004) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 68,596 square meters of land located at EDSA corner Pioneer Street, Mandaluyong City as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Center
The Group is also registered with PEZA (beginning February 8, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 11,125 square meters of land located at Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental as an IT Park to be known as The Robinsons Cybergate Center. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Place Lipa
The Group is also registered with PEZA (beginning November 3, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 65,399 square meters of land located at JP Laurel Highway, Mataas na Lupa, Lipa City, Batangas as an IT Park to be known as The Robinsons Place Lipa. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Big Supercenter Cainta Junction
The Group is also registered with PEZA (beginning October 28, 2005) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 19,522 square meters of land located at Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Luisita
The Group is also registered with PEZA (beginning January 5, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 16-694 dated December 9, 2016, for the construction of an additional floor area of 6,306 square meters, more or less, for annexation to the existing Robinsons Luisita IT Center located along McArthur Highway, San Miguel, Tarlac City. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Naga
The Group is also registered with PEZA (beginning May 12, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 15-715 dated December 17, 2015, for creating and designating a building, which stands on a 24,807-square meter, more or less, lot located at Naga Diversion Road corner Almeda Highway, Brangay Triangulo, Naga City as an IT Center, to be known as Robinsons Cybergate Naga. Under the terms of its registration,

the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cyberpark Davao
The Group is also registered with PEZA (beginning October 3, 2017) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 16-377 dated June 28, 2016, for creating and designating 12,022 square meters, more or less, of land located along J.P. Laurel Avenue, Davao City as an IT Park, to be known as Robinsons Cyberpark Davao. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Galleria Cebu
The Group is also registered with PEZA (beginning July 12, 2013) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 12-001 dated January 17, 2012, for creating and designating a building with an area of 46,345 square meters, more or less, located at General Maxilom Avenue, Cebu City as Information Technology (IT) Center, to be known as Robinsons Galleria Cebu. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives under RA 7916, as amended.

Robinsons Place Ilocos Norte Expansion
The Group is also registered with PEZA (beginning May 28, 2016) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 15-271 dated May 13, 2016, for creating and designating a building located at Barangay 1 San Francisco, San Nicolas, Ilocos Norte, with an aggregate land area of 26,537 square meters, more or less, as Information Technology (IT) Center, to be known as Robinsons Place Ilocos Norte Expansion. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Cyberscape Gamma
The Group is also registered with PEZA (beginning July 16, 2015) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 15-377 dated January 16, 2015, for creating and designating a building which stands on a 1,954.50 square meters, more or less, lot located at Topaz and Ruby Roads, Ortigas Center, Pasig City as Information Technology (IT) Center, to be known as Cyberscape Gamma. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Starmills Pampanga
The Group is also registered with PEZA (beginning September 11, 2007) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 06-544 dated November 28, 2006, for creating and designating a building established on parcels of land containing an aggregate area of 238,324 square meters, more or less, located at Gapan-Olongapo Road, Brgy. San Jose, San Fernando, Pampanga as an Information Technology (IT) Center, to be known as Robinsons Starmills Pampanga. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

On May 23, 2017, the Group also registered for the construction, operation, and management of a 6-level building with a gross floor area of 12,503.25 square meters to be annexed into its existing Robinsons Starmills Pampanga IT Center under resolution No. 17-276. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime

Robinsons Summit Center
The Group is also registered with PEZA (beginning September 1, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 04-387 dated November 22, 2004, for creating and designating a building which stands on two parcels of land with an aggregate area of 2,430 square meters, more or less, lot located at 6783 Ayala Avenue, Salcedo Village, Barangay Bel-Air, Makati City, as Information Technology (IT) Building, to be known as JG Summit Center. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Equitable Tower
The Group is also registered with PEZA (beginning July 21, 2003) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 03-129 dated May 28, 2003, for creating and designating a 2,832 square meters parcel of land with an existing 43 storey condominium office building, located at ADB Avenue corner Poveda Street, Pasig city, as an Information Technology (IT) Zone to be known as Robinsons Equitable Tower. Under the terms of its registration, the Group, as the Developer/Operator of the IT Zone, shall not be entitled to PEZA incentives.

Cyberscape Alpha
The Group is also registered with PEZA (beginning January 4, 2013) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 11-665 dated November 25, 2011, for creating and designating a building located at Sapphire and Garnet Roads, Ortigas Center, Pasig City, as Information Technology (IT) Center, to be known as Cyberscape Alpha. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Cyberscape Beta
The Group is also registered with PEZA (beginning November 22, 2012) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution No. 11-624 dated November 8, 2011, for creating and designating a building located at Topaz and Ruby Roads, Ortigas Center, Pasig City, containing an area of 1,955 square meter, more or less (a portion of Lot 2-C) as an Information Technology (IT) Center, henceforth to be known as Cyberscape Beta. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Robinsons Cybergate Cebu
The Group is also registered with PEZA (beginning October 28, 2009) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as “The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations” and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 08-312 dated June 26, 2008, for creating and designating 4,772 square meter, more or less, of land located at Don Gil Street, Barangay Capitol Site, Cebu City, as an

Information Technology Center, to be known as Robinsons Cybergate Cebu. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Bridgetowne
The Group is also registered with PEZA (beginning June 26, 2015) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution Nos. 00-411 dated December 29, 2000 and 13-182 dated March 22, 2013, for creating and designating several parcels of land located along C-5 Road, Ugong Norte, Quezon City, with an aggregate area of 79,222 square meters as Information Technology (IT) Park, to be known as Bridgetowne. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

Cyber Sigma
The Group is also registered with PEZA (beginning December 16, 2016) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 15-027 dated January 30, 2015, for creating and designating a building with a gross floor area of 79,124.33 square meters as an Information Technology Center to be known as the Cyber Sigma which stands on a parcel of land located along Lawton Avenue, Bonifacio South, Taguig City containing an aggregate area of 5,000 square meters more or less. Under the terms of its registration, the Group, as the Developer/Operator of the IT Center, shall not be entitled to PEZA incentives.

36. **Commitments and Contingencies**

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. These noncancellable leases have remaining noncancellable lease terms of between 1 and 10 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent, which is a certain percentage of actual monthly sales or minimum monthly gross sales, whichever is higher. Total rent income amounted to ₱15,420 million, ₱13,548 million and ₱11,582 million for the years ended December 31, 2019, 2018 and 2017, respectively. Total percentage rent recognized as income for the years ended December 31, 2019, 2018 and 2017 amounted to ₱3,867 million, ₱3,515 million and ₱3,067 million, respectively.

Future minimum rentals receivable under noncancellable operating leases follows:

	December 31	
	2019	2018
Within one (1) year	**₱14,346,692,713**	₱11,590,512,976
After one (1) year but not more than five (5) years	**17,739,106,757**	17,971,125,898
After more than five (5) years	**5,146,915,176**	2,377,232,451
	₱37,232,714,646	₱31,938,871,325

Finance Lease Commitments - Group as Lessor
The Group has significantly entered into residential property leases on its residential condominium unit's portfolio. These leases have lease period of 5 to 10 years and the lessee is given the right to purchase the property anytime within the lease period provided that the lessee any arrears in rental payment, condominium dues and other charges.

Future minimum lease payments under finance lease with the present value of future minimum lease payment as of December 31, 2019 and 2018 follow:

	December 31, 2019	
	Minimum Lease Payments	**Present Value of Minimum Lease Payments**
Within one (1) year	**₱527,064,357**	**₱508,606,027**
After one (1) year but not more than five (5) years	**288,662,164**	**256,322,263**
After more than five (5) years	**78,023,547**	**63,354,682**
Total minimum lease payments	**₱893,750,068**	**₱828,282,972**

	December 31, 2018	
	Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one (1) year	₱552,580,889	₱517,494,745
After one (1) year but not more than five (5) years	302,637,036	247,180,550
After more than five (5) years	81,800,866	58,213,995
Total minimum lease payments	₱937,018,791	₱822,889,290

Group as a lessee
The Group has lease contracts for various parcels of land used in its operations. Leases of land generally have lease terms between 25 and 50 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Right-of-use assets
The rollforward analysis of this account for the year ended December 31, 2019 follows:

	Right-of-Use: Land
Cost	
At January 1, as previously reported	₱–
Effect of adoption of standard (see Note 3)	1,380,551,087
At January 1, as restated, and as at December 31	1,380,551,087
Accumulated Depreciation and Amortization	
At January 1	–
Effect of adoption of standard (Note 3)	152,552,800
At January 1, as restated	152,552,800
Depreciation (Note 26)	56,264,289
At December 31	208,817,089
Net book value	₱1,171,733,998

The following are the amounts recognized in the consolidated statement of comprehensive income for the year ended December 31, 2019:

	2019
Depreciation expense of right-of-use assets	₱56,264,289
Interest expense on lease liabilities	145,565,692
Variable lease payments (included in cost of sales)	(98,488,847)
	₱103,341,134

Lease liabilities
The rollforward analysis of lease liabilities follows:

	2019
As at January 1, 2019, as previously reported	₱–
Effect of adoption of PFRS 16 (Note 3)	1,888,807,393
At January 1, 2019, as restated	1,888,807,393
Interest expense (Note 28)	145,565,692
Payments	(98,488,847)
As at December 31, 2019	₱1,935,884,238

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 4).

Future minimum rentals payable under noncancellable operating leases are as follows:

	December 31	
	2019	2018
Within one (1) year	**₱138,995,906**	₱128,337,691
After one (1) year but not more than five (5) years	**630,780,039**	589,327,721
After more than five (5) years	**5,767,109,430**	5,953,173,907
	₱6,536,885,375	₱6,670,839,319

Capital Commitments
The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱10,338 million and ₱7,219 million as of December 31, 2019 and 2018, respectively. Moreover, the Group has contractual obligations amounting to ₱5,622 million and ₱5,646 million as of December 31, 2019 and 2018, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies
The Group has various collection cases or claims against or from its customers and certain tax assessments, arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The

Group does not believe that such assessments will have a material effect on its operating results and financial condition. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments.

37. Notes to the Consolidated Statements of Cash Flows

Noncash investing activities pertain to the following:

2019

- Transfers from investment properties to subdivision land, condominium and residential units for sale amounted to ₱318 million
- Transfers from investment properties to property and equipment amounted to ₱102 million
- Transfers from subdivision land, condominium and residential units for sale to property and equipment amounted to ₱132 million
- Transfers from other current assets to investment properties amounting to ₱33 million

2018

- Transfers from investment properties to subdivision land, condominium and residential units for sale amounted to ₱2,072 million
- Transfers from investment properties to other current assets amounted to ₱3 million
- Transfers from other current assets to investment properties amounting to ₱1,458 million

2017

- Transfers from investment properties to property and equipment amounted to ₱73 million
- Transfers from subdivision land, condominium and residential units for sale to investment properties amounted to ₱1,040 million
- Transfers from subdivision land, condominium and residential units for sale to property and equipment amounted to ₱38 million
- Transfers from other current assets to investment properties amounting to ₱758 million

Details of the movement in cash flows from financing activities follow:

	For the Year Ended December 31, 2019					
			Non-cash Changes			
	January 1, 2019	Cash flows	Foreign exchange movement	Changes on fair values	Other	December 31, 2019
Loans payable	₱36,488,539,001	(₱1,806,127,328)	₱–	₱–	₱32,860,503	₱34,715,272,176
Lease liabilities	1,888,807,393	(98,488,847)	–	–	145,565,692	1,935,884,238
Short term loans	896,700,000	7,595,000,000	–	–	–	8,491,700,000
Advances for marketing and promotional fund and others	466,576,140	(12,011,808)	–	–	–	454,564,332
Accrued interest payable	322,322,878	(908,519,292)	–	–	907,257,726	321,061,312
Payables to affiliated companies and others	245,560,778	(83,852,149)	–	–	1,543,158	163,251,787
Dividends payable	43,304,321	(2,602,812,061)	–	–	2,602,795,343	43,287,603
Total liabilities from financing activities	₱40,351,810,511	₱2,083,188,515	₱–	₱–	₱3,690,022,422	₱46,125,021,448

	For the Year Ended December 31, 2018					
		Non-cash Changes				
	January 1, 2018	Cash flows	Foreign exchange movement	Changes on fair values	Other	December 31, 2018
Loans payable	₱35,661,162,154	₱795,863,618	₱–	₱–	₱31,513,229	₱36,488,539,001
Short term loans	15,693,400,000	(14,796,700,000)	–	–	–	896,700,000
Advances for marketing and promotional fund and others	445,815,349	20,760,791	–	–	–	466,576,140
Accrued interest payable	370,835,301	(853,111,456)	–	–	804,599,033	322,322,878
Payables to affiliated companies and others	222,937,926	22,622,852	–	–	–	245,560,778
Dividends payable	40,990,210	(1,867,464,936)	–	–	1,869,779,047	43,304,321
Total liabilities from financing activities	₱52,435,140,940	(₱16,678,029,131)	₱–	₱–	₱2,705,891,309	₱38,463,003,118

Other includes amortization of debt issue cost, declaration of dividends and accrual of interest expense on loans.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

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

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at December 31, 2019 and 2018, and for each of the three years in the period ended December 31, 2019, included in this Form 17-A and have issued our report thereon dated February 28, 2020. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta
Ysmael S. Acosta
Partner
CPA Certificate No. 112825
SEC Accreditation No. 1744-A (Group A),
March 14, 2019, valid until March 13, 2022
Tax Identification No. 301-106-775
BIR Accreditation No. 08-001998-130-2018,
February 9, 2018, valid until February 8, 2021
PTR No. 8125201, January 7, 2020, Makati City

February 28, 2020

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SRC RULE 68

DECEMBER 31, 2019

Schedule A. Financial Assets

The Group does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as of December 31, 2019.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

The Group does not have Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties) above ₱1 million or 1% of total consolidated assets as of December 31, 2019.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2019:

	Volume of Transactions		Receivable	Terms
Robinsons Properties Marketing and Management Corporation (RPMMC)	Share in expenses	(₱15,592,586)	₱42,417,307	Non-interest bearing and to be settled within one year
Altus Angeles, Inc. (AAI)	Advances	(14,329,392)	13,314,106	Non-interest bearing and to be settled within one year
Altus Property Ventures, Inc. (APVI)	Advances	8,354,439	9,545,596	Non-interest bearing and to be settled within one year
GoHotels Davao, Inc. (GHDI)	Share in expenses	670,601	2,827,887	Non-interest bearing and to be settled within one year
Robinsons Realty and Management Corporation (RRMC)	Share in Expenses	(623,964)	–	Non-interest bearing and to be settled within one year
Bonifacio Property Ventures, Inc. (BPVI)	Advances	3,132,310,107	3,134,331,367	Non-interest bearing and to be settled within one year
RLC Resources Limited (RLCRL)	Advances	(1,126,731)	1,126,731	Non-interest bearing and to be settled within one year
		₱3,109,662,474	₱3,203,562,994	

	Balance at end of period	Current	Noncurrent
RPMMC	₱42,417,307	₱42,417,307	₱–
AAI	13,314,106	13,314,106	–
ASNC	9,545,596	9,545,596	–
GHDI	2,827,887	2,827,887	–
BPVI	3,134,331,367	3,134,331,367	–
RLCRL	1,126,731	1,126,731	–
	₱3,203,562,994	₱3,203,562,994	₱–

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses, marketing fees and advances for cost of equipment. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

Related Party Transactions

Due from related parties

Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of December 31, 2019:

	Nature	Balance at end of period
Under common control of Ultimate Parent Company		
Robinsons Recreation Corporation	B	₱11,334,271
Altus Property Ventures Inc.	A	9,540,242
JG Summit Capital Markets Corporation	A	1,520,227
Robinsons Savings Bank	A	281,570
Express Holdings, Inc.	A	973,513
Oriental Petroleum & Mining Corp.	A	781,695
Robinsons Pharmacies, Inc.	A	586,618
Others	A, B	298,231
Joint ventures in which the Parent Company is a venturer		
Shang Robinsons Properties, Inc.	C, D	1,000,000,000
RHK Land Corporation	D	330,000,000
		₱1,355,316,367

Other receivables from affiliates account consist primarily of receivables from Robinsons Handyman, Inc., Robinsons Specialty Stores, Inc. and other affiliates.

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements.
(c) Sale of land – this pertains to the receivable from the sale of land to the joint venture.
(d) Shareholders' loan – this pertains to the loan extended to the joint venture in accordance with the joint venture agreement.

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2019.

Schedule D. Intangible Assets
The Group does not have intangible assets as of December 31, 2019.

Schedule E. Long-term debt
Below is the schedule of long-term debt of the Group as of December 31, 2019:

	Amount	Current	Noncurrent
Seven-year bonds from Banco de Oro (BDO), Hongkong Shanghai Banking Corporation (HSBC), SB Capital Investment Corporation (SB Capital), Standard Chartered Bank (Standard Chartered), Development Bank of the Philippines (DBP) and East West Banking Corporation (East West) maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8000%, interest payable semi-annually in arrears.	₱10,635,500,000	₱–	₱10,635,500,000
Seven-year term loan from MBTC maturing on March 15, 2024. Principal payable in annual installment amounting to two percent (2%) of the total drawn principal amount and the balance upon maturity, with fixed rate at 4.7500%, interest payable quarterly in arrears	6,860,000,000	140,000,000	6,720,000,000
Five-year term loan from BDO Unibank, Inc. maturing on July 8, 2021. Principal payable upon maturity, with fixed rate at 3.8327%, interest payable quarterly in arrears.	6,500,000,000	–	6,500,000,000
Seven-year term loan from BPI maturing on August 10, 2023. Principal payable in annual installment amounting to ₱10 million for six years and the balance upon maturity, with fixed rate at 3.8900%, interest payable quarterly in arrears.	4,970,000,000	10,000,000	4,960,000,000
Ten-year term loan from BPI maturing on February 13, 2027. Principal payable in annual installment amounting to ₱5 million for nine years and the balance upon maturity, with fixed rate at 4.9500%, interest payable quarterly in arrears	4,490,000,000	5,000,000	4,485,000,000
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
	₱34,820,000,000	₱155,000,000	₱34,665,000,000

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)
Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of December 31, 2019:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
JG Summit Holdings, Inc.	Ultimate Parent Company	A, C	₱5,021,085,110	₱124,605753
Others	Under common control of the Ultimate Parent Company	A, B	7,434,103	7,333,386
			₱5,028,519,213	₱131,939,139

Others consist of payables to Robinsons Department Store, Robinsons Supermarket and Robinsons Savings Bank, among others

Due to JG Summit Holdings, Inc. mainly due to share in IT and corporate expenses.

Nature of intercompany transactions
The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements
(c) Management and marketing fee

The outstanding balances of intercompany transactions are due and demandable as of December 31, 2019.

Schedule G. Guarantees of Securities of Other Issuers
The Group does not have guarantees of securities of other issuers as of December 31, 2019.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	8,200,000,000	5,193,830,685	–	3,166,806,886	4,797,510	2,022,226,289

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

ANNEX 68-D. RECONCILIATION OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION DECEMBER 31, 2019

Unappropriated Retained Earnings, beginning, as previously reported	**₱21,898,172,922**
Adjustments	1,858,335,447
Unappropriated Retained Earnings as adjusted, beginning	**23,756,508,369**
Net income actually earned/realized during the year	
Net income during the year closed to Retained Earnings	7,450,099,451
Less: Non-actual/unrealized income, net of tax	
Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	
Discounting effect on installment contract receivable (PAS 39)	(58,276,665)
Straight line adjustment rental income (PFRS 16)	(438,734,948)
Discounting effect on security deposits (PAS 39)	(6,446,056)
Finance lease as a lessee (PFRS 16)	201,829,981
Net income actually earned during the period	7,148,471,763
Less: Cash dividend declaration during the year	(3,234,513,216)
Reversal of appropriation	27,000,000,000
Additional appropriation during the year	(27,000,000,000)
Total Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2019	**₱27,670,466,916**

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

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

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Robinsons Land Corporation
Level 2, Galleria Corporate Center
EDSA corner Ortigas Avenue, Quezon City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at December 31, 2019 and 2018, and for each of the three years in the period ended December 31, 2019, and have issued our report thereon dated February 28, 2020. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's financial statements as at December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta
Partner
CPA Certificate No. 112825
SEC Accreditation No. 1744-A (Group A),
March 14, 2019, valid until March 13, 2022
Tax Identification No. 301-106-775
BIR Accreditation No. 08-001998-130-2018,
February 9, 2018, valid until February 8, 2021
PTR No. 8125201, January 7, 2020, Makati City

February 28, 2020

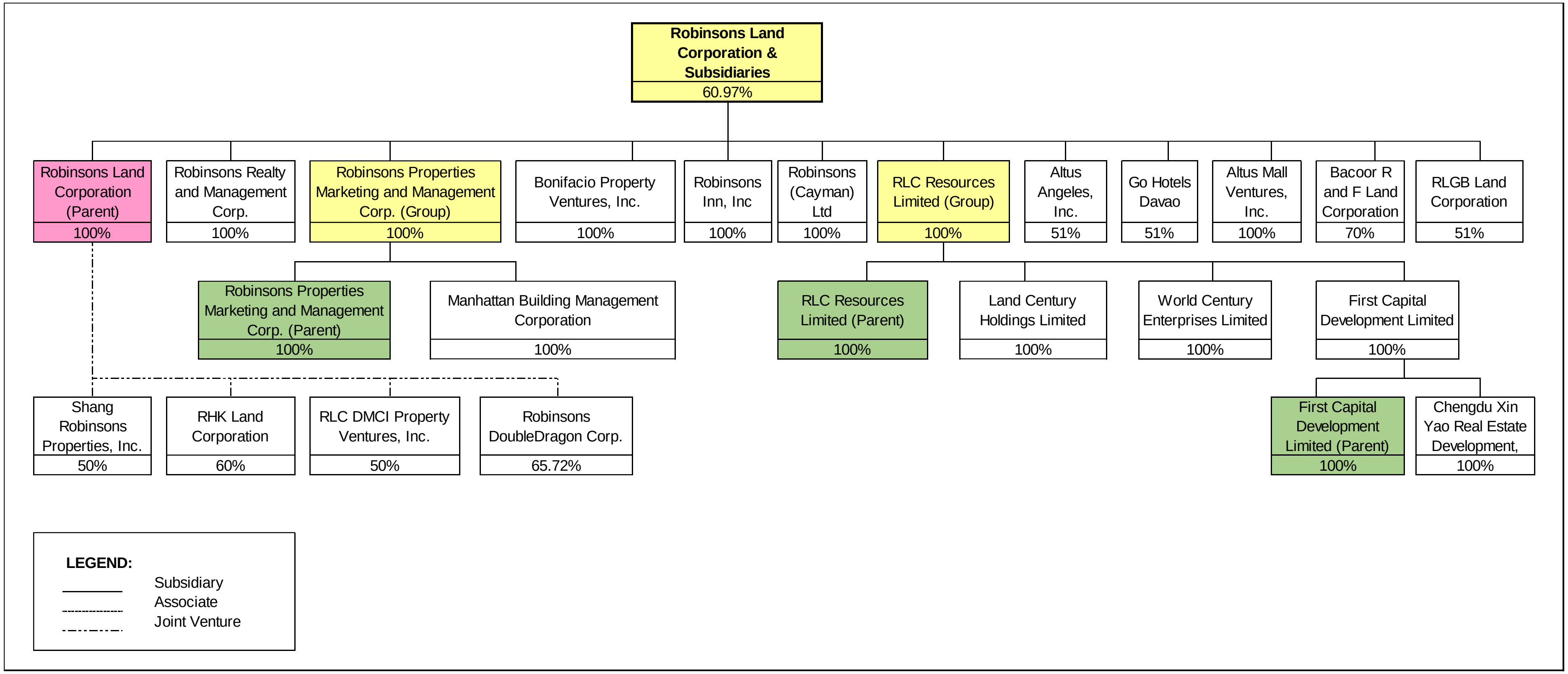
ROBINSONS LAND CORPORATION AND SUBSIDIARIES

ANNEX 68-E. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS OF DECEMBER 31, 2019

Ratio	Formula	Current Year	Prior Year
Current ratio	Current assets / Current liabilities	1.37	1.65
Acid test ratio (Quick ratio)	(Cash and cash equivalents + Current receivables + Current contract assets + Other current assets) / Current liabilities	0.50	0.67
Solvency ratios	Earnings before interest, taxes, depreciation and amortization / (Short-term loans + Long-term loans)	0.40	0.44
Debt-to-equity ratio	(Short-term loans + Long-term loans) / Equity attributable to equity holders of the Parent Company	0.44	0.40
Asset-to-equity ratio	Total assets / Total equity	1.90	1.85
Interest coverage ratio	Earnings before interest and taxes / Interest expense + Capitalized interest expense	6.98	6.72
Return on equity	Net income attributable to equity holders of Parent Company / Equity attributable to equity holders of the Parent Company	0.09	0.09
Return on assets	Net income attributable to equity holders of Parent Company / Total assets	0.05	0.05
Net profit margin	Earnings before interest and taxes / Total revenues	0.40	0.40

Map of the Relationships of the Company within the Group

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of Decmber 31, 2019:



INDEX TO EXHIBITS

Form 17-A

* These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has eleven (11) subsidiaries as of December 31, 2019:

		% OWNERSHIP		COUNTRY OF
SUBSIDIARY	**BUSINESS**	**DIRECT**	**EFFECTIVE**	**INC. OR RESIDENCE**
Robinson's Inn, Inc. [1]	Apartelle Operation	100	-	Philippines
Robinsons Realty and Management Corporation	Property development	100	-	Philippines
Robinsons Properties Marketing and Management Corporation	Marketing of office and residential units	100	-	Philippines
Robinsons (Cayman) Limited	Property development	100	-	Cayman Islands
Altus Angeles, Inc.	Property management	51	-	Philippines
Altus Mall Ventures, Inc.	Property management	100	-	Philippines
GoHotels Davao, Inc.	Hotel Operation	51	-	Philippines
RLC Resources Ltd.	Property management	100	-	British Virgin Islands
Bonfacio Property Ventures, Inc.	Property management	100	-	Philippines
Bacoor R and F Land Corporation	Property management	70	-	Philippines
RLGB Land Corporation	Property management	51	-	Philippines

[1] *Closed operations effective August 31, 2007*

[2] *Pursuant to the distribution by RLC of its shares in Altus Property Ventures, Inc. last December 20, 2019, RLC's direct ownership in APVI had been reduced to 6.11%.*