

2018

ANNUAL REPORT



FILINVEST
LAND, INCORPORATED

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MAXIMIZING RECURRING INCOME

Building on its strengths, Filinvest Land, Inc. (FLI) continues to tap the vast potential of the lucrative leasing market. The company is focused on offering quality investment properties and managing these effectively to drive growth and create greater value for its stakeholders. Complemented by a diverse portfolio of residential and townscape projects, FLI will continue to enhance lives and offer countless opportunities for Filipinos across the country.

COVER STORY



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VISION

To be the most trusted placemaker of environs that inspire and enhance a happy life

MISSION

- To enliven and enrich lives in Filinvest communities
- To enable and encourage the growth of our partners
- To create and add value for our investors
- To build platforms that create vibrant and sustainable ecosystems
- To respect and protect the environment
- To keep affordable housing at our core

CORE VALUES

The core values of integrity, customer service, professionalism, teamwork, innovation and cost-effectiveness are highly valued. The highest standards of business and moral ethics shall be exercised.

FILINVEST LAND, INC. and SUBSIDIARIES

(Amounts in Thousands of Pesos, Except Per Share Data)

OPERATING RESULTS

	2018	2017	2016	2015	2014*
• Revenues **	22,205,185	20,269,651	19,500,586	18,302,853	17,056,615
• Net Income **	6,075,873	5,834,181	5,350,786	5,098,564	4,613,491
• Net Income Attributable to Parent	5,894,408	5,685,394	5,247,262	5,011,815	4,541,522
• Return on Assets (Average)	4.00%	4.25%	4.27%	4.48%	4.51%
• Return on Equity (Average)	9.29%	9.49%	9.30%	9.46%	9.13%

FINANCIAL POSITION

• Total Assets	158,860,483	145,121,919	129,425,232	121,195,171	106,519,836
• Total Long-Term Debt	59,782,739	58,084,201	53,252,649	47,696,836	40,306,593
• Stockholders' Equity	67,271,622	63,501,043	59,412,637	55,697,261	52,109,053
• Equity Attributable to Parent	67,034,925	63,245,718	59,157,546	55,426,144	51,961,061
• No. of Shares Issued and Outstanding (000's)	24,249,759	24,249,759	24,249,759	24,249,759	24,249,759
• Debt to Equity ***	88.87%	91.47%	89.63%	85.64%	77.35%
• Net Debt to Equity ****	79.32%	79.54%	81.43%	73.79%	69.08%

PER SHARE DATA

• EPS-Net Income Attributable to Parent	Php 0.24	Php 0.23	Php 0.22	Php 0.21	Php 0.19
• EPS-Total Net Income	Php 0.25	Php 0.24	Php 0.22	Php 0.21	Php 0.19

* figures restated

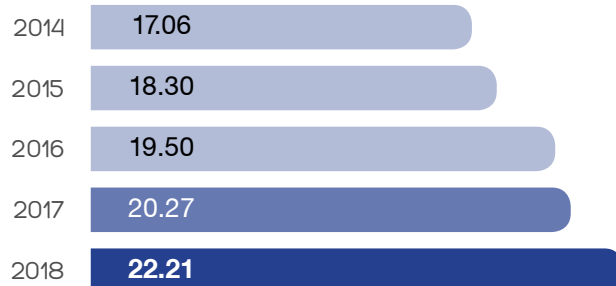
** includes equity in net earnings of an associate

*** computed as long-term debt divided by stockholders' equity

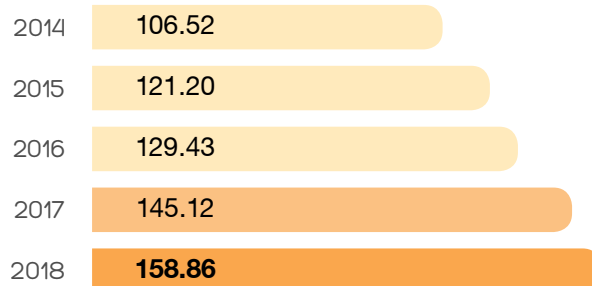
**** computed as long-term debt less cash and cash equivalents divided by stockholders' equity

FINANCIAL HIGHLIGHTS

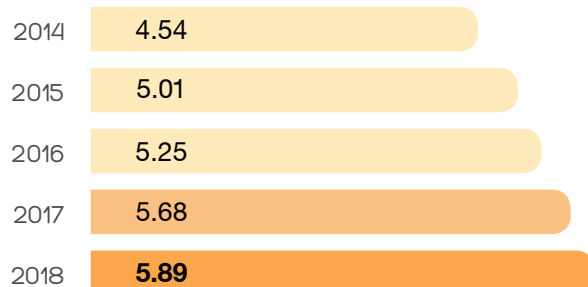
REVENUES



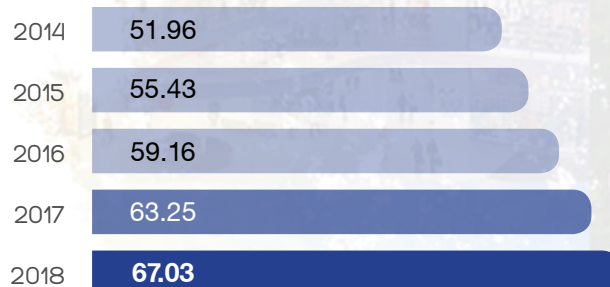
TOTAL ASSETS



NET INCOME ATTRIBUTABLE TO PARENT



EQUITY ATTRIBUTABLE TO PARENT



in billions

FINANCIAL HIGHLIGHTS



JONATHAN T. GOTIANUN

THE PHILIPPINE GROWTH STORY AND THE PHILIPPINE REAL ESTATE MARKET

In 2018, the Philippine economy grew at a slower pace compared to 2017 at 6.2%, but it is still among the fastest in Asia. Despite the rise in inflation which tempered household consumption

and investment spending, the economy remained resilient as the construction sector provided the much-needed stimulant to the economy driven by the government's aggressive Build Build Build program. The economy was also supported by OFW remittances which grew at a modest 3%, the influx of tourists and continuous growth of the business process outsourcing sector as well as other business sectors. In addition, the Philippines' young demographics and consumption-driven market are also drivers of the country's long-term growth. It is with all these that we expect the Philippine property sector to continue to grow.

In 2018, we saw a lot of infrastructure activities which we believe will help in accelerating growth for the country, as well as your Company. New roads and transportation systems will open new opportunities for the residential business as accessibility is improved. Our vast land bank will benefit from the infrastructure projects of the government.

Your Company expects the office rental business to continue to grow with BPO demand for office space increasing in 2018. Demand from traditional as well as non-traditional firms is also growing.

EXECUTING OUR GROWTH STRATEGY

At the end of 2018, the fourth year of our 5-year expansion program, our recurring income portfolio reached 712,000 square meters. The rental business now accounts for 46% of the company's total net income.

MESSAGE OF THE CHAIRMAN

For 2019, we expect to add 240,000 square meters of gross leasable area in office and retail space. We believe that this will bring us to accelerated growth in the succeeding years as we complete

We continue to plan for **further expansion** by targeting an additional **600,000** square meters of **GLA by 2023**.

our 5-year accelerated expansion plan. Your Company will also be expanding to logistics and industrial parks by providing large spaces needed by logistics and light manufacturing companies, initially in the township in New Clark City.

Your Company also launched Php16 billion worth of residential projects across the country catering primarily to the affordable and middle income markets. For 2019, approximately Php30 billion worth of residential projects across all our brands and across the country will be launched.

MAXIMIZING SHAREHOLDER VALUE

FLI ended the year with a net income of Php6.08 billion, 4% higher than in 2017 driven by the rental business.

In **2018**, we declared cash dividends amounting to **Php0.061** per share equivalent to **26%** payout ratio and a dividend yield at the time of declaration of **3.6%**, the **highest** among the **Philippine property companies**

CORPORATE GOVERNANCE

We believe that corporate governance is about accountability, transparency and communicating to the company's stakeholders on how the company is achieving its business plans. In 2018, your Management attended eight conferences and numerous one-on-one meetings to talk to investors and share your Company's growth story. Your Company also conducted quarterly briefings to update the investor community of relevant corporate and industry developments. Your Company also welcomed analysts and investors in several of our developments for their appreciation of our projects.

APPRECIATION

On behalf of our Board of Directors, I would like to thank all of you, our shareholders, creditors, business partners and customers for your trust in us and giving us the opportunity to serve.



JOSEPHINE GOTIANUN YAP

SOLID FINANCIAL PERFORMANCE

The year 2018 was a year of achieving milestones for Filinvest Land, Inc. (FLI). Consolidated revenues rose 10% to Php22.21 billion. Significant growth came from its recurring income business, with rental revenues increasing 27% to Php5.61 billion. Net income reached Php6.08 billion.

RIISING RENTAL INCOME IN 2018

27% GROWTH

46% CONTRIBUTION TO
TOTAL NET INCOME

LONG-TERM GROWTH THROUGH AN EXPANDING RENTAL PORTFOLIO

Your Company now operates 31 office and retail developments totaling 712,000 square meters of Gross Leasable Area (GLA), growing by 21% from 587,000 square meters at the end of 2017. By the end of 2019, recurring income portfolio will be close to 1,000,000 square meters of GLA, growing by 187% from end of 2014. The medium-term target is to reach 1.6 million square meters of GLA by 2023.

The office rental business has grown significantly as we continued to build premium office space in strategic locations in Northgate Cyberzone-Filinvest City in Muntinlupa, other Metro Manila locations, Cebu City and Filinvest Mimosas+ in Clark.

In 2018, six new buildings were completed and turned over: Axis One in Northgate Cyberzone, Cebu Cyberzone Tower 2, Clark Mimosas Workplus 1 & 2, and Buildings A and D in Pasay Cyberzone with a total GLA of 118,000. We expect these buildings to be fully leased out within 2019. At the end of 2019, total office

MESSAGE OF THE PRESIDENT & CEO

GLA will be 668,000 square meters, a projected growth in office GLA of 42%. Retail GLA will grow by 18% to 287,000 square meters.

OUR COMPETITIVE ADVANTAGE IN THE HOUSING SEGMENT

Your Company launched Php16 billion worth of residential projects across the country catering primarily to the core affordable and middle income markets. Horizontal projects in Rizal, Laguna, Pampanga and Zamboanga were rolled out. Mid-rise buildings were launched through our affordable brand “Spatial” and middle income brand “Oasis” within Metro Manila, Davao and Dumaguete. The highly-anticipated “Activa” high-rise residential condominium units located in Cubao were fully launched in 2018.



WORKPLUS at FILINVEST MIMOSA+ LEISURE CITY, Pampanga

We believe that our residential development plans within Metro Manila and in provinces outside of Metro Manila ensure that the growing demand is addressed. Your Company continues to acquire land in key areas and develop the land for residential use.

CLARK DEVELOPMENTS: NEW GROWTH OPPORTUNITIES

Your Company has positioned itself to be at the forefront of the development of the Clark Special Economic Zone as the government invests and develops the region as the next economic growth center through two township developments: Filinvest Mimosa+ Leisure City which is a joint development of your Company and parent company Filinvest Development Corporation (FDC); and Filinvest at New Clark City which is a joint venture between FLI and the Bases Conversion Development Authority (BCDA).



SOUTHWIND, Laguna

Developments in the Filinvest Mimosa+ Leisure City are in full swing as two office buildings have been completed, with another two office buildings scheduled to be completed in 2019. FLI expects to complete a total of eight office buildings within Phase 1 of the Workplus office park. FLI will likewise launch a residential tower to house the locator workforce of the business park in 2019. Construction on the retail strip mall has already started and the 33,000-sqm lifestyle mall will also break ground this year.

The 288-hectare township joint venture with the Bases Conversion Development Authority (BCDA) in New Clark City is now being transformed into a vibrant business metropolis. The industrial park within the township is envisioned to be the preferred location of logistics, technology and light industrial/manufacturing companies. The 64-hectare Phase 1 of this industrial park is targeted for completion in 2019. The township will also have office and retail components as well as 30 hectares of residential units. Detailed master-planning and engineering planning for the township have been completed.

RECOGNITION

In 2018, your Company was recognized by BCI Asia as one of the Philippines' Top Developers. BCI recognizes the ten leading design and development enterprises that have made the greatest contribution to the built environment. The award also takes into consideration the degree of sustainability in developments.



Filinvest at New Clark City, Tarlac

APPRECIATION FOR SUPPORT

To our home buyers and office and retail tenants, it has been our honor to serve you. We thank you for your trust and be assured that we will continue to address your needs.

I would also like to thank our business partners, creditors and shareholders for your trust and support in our efforts to provide the needs of our clients. Finally, I would like to express my appreciation to my management team and employees for their hard work, loyalty and commitment as we ensure the Company's long-term growth.



OPERATIONAL HIGHLIGHTS

MAXIMIZING RECURRING INCOME

Building on its strengths, FLI continues to tap the vast potential of the lucrative investment market to drive the company's long-term growth. The company's future-ready portfolio includes new logistics developments and a robust leasing business that includes office hubs and retail properties in townscapes and mixed-use developments. FLI had a total of 712,000 sqm of GLA at the end of 2018, which contributed 46% of the company's net income.

TARGET: 2023

A combined retail and office portfolio of
1.66 million
square meters of GLA



FILINVEST at NEW CLARK CITY, Tarlac

BUDDING LOGISTICS DEVELOPMENTS

To address the needs of logistics, e-commerce, technology and light manufacturing companies for space where they can manage their inventory, FLI intends to expand its service offerings by allocating significant space from its vast landbank for this purpose. FLI has initially offered this at the Ciudad de Calamba's Filinvest Technology Park. In 2019, it will develop the 64-hectare Phase 1 of the 120-hectare industrial park in the Filinvest township development in New Clark City.

EXPANDING OFFICE PORTFOLIO

In 2018, FLI maintained a strong recurring income from its office portfolio that continues to grow at a steady pace. A significant number of these are integrated in townscapes and mixed-use developments.

Alabang

More than 49,000 sqm of new leases were signed and closed in Northgate Cyberzone, located within Filinvest City, Alabang. By the end of 2018, it had a total of 288,214 sqm of GLA as it maintained its position as the market leader in providing premium-quality office buildings in Southern Metro Manila.

The 25-storey Axis Tower One was completed in the second quarter of 2018. Certified LEED Gold, it is the first of four iconic buildings that will be built on a 2.6-hectare property. The remaining towers are scheduled for completion from 2019 to 2021 and will add over 118,000 sqm of GLA to Northgate Cyberzone.

Binondo

In historic Binondo, Columna is a 14-storey mixed-use building strategically situated in the Old Prosperity District of Manila. Declared as a cultural property of the National Historical Commission of the Philippines, the project has a total GLA of 10,000 sqm composed of traditional offices and retail with target completion in December 2020.

Makati

FLI also made progress with its office spaces in Makati with two offerings along the prime Gil Puyat Avenue. The four office levels of the 100 West mixed-used development are estimated for completion in the second quarter of 2019. Coming in 2020 is 387 Gil Puyat, a 14-storey office building that will add an additional leasable space of 10,327 sqm.



ONE FILINVEST, Ortigas

Ortigas

One Filinvest, a premium office tower now rising in the Ortigas CBD, is estimated to be completed by the third quarter of 2020. The 34-storey building will offer a total GLA of 39,697 sqm for both traditional and BPO offices.

Pasay

Phase 2 of the four-tower Filinvest Cyberzone Bay City, comprising Buildings A and D, has just been completed. The buildings feature seven office floors, each with a combined GLA of almost 30,000 sqm.

Quezon City

Office components in two mixed-use projects in Quezon City are slated for completion in the next two years. Activa will offer 13 office floors at the corner of EDSA and Aurora Boulevard, while Studio 7 will offer 18 office levels along EDSA Diliman. They will add a total of 95,798 sqm to the company's office portfolio.

Clark Freeport Zone

Phase 1 of Workplus is an office hub composed of eight buildings set amid refreshing greenery in Filinvest Mimosa+ Leisure City. Two buildings of Workplus have been completed and leased out with the next two buildings targeted for completion in 2019. Upon completion in 2022, the entire development will add a GLA of 126,323 sqm to FLI's portfolio. Surrounded by nature, Workplus offers work-life balance with a vast golf course and other leisure components within Mimosa+. It is also complemented by four towers of Lodgeplus, a residential complex which will offer accessible accommodations to people working in Mimosa+.

Cebu

FLI will have a total of 147,000 sqm of office spaces in the Cebu Banilad area where most of the BPO offices can be found. Tower 2 of Filinvest Cyberzone Cebu was completed in the fourth quarter of 2018. It offers 18 BPO office floors with a total GLA of 28,295 sqm. The remaining two towers are slated for completion by 2021 and will add 39,346 sqm of GLA to the project which is located at the entrance of the Cebu IT Park. Also in the vicinity, Filinvest IT Park Cebu will be composed of three 15-storey towers with a total GLA of 63,000 sqm. Tower 1 is targeted for completion by the year 2020.



FILINVEST IT PARK, Cebu

Dumaguete

Another upcoming development is the office component in Marina Town, Dumaguete. The four-storey building will offer two levels each for office and retail with a total GLA of around 7,000 sqm.

GROWING RETAIL FOOTPRINT

With Filinvest Lifemalls, FLI continues to strengthen and protect its retail dominance in Southern Manila while extending its reach to other locations.

Festival Mall Alabang

Festival Mall, with over 171,000 sqm of floor area, complemented by another 60,000 sqm of Landmark, is one of the country's largest shopping malls with more than 1,500 shops. For the year 2018, it generated more than 12% increase in rental revenue.

Over the past years, Festival Mall has gained global recognition as the premier super-regional mall in Southern Manila, which is evident in the presence of global franchise stores coming from countries like Japan, Korea, and Europe. The mall also receives inquiries from fashion and specialty concepts in Dubai and Southeast Asian countries which are targeting Festival Mall as part of their first tier of locations in the Philippines.

MORE MALLS ON THE RISE

- **8 new malls** in the next two years
- Located in **Makati, Quezon City, Rizal, Cebu, Dumaguete & Pampanga**
- **70,000 sqm** additional gross floor area by 2021



FESTIVAL MALL, Alabang

Decathlon, the largest sporting goods retailer in France, has expanded its store in the mall to 5,000 sqm as it continues to grow in popularity. Another French sports retail giant opened the first-ever Go Sport store in Southeast Asia with an area of close to 1,000 sqm at Festival Mall's expansion wing.

With the launch of the expansion area and the renovation of the existing mall, foot traffic in Festival Mall has steadily increased over the last five years, reaching an average of close to 120,000 on weekdays and more than 160,000 on weekends.

Fora Mall

Fora Mall continues to serve locals from Tagaytay City as well as residents from neighboring provinces. With its prime location at the Tagaytay Rotunda, it has also become a one-stop hub for tourists to relax, dine and shop at the start and end of their Tagaytay trip. Beyond being a weekend destination, the mall's increasing weekday foot traffic proves that it is also an everyday mall, with an average of 300,000 monthly that triples on weekends.

Main Square

In 2018, Main Square in Bacoor, Cavite introduced additional food concepts to respond to customers' preferences. This was underlined by the entry of established names and the keen interest of strong global locators. Main Square also continues to keep a stronghold in building relationships with nearby communities by being the preferred location for school events and other local activities.

Il Corso

Il Corso, with its resort-like ambiance, allows patrons to experience Cebu by the waterfront of the City di Mare townscape. The mall's tenants started mobilizing their stores and working on their renovation fit-outs in the last quarter of 2018. Il Corso also fortified its unique architectural features such as the iCanali, musical fountain and the installation of the battleship playground.

TOWNSCAPES & MIXED-USE DEVELOPMENTS

Filinvest Mimosa+ Leisure City

Up north, the 201-hectare Filinvest Mimosa+ Leisure City sparked the rise of modern Clark. Filinvest is actively involved in the efforts to transform Clark as Asia's next biggest "aerotropolis" and investment center as it has started the groundwork for its two major projects.

The master-planned Filinvest Mimosa+ in Pampanga, a 50-year land lease from Clark Development Corporation, is raising the bar with a development that focuses on leisure, business, residential, and nature.

Filinvest Mimosa+ is being developed by Filinvest Mimosa, Inc., a consortium of FLI and Filinvest Development Corporation (FDC). FLI handles the retail, office and residential components while FDC undertakes the hospitality, leisure and gaming components.

With its prime location in the Clark Freeport Zone, Filinvest Mimosa+ aims to provide a balanced and

eco-centric community. In addition to its thriving Workplus office campus, it is also developing a residential phase that will offer mid-rise buildings for permanent living options.

Filinvest Mimosa+ recently secured a provisional license from the Philippine Amusement and Gaming Corporation (PAGCOR) for the development of a high-end casino. A gaming complex with a 5-star international hotel shall be developed in partnership with a global operator to provide a world-class gaming and leisure experience to Clark.

In terms of infrastructure, road networks in Mimosa+ were expanded to four lanes and underground utility lines were built and upgraded in 2018. Developments in the pipeline include a retail strip along Acacia Drive, the township's main thoroughfare. It will offer restaurants and services catering primarily to the growing workforce of the Workplus office hub. A lifestyle mall is also expected to break ground in 2019 with alfresco dining areas to maximize the views of the Mimosa Golf Course.



FILINVEST MIMOSA+ LEISURE CITY, Pampanga



FILINVEST at NEW CLARK CITY, Tarlac

Filinvest at New Clark City

In August 2018, the development plan for the 288-hectare Filinvest parcel at New Clark City in Tarlac was approved by the Bases Conversion Development Authority (BCDA), FLI's joint venture partner. The property will soon be accessible via the NCC-SCTEX Access Road, now being constructed by the government and scheduled for completion by the fourth quarter of 2019. Construction of the NCC-Airport Access Road is targeted for completion in early 2021, which will directly link New Clark City with the Clark International Airport. The proposed Manila-Clark Rail project will also connect New Clark City to Manila.

Filinvest at New Clark City is envisioned to be a future-ready and environmentally-friendly mixed-use township that will bring together top international locators and investors within a sustainable business and industrial community supported by retail and residential developments.

Like all Filinvest townships, it will be a green community with its nature-centered and open space environs. Plans of applying for a LEED certification are in the pipeline as part of its commitment to be a sustainable and environment-friendly township. At the heart of the township is a 120-hectare industrial park that is seen to become a key progress catalyst north of Metro Manila and a strategic operations hub in Southeast Asia with its close proximity to the Clark International Airport. It will bring together top local and foreign businesses from industries such as medium to light manufacturing, cold storage and food commissaries. Phase 1 of the industrial park is slated for completion by 2020 with locators expected to start setting up their operations by early 2020. Landscaping and hardscaping works along the project's main thoroughfares are also in progress.

Filinvest City

Major milestones were achieved in Filinvest City, the 244-hectare master-planned urban development in Alabang that is 20% owned by FLI. 2018 saw the launch of the enhanced master plan along with the pursuit of LEED-Neighborhood Development Plan Gold Certification. Two sections of the Spectrum Linear, a walkway touted as its “greenbelt,” were completed. With trees dotting both sides of the one-kilometer pathway, Filinvest is creating more enticing spaces for residents to relish the great outdoors. This, along with the start of the construction of a Marian Chapel, is consistent with the company’s dedication to building a balanced mix of developments.

Timberland Heights

The 677-hectare Timberland Heights further cemented its position of being the metro’s prime eco-playground destination through its hosting of prestigious sporting events such as Fox Biking 101, Lagalag Sundown Run, Hoka Trail Run, 7Eleven Trail Series, Timberland King of the Mountain and the first-ever Spartan H3X, a grueling 24-hour endurance race simultaneously held in several countries. For 2019, Timberland Heights will expand its residential offerings with The Glades 2, which will add more premium residential lots for those who would like to live amid the townscape’s mountain suburban landscape.

Havila

FLI continued to develop its flourishing communities within the 300-hectare Havila townscape which spans Antipolo, Angono and Taytay in Rizal. The main amenity complex of Amarilyo Crest was inaugurated in 2018 to fulfill the project’s promise of a leisurely lifestyle for residents. Another community, The Grove at Forest Farms, unveiled its Mid-Century-themed Rossini model unit which complements the project’s refreshing environs. Set to be launched in 2019 is Mira Valley, a 28-hectare hillside community in Antipolo that infuses modern living with nature.



MIRA VALLEY, Antipolo

Ciudad de Calamba

The 350-hectare Ciudad de Calamba enhanced the security of its residential communities by installing CCTV cameras at the gates and open space areas. In the pipeline for 2019 are Futura Mira and Montebello 3, two new projects that will offer more choices for families looking to settle in a peaceful and progressive area. Construction is in full swing for the Calamba-Tagaytay Road which will make the townscape even more accessible upon its completion in the first half of 2019.

City di Mare

Roadworks and streetscapes in City di Mare, Filinvest’s 50-hectare coastal township in Cebu, were substantially completed in 2018. Il Corso, the retail strip which features boardwalk bars and cafes, restaurants and shops, now caters to the people living within the township’s residential enclaves.

Manna East

In 2018, the 60-hectare Manna East development inaugurated its main entrance complex and arch to create an iconic Filinvest footprint in Teresa, Rizal. It also launched New Fields, the first residential community within the mixed-use project. 2019 will see the launch of the second phase with Futura Plains, a community that will offer upgraded single-attached homes.

HOMES ACROSS THE SPECTRUM

PRESTIGE THE LIFE YOU DESERVE

The upscale Prestige brand complements sophisticated lifestyles with specially-crafted living spaces and leisure concepts.

THE PEAK at Havila
Rizal



PANGLAO OASIS
Taguig



Aspire *My place, my pace*

The aspirational Aspire brand offers a wide selection of condos and subdivisions tailored to meet the demands of urban professionals and upwardly-mobile families.

futura

DITO, SOLID ANG FUTURE MO!

Owning a home can be a reality with the Futura brand, which offers smart-value homes built with the signature "Buhos Tibay" quality seal.

FUTURA HOMES PALM ESTATES
Talisay City



FLI launched its revitalized residential brands in 2018. Reaching across all markets, the company fulfills Filipino dreams through various stages of life, be it a first home for the family, a legacy for future generations, or a premium lifestyle befitting one's success.

In **2018**, FLI launched **17 new projects** and **expansion phases** worth **Php16 billion**

HORIZONTAL COMMUNITIES

FLI continued to develop well-planned communities tailored to meet the needs of families in various stages of life.

Strong presence in Luzon

- FLI's communities in Central Luzon continued to thrive with expansion phases, houses and amenities added in Pampanga and Bulacan
- FLI continued to expand its offerings in Southern Luzon by opening a total of 14 new hectares in various communities in Cavite, Laguna and Batangas. Major milestones include the launch of Southwind, Valle Dulce 2 and Ventura Real 2 in Laguna.
- East of Manila, FLI continued to grow its communities in Cainta with Aria at Serra Monte gearing up for the construction of its Brahms mid-income housing units. The expected launch of The Tropics 4 and Alto in 2019 will expand FLI's portfolio in this area.

Reaching across VisMin

- In Visayas, land development and construction were in full swing for Futura Homes Mactan Phase 2 and Futura Homes Palm Estates in Negros Occidental.
- FLI also made strides in Mindanao with the launch of Futura Homes Zamboanga and the continued progress of Futura Homes Koronadal in 2018.
- The next three years will see aggressive land-banking efforts, new project launches, and branch setups across Visayas and Mindanao as FLI is committed to expanding its geographic footprint in other regional growth cities.

MID-RISE ENCLAVES

FLI fortified its position in the mid-rise building (MRB) market with new projects, building turnovers and completion of amenities in its projects across the country.

FLI now has **20 MRB communities** with a combined total of **100 buildings**



8 SPATIAL, Davao

- In Metro Manila, FLI held a grand launch in October 2018 for Panglao Oasis in Taguig, while land development commenced at the upcoming enclaves of Verde Spatial in Quezon City, Alta Spatial in Valenzuela City, Belize Oasis in Alabang, and Futura East in Cainta.
- FLI introduced a new resort-style haven in Davao City with the launch of Maldives Oasis along Quimpo Boulevard. Inspired by its island namesake, it features seven buildings and space-efficient living spaces amid lush environs and amenities.
- FLI responds to the demand for a second-home getaway with Veranda Resort Condos in Kembali, Samal Island, which has two buildings slated for turnover in 2019.

HIGH-RISE CONDOS & MIXED-USE COMPLEXES

FLI achieved milestones in 2018 as the company continued to create high-rise condominiums and mixed-use vertical communities that cater to modern lifestyles.

- 2018 saw the launch of the 175,600-sqm biggest mixed-use complex of Filinvest. Now under construction at the corner of EDSA and Aurora Boulevard, Activa comprises a retail mall, hotel, and 1 residential and 3 office towers on a 1.3-hectare prime lot. Activa Flex, the first tower offering traditional offices and SOHO units, was launched in October 2018. Activa Flats, which will be purely residential, is set to be launched in 2019. Overall project completion is expected by 2023.
- 100 West, located along Sen. Gil Puyat Avenue in Makati City, marked its topping-off milestone in December 2018. Mall and office operations are expected to start by mid-2019 while the residential units will begin turnover by the fourth quarter.



ACTIVA, Cubao



MALDIVES OASIS, Davao

- Construction continued in full swing at Studio 7, another mixed-use complex located along EDSA in South Triangle, Quezon City. The residential and office towers are both projected to be topped off in 2019.
- In Alabang, construction of the second tower of The Levels, a one-block, four-tower residential condominium development, started in June 2018. Studio City also began construction of Tower 4 which is targeted for turnover by the first quarter of 2020.



CORPORATE SOCIAL RESPONSIBILITY

FLI's Corporate Social Responsibility (CSR) initiatives for 2018 were highlighted by several community involvement programs that intensified the spirit of camaraderie among employees and the desire to give back to the communities where the company operates.

Education

FLI started its program to support the K-12 Education System by entering into a partnership with two institutions – Technological Institute of Philippines (TIP-QC) and Jose Rizal University – for their students' job exposure. A total of 153 students rendered 80 hours of immersion under the guidance of their mentors from Controllershship, Technical Planning, Legal, HR and Filinvest's water company, CWSI. This paved the way for these young minds to experience corporate life and be exposed to the culture and working environment of FLI.

In June and July 2018, the company also joined the Brigada Eskwela, an institutional program of the Department of Education implemented nationwide. Employees flocked to the Highway Hills Integrated School in Mandaluyong City to paint the walls, fix broken chairs, and do extensive cleaning of the school's corridors and grounds. The same initiative was joined by FLI's regional employees benefiting Marigondon Elementary School in Lapu Lapu City and San Isidro Elementary School on Samal Island which also received school supplies and backpacks.



Coastal Cleanup

Environmental Preservation

The Philippines suffers from environmental degradation caused by the mismanagement and abuse of our coastal waters and forests. In response to this, several Filinvest subsidiaries joined the International Coastal Clean-up program where employees did their part by picking up trash along the shore.

Another activity that helps protect Mother Nature is the annual Keep it Green. In 2018, green warriors from the ranks of the FLI employees planted tree seedlings along the slopes of the Havila and Timberland Heights townscapes. Funds raised from the activity were also donated to the Kanlungan ni Maria Home for the Aged in Antipolo City. FLI-Cebu also participated in a tree-planting initiative in Inoburan, Naga, Cebu in response to the tragic landslide that hit the town last year.

Tree Planting at Timberland Heights





Management Skills for New Leaders Training

Employee Engagement

In 2018, the company conducted programs aimed at training and keeping its employees engaged starting from the leaders. Programs such as Coaching, Behavioral Interviewing, Problem Solving and Decision Making were conducted to further develop the leadership skills of supervisors and managers.

Highlighting 2018 were two major employee engagement programs – the FLI Family Day at Manila Ocean Park and the FLI Greatest Filinvest Show Christmas Party – which allowed employees to bond with their families and work colleagues. Thematic engagement activities for Valentine’s Day, Mother’s Day, Father’s Day, and Halloween were also held to provide fun and entertaining respites for the hardworking employees.



2018 Christmas Party



Mother's Day Event



Biggest Loser 2018



CORPORATE GOVERNANCE REPORT

Compliance with Best Practices on Corporate Governance

For the year 2018, FLI fully complied with the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC) regulatory requirements. It is also in compliance with its Manual for Corporate Governance. In particular, your Company wishes to highlight the following: (a) the election of two (2) independent directors to the Board; (b) the appointment of members of the audit, nomination and compensation committees; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (e) FLI's adherence to national and local laws pertaining to its operations; and (f) the observance of applicable accounting standards by FLI.

In order to keep abreast of best practices in Corporate Governance, the members of the Board and top management have attended seminars on corporate governance initiated by duly accredited institutions.

FLI constantly reviews its Corporate Governance practices and welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors.

Board of Directors

Leading the practice of good Corporate Governance is the Board of Directors. Your Board of Directors is firmly committed to the adoption of and compliance with the best practices in Corporate Governance as well as the observance of all relevant laws, regulations and ethical business practices.

Nominations and Voting for the Board of Directors

The members of the Board are elected during the annual stockholders' meeting. The stockholders of FLI may nominate individuals to be members of the Board of Directors.

The Nomination Committee receives nominations for independent directors as may be submitted by the stockholders. After the deadline for the submission thereof, the Nomination Committee meets to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in FLI's Revised Manual on Corporate Governance and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Nomination Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommends nominees as independent directors shall be disclosed along with his or their relationship with such nominees.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be in accordance with FLI's Manual on Corporate Governance. In 2008, FLI filed with the SEC its application for the amendment of the by-laws to include the procedure that will govern the nomination and election of independent directors. This procedure is consistent with FLI's Revised Manual on Corporate Governance and Rule 38 of the Securities Regulation Code. The approval by the Commission on said application was issued on April 8, 2009. The power of the Board to amend the By-Laws has been delegated by the stockholders representing two-thirds (2/3) of FLI's outstanding capital stock in an annual meeting of said stockholders on May 27, 1994.

It shall be the responsibility of the Chairman of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FLI multiplied by the whole number of directors to be elected.

The directors of FLI are elected at the annual stockholders' meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the Board occurring mid-term are filled as provided in the Corporation Code and FLI's Revised Manual on Corporate Governance. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

Independent Directors

Before the annual meeting, a stockholder of FLI may nominate individuals to be independent directors, taking into account the following guidelines:

- A. "Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
 - i. Is not a director or officer or substantial stockholder of FLI or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
 - ii. Is not a relative of any director, officer or substantial stockholder of FLI, any of its related companies or any of its substantial shareholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - iii. Is not acting as a nominee or representative of a substantial shareholder of FLI, any of its related companies or any of its substantial shareholders;
 - iv. Has not been employed in an executive capacity by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years;
 - v. Is not related as a professional adviser by FLI, any of its any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm;
 - vi. Has not engaged and does not engage in any transaction with FLI or any of its related companies or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial or insignificant.
- B. When used in relation to FLI subject to the requirements above:
 - i. "Related company" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - ii. "Substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- C. An independent director of FLI shall have the following qualifications:
 - i. He shall have at least one (1) share of stock of FLI;
 - ii. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FLI for at least five (5) years;
 - iii. He shall possess integrity/probity; and
 - iv. He shall be assiduous.
- D. No person enumerated under Section II (5) of the Revised Manual of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:

- i. He becomes an officer or employee of FLI, or becomes any of the persons enumerated under items (A) hereof;
 - ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of FLI;
 - iii. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member;
 - iv. If he becomes disqualified under any of the grounds stated in FLI's Revised Manual on Corporate Governance.
- E. Pursuant to SEC Memorandum Circular No. 09, Series of 2011, which took effect on January 2, 2012, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:
- i. There shall be no limit in the number of covered companies that a person may be elected as independent director, except in business conglomerates where an independent director can be elected to only five (5) companies of its conglomerate, i.e., parent company, subsidiary or affiliate;
 - ii. Independent directors can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the independent director position was relinquished or terminated;
 - iii. After completion of the five-year service period, an independent director shall be ineligible for election as such in the same company unless the independent director has undergone a "cooling off" period of two (2) years, provided, that during such period, the independent director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as independent director in the same company;
 - iv. An independent director re-elected as such in the same company after the "cooling off" period can serve for another five (5) consecutive years under the conditions mentioned in paragraph (ii) above;
 - v. After serving as independent director for ten (10) years, the independent director shall be perpetually barred from being elected as such in the same company, without prejudice to being elected as an independent director in other companies outside the business conglomerate;
 - vi. All previous terms served by existing independent directors shall not be included in the application of the term limits.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings during 2018.

Board	Name	Date of Election	No. of Meetings Held During the Year	No. of Meetings Attended	%
Chairman	Jonathan T. Gotianun	April 20, 2018	5	4	80%
Member	L. Josephine Gotianun Yap	April 20, 2018	5	5	100%
Member	Mercedes T. Gotianun	April 20, 2018	5	5	100%
Member	Andrew T. Gotianun, Jr.	April 20, 2018	5	4	80%
Member	Michael Edward T. Gotianun	April 20, 2018	5	4	80%
Member	Efren C. Gutierrez	April 20, 2018	5	5	100%
Member	Francis Nathaniel C. Gotianun	April 20, 2018	5	5	100%
Independent	Lamberto U. Ocampo	April 20, 2018	5	5	100%
Independent	Val Antonio B. Suarez	April 20, 2018	5	5	100%

Report on attendance of the Board of Directors and Officers of the Company during the annual stockholders' meeting held on April 20, 2018:

Board of Directors

Name	Position
Mr. Jonathan T. Gotianun	Chairman of the Board Member – Executive Committee Member – Audit & Risk Management Oversight Committee Member – Compensation Committee
Mrs. L. Josephine Gotianun Yap	President and Chief Executive Officer Chairman – Executive Committee Member – Nominations Committee Member – Compensation Committee
Mrs. Mercedes T. Gotianun	Member – Executive Committee Chairman – Compensation Committee Member – Nominations Committee
Mr. Michael Edward T. Gotianun	Member – Executive Committee Member – Technical Committee
Mr. Andrew T. Gotianun, Jr.	Member – Executive Committee
Mr. Francis Nathaniel C. Gotianun	Member – Executive Committee
Atty. Efren C. Gutierrez	Member – Audit & Risk Management Oversight Committee Chairman – Nominations Committee Member – Related-Party Transaction & Corporate Governance Committee
Mr. Lamberto U. Ocampo	Independent Director Member – Nominations Committee Member – Compensation Committee Member – Technical Committee Member – Audit & Risk Management Oversight Committee
Atty. Val Antonio B. Suarez	Independent Director Chairman – Audit & Risk Management Oversight Committee Chairman – Related-Party Transaction & Corporate Governance Committee

Key Officers, Senior Management Officers and Other Officers

Name	Position
Mr. Nelson M. Bona	Senior Vice President, Chief Financial Officer and Compliance Officer
Ms. Ana Venus A. Mejia	Senior Vice President, Treasurer and Deputy Chief Financial Officer
Atty. Elma Christine R. Leogardo	Vice President / Corporate Secretary*
Mr. Steve C. Chien	Senior Vice President, International and Special Projects Head
Mr. Francis V. Ceballos	Senior Vice President, Business Group Head
Mr. Vince Lawrence Abejo	Senior Vice President, Cluster Head (MRB)
Mr. Tristaneil D. Las Marias	Senior Vice President, Business Group Head
Mr. Luis L. Fernandez	First Vice President and Head, General Services
Mr. Antonio E. Cenon	First Vice President and Head, Permits and Li-censes
Mr. Winnifred H. Lim	First Vice President, Planning and Engineering
Mr. Reynaldo Juanito S. Nieva II	First Vice President, Operations Head

* Retired effective 31 December 2018

Independent External Auditor

Name	Position
Mr. Michael C. Sabado	Partner-In-Charge, Sycip Gorres Velayo & Co.

Duties and Responsibilities of the Different Board Committees

Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	%	Length of Service in Committee
Chairman	L. Josephine Gotianun Yap	April 20, 2018	13	13	100%	1
Member (ED)	Michael Edward T. Gotianun	April 20, 2018	13	10	77%	1
	Francis Nathaniel C. Gotianun*	April 20, 2018	13	13	100%	1
Member (NED)	Jonathan T. Gotianun	April 20, 2018	13	13	100%	1
	Andrew T. Gotianun, Jr.	April 20, 2018	13	11	85%	1
	Mercedes T. Gotianun	April 20, 2018	13	13	100%	1
Member (ID)	Not Applicable					

* Committee members are appointed annually.

The functions, duties and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors. The Executive Committee shall consist of five (5) members, and least three (3) of whom shall be members of the Board of Directors. All members of the Executive Committee shall be appointed by and under the control of the Board of Directors.

The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board of Directors, except with respect to: (i) approval of any action for which shareholders' approval is also required; (ii) the filing of vacancies in the Board of Directors; (iii) the amendment or repeal of these By-Laws or the adoption of new by-laws; (iv) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and (v) the distribution of cash dividends to shareholders.

The act of the Executive Committee on any matter within its competence shall be valid if (i) it is approved by the majority vote of all its members in attendance at a meeting duly called where a quorum is present and acting throughout, or (ii) it bears the written approval or conformity of all its incumbent members without necessity for a formal meeting.

The Executive Committee shall hold its regular meeting at least once a month or as often as it may determine, in the principal office of the Corporation or at such other place as may be designated in the notice. Any member of the Executive Committee may, likewise, call a meeting of the Executive Committee at any time. Notice of any meeting of the Executive Committee shall be given at least seven (7) business days prior to the meeting or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.

Audit & Risk Management Oversight Committee

Office	Name	Date of Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	%	Length of Service in Committee
Chairman	Val Antonio B. Suarez	April 20, 2018	4	4	100%	1
Member (ED)						
Member (NED)	Jonathan T. Gotianun	April 20, 2018	4	4	100%	1
	Efren C. Gutierrez	April 20, 2018	4	4	100%	1

* Committee members are appointed annually.

The Board shall constitute an Audit & Risk Management Oversight Committee to be composed of at least three (3) Director-members, preferably with accounting and financial background, one of which shall be an independent director and another should have related audit experience.

The Chairman of this Committee should be an independent director. He should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

where possible, copies of all documents, agreements and information to be considered at such meeting.

Duties and Responsibilities:

- Provide oversight financial management functions specifically in areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- Provide oversight of the Corporation's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;
- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters
 - o Any change/s in accounting policies and practices
 - o Major judgmental areas
 - o Significant adjustments resulting from the audit
 - o Going concern assumptions
 - o Compliance with accounting standards
 - o Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report.
- Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit & Risk Management Oversight Committee functionally. The Audit & Risk Management Oversight Committee shall ensure that the internal auditors shall have free and full access to the Corporation's records, properties and personnel relevant to the internal audit activity, and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit & Risk Management Oversight Committee to review and approve the annual internal audit plan.

Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	%	Length of Service in Committee
Chairman	Mercedes T. Gotianun	April 20, 2018	2	2	100%	8 months
Member (ED)	L. Josephine Gotianun Yap	April 20, 2018	2	2	100%	8 months
Member (NED)	Jonathan T. Gotianun	April 20, 2018	2	2	100%	8 months
Member (ID)	Lamberto U. Ocampo	April 20, 2018	2	2	100%	8 months

* Committee members are appointed annually.

The Board may constitute a Compensation Committee composed of at least three (3) Director-members, one of whom shall be an independent director.

Duties and Responsibilities:

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully.
- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
- Disallow any director to decide his or her own remuneration.
- Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year.
- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Office	Name	Date of Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	%	Length of Service in Committee
Chairman	Efren C. Gutierrez	April 20, 2018	1	1	100%	8 months
Member (ED)	L. Josephine Gotianun Yap	April 20, 2018	1	1	100%	8 months
Member (NED)	Mercedes T. Gotianun	April 20, 2018	1	1	100%	8 months
Member (ID)	Lamberto U. Ocampo	April 20, 2018	1	1	100%	8 months

* Committee members are appointed annually.

Nomination Committee

The Board may constitute a Nomination Committee consisting of at least three (3) Director-members, one of whom shall be an independent director. The Head of the Human Resources Department shall be a non-voting ex-officio member.

The Nomination Committee may review and evaluate the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring appointment by the Board, and provide assessment on the Board's effectiveness in directing the process of renewing and replacing the Board's members.

The Nomination Committee may consider the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the Corporations in which he is a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other corporations or organizations; and
- Possible conflict of interest.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

The Nomination Committee may pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, taking into account the qualifications and the grounds for disqualifications as set forth in FLI's Manual of Corporate Governance and the Securities Regulation Code.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination for members of the Board of Directors. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the Securities and Exchange Commission (SEC). The nomination of independent directors shall be conducted by the Committee before the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors as set forth in the Company's Manual on Corporate Governance.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, which shall be made available to the SEC and all stockholders through the filing and distribution of the Information Statement, or in such reports the Company is required to submit to the SEC. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

Compensation of the Board of Directors and Officers:

Except for per diem of Php50,000 being paid to non-executive directors of the Filinvest Group for every meeting attended, there are no other arrangements to which directors are compensated, for any services provided as director, including any amounts payable for committee participation or special assignments.

Meanwhile, the aggregate compensation paid or incurred during the last two fiscal years to the non-independent Directors and top officers of FLI are as follows:

Summary Compensation Table

The aggregate compensation paid or incurred during the last two fiscal years and the estimate for this year are as follows:

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(d) Bonus (P)	(e) Other Annual Compensation	TOTAL
Lourdes Josephine Gotianun Yap (President/Chief Executive Officer)					
Steve Chien Liang Ta (Senior Vice President)					
Nelson M. Bona (Chief Financial Officer/Senior Vice President)					
Ana Venus A. Mejia (Deputy Chief Financial Officer/Treasurer/ Senior Vice President)					
Francis V. Ceballos (Senior Vice President)					
CEO and top four (4) highest compensated officers	2018	25.44M	7.10M	-	32.54M
	2017	24.23M	6.77M	-	31.00M
	2016	23.22M	7.55M	-	30.77M
				-	
All officers and directors as a group unnamed	2018	47.21M	12.73M	-	59.94M
	2017	44.97M	12.12M	-	57.09M
	2016	43.11M	13.13M	-	56.24M
				-	

Except for a per diem of P50,000.00 being paid to each non-executive director for every meeting attended, there are no other arrangements for the payment of compensation or remuneration to the directors in their capacity as such.

External Auditor

The auditing firm of Sycip, Gorres, Velayo & Co. ("SGV") is the current independent auditor of FLI. There have been no disagreements with SGV on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

FLI, in compliance with SRC Rule 68(3)(b)(iv) relative to the five-year rotation requirement of its external auditors, has designated Ms. Dhonabee B. Seneres as its engagement partner starting CY 2013. Thus, Ms. Seneres is qualified to act as such until the year 2018. The representatives of SGV shall be present at the annual meeting where they will have the opportunity to make a statement if they desire to do so. They are expected to be available to respond to appropriate questions at the meeting.

A. Audit and Audit-Related Fees

In consideration for the following professional services rendered by SGV as the independent auditor of FLI:

1. The audit of FLI's annual financial statements and such services normally provided by an external auditor in connection with statutory and regulatory filings or engagements for those fiscal years;
2. Other assurance and related services by SGV that are reasonably related to the performance of the audit or review of FLI's financial statements.

B. Tax Fees

For each of the last two fiscal years, SGV did not render services for tax accounting, compliance, advice and planning for which it billed FLI the corresponding professional fees.

C. All Other Fees

For each of the last two years, SGV did not render services in addition to the services described above for which it billed FLI the corresponding professional fees.

D. Approval Policies and Procedures for Independent Accountant's Services of Management/ Audit & Risk Management Oversight Committee

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit & Risk Management Oversight Committee, with inputs from the management of FLI, makes a prior independent assessment of the quality of audit services previously rendered by the accountant, the complexity of the transactions subject of the audit, and the consistency of the work output with generally accepted accounting standards.

Shareholders' Rights

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Corporation and all its investors:

The Board shall be committed to respect the following rights of the stockholders:

A. Voting Right

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
2. Cumulative voting is mandatory in the election of directors.
3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

B. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code, during business hours and upon prior written notice to the Corporation and for good reason.

All Shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

C. Right to Information

1. The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.
2. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
3. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

D. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Corporation to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

E. Appraisal Right

The Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- In case of merger or consolidation.

F. The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation.

The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.

G. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

Dividend Policy and Dividends Paid

On January 8, 2007, the Board of Directors approved an annual cash dividend payment ratio for the Company's issued shares of twenty percent (20%) of its consolidated net income from the preceding fiscal year, subject to the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. Circumstances which could restrict the payment of cash dividends, include, but are not limited to, when the Company undertakes major projects and developments requiring substantial cash expenditures or when it is restricted from paying cash dividends by its loan covenants. The Company's Board may, at any time, modify such dividend pay-out ratio depending upon the results of operations and future projects and plans of the Company.

On June 30, 2008, FLI paid cash dividends of Php0.02 per share or a total of Php485.72 million to all shareholders on record as of June 15, 2008. This equivalent to 28.5% of the Php1.704 billion in net income generated in 2007.

On June 9, 2009, FLI paid a cash dividend of Php0.033 per share or a total of Php800.24 million to all shareholders on record as of May 14, 2009. This is equivalent to 42.9% of the Php1.867 billion net income reported in 2008.

On June 9, 2010, FLI paid a regular cash dividend of Php0.017 and special cash dividend of Php0.016 per share or a total of Php800.24 million to all shareholders on record as of May 18, 2010. This is equivalent to 39.7% of 2009's Php2.018 billion net income.

On June 7 2011, FLI paid a regular cash dividend of Php0.0196 and a special cash dividend of Php0.0196 per share or a total of Php950.59 million to all shareholders on record as of May 13, 2011. This is equivalent to 39.2% of 2010's Php2.246 billion core net income.

On June 21 2012, FLI paid a regular cash dividend of Php0.0237 and a special cash dividend of Php0.0237 per share, or a total of Php0.0475 per share. This was equivalent to Php1,151.86 million, and paid to all shareholders on record as of May 25, 2012. This is equivalent to 39.2% of 2011's Php2.940 billion net income.

On July 3, 2013, FLI paid a regular cash dividend of Php0.0280 and a special cash dividend of Php0.020 per share, or a total of Php0.0480 per share. This was equivalent to Php1,163.99 million, and paid to all shareholders on record as of June 7, 2013. This is equivalent to 33.9% of 2012's Php3.431 billion net income.

On July 2, 2014, FLI paid regular cash dividends of Php0.032 and a special cash dividend of Php0.018 per share, or a total of Php0.050. This was equivalent to Php1,212.48 million and paid to all shareholders on record as of June 6, 2014. This is equivalent to 30.9% of 2013's net income.

In 2015, FLI declared cash dividends to all stockholders of record as of June 5, 2015 (ex-date June 2, 2015), in the amount of Php0.0560 per share, broken down as follows:

- a. Regular Cash Dividend of Php0.0373 per share
- b. Special Cash Dividend of Php0.0187 per share

Payment date was set on July 1, 2015.

In 2016, FLI declared cash dividends to all stockholders of record as of May 22, 2016, in the amount of Php0.061 per share, broken down as follows:

- a. Regular Cash Dividend of Php0.041 per share
- b. Special Cash Dividend of Php0.020 per share

Payment date was set on June 15, 2016.

In 2017, FLI declared cash dividends to all stockholders of record as of May 21, 2017, in the amount of Php0.0613 per share, broken down as follows:

- a. Regular Cash Dividend of Php0.0430 per share
- b. Special Cash Dividend of Php0.0183 per share

Payment date was set on June 14, 2017.

In 2018, FLI declared cash dividends to all stockholders of record as of May 20, 2018, in the amount of P0.0618 per share, broken down as follows:

- a. Regular Cash Dividend of P0.0469 per share
- b. Special Cash Dividend of P0.0149 per share

Payment date was set on June 14, 2018.

Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

Stockholders on record as of March 1, 2018 were entitled to attend and vote at the April 20, 2018 Annual Stockholders' Meeting.

Stockholders were informed that the Annual Stockholders' Meeting for 2018 would be held at 10:30 am at Ballroom 1 and 2, Crimson Hotel Filinvest City, Manila, Entrata Urban Complex, 2609 Civic Drive, Filinvest City, Alabang, Muntinlupa City.

On January 17, 2018, FLI disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date of the Annual Stockholders' Meeting on April 20, 2018 with the record date set on March 1, 2018.

Procedures During the Annual Stockholders' Meeting

The following was the agenda of the Annual Stockholders' Meeting last April 20, 2018:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on 21 April 2017
5. Presentation of the President's Report
6. Ratification of the Audited Financial Statements for the year ending 31 December 2017
7. Ratification of the Acts and Resolutions of the Board of Directors, Board Committees and Management for the year 2017
8. Election of the Members of the Board of Directors, including two (2) Independent Directors, to serve for 2018-2019
9. Appointment of the External Auditor
10. Other Matters
11. Adjournment

Only stockholders of record as of March 1, 2018 were entitled to attend and vote in the said meeting.

On the same day, right after the stockholders' meeting, FLI disclosed to the Philippine Stock Exchange the results of the annual stockholders' meeting which included the following:

- a. Approval of the Minutes of the Annual Stockholders' Meeting held on April 21, 2017;
- b. Ratification of the Audited Financial Statements for the year ended December 31, 2017;
- c. Ratification of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee and Management from the date of the last annual stockholders' meeting up to April 20, 2018; and
- d. Approval to delegate to the Board of Directors the authority to select, designate and appoint the independent external auditor of FLI for the year 2018.

Likewise, the following were elected as directors of FLI to serve for the period 2018-2019 and until their successors shall have been duly elected and qualified:

1. MERCEDES T. GOTIANUN
2. ANDREW T. GOTIANUN, JR.
3. JONATHAN T. GOTIANUN
4. LOURDES JOSEPHINE GOTIANUN YAP
5. MICHAEL EDWARD T. GOTIANUN
6. EFREN C. GUTIERREZ
7. FRANCIS NATHANIEL C. GOTIANUN
8. LAMBERTO U. OCAMPO (as independent director)
9. VAL ANTONIO B. SUAREZ (as independent director)

Annual Stockholders' Meeting and Procedures

FLI fully complied with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) regulatory requirements. Below is the Company's Reportorial Compliance Report:

Type of Report	Number of Filings
----------------	-------------------

Type of Report

Financials

Annual Report (17-A)	1
Quarterly Report (17-Q)	3
Audited Financial Statements	1

Ownership

Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	14
Public Ownership Report	4
Report on Number of Shareholders and Board Lot	12
Statement of Changes in Beneficial Ownership of Securities (23-B)	46
Top 100 Stockholders' List	4

Notices – Stockholders' Meetings/Briefings/Dividends

Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	1
Notice of Analysts' Briefing	4

Other Disclosures

Certification – Qualifications of Independent Directors	1
Clarifications of News Articles	2
Definitive Information Statement (20-IS)	1
General Information Sheet	1
Preliminary Information Statement (20-IS)	1
SEC Form 17-C (Current Report)	

Which includes the following:

- a) Results of Annual Stockholders' Meeting/Board Meetings (6)
- b) Press Releases (4)

Investor Relations

FLI's website, www.filinvestland.com, makes available to the public, current information on the Company, including details of its operations.

The Investor Relations section of the website provides information on financial statements, press releases, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, notice of analysts' briefings, other reportorial requirements by the Philippine Stock Exchange. The contact details of the Investor Relations Office are available in the website.

To meet the requirements of FLI's investors, the Company conducted four (4) Analysts' Briefings in 2018:

1. March 23, 2018 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for Full Year 2017 results
2. On May 17, 2018 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Quarter 2018 results;
3. On August 10, 2018 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Half 2018 results; and
4. On November 23, 2018 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Nine Months of 2018 results

On March 22, 2019, FLI conducted an analysts' briefing at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for the Full Year 2018 results.

The company also hosted a number of project site tours for analysts and investors.

In 2018, FLI participated in eight (8) conferences organized by different stock brokerages in Thailand, Hong Kong, Singapore, Japan and the Philippines.



MERCEDES T. GOTIANUN
CHAIRMAN EMERITUS



JONATHAN T. GOTIANUN
CHAIRMAN



ANDREW T. GOTIANUN
VICE CHAIRMAN



JOSEPHINE GOTIANUN YAP
DIRECTOR - PRESIDENT/CEO



MICHAEL EDWARD T. GOTIANUN
DIRECTOR



EFREN C. GUTIERREZ
DIRECTOR



FRANCIS C. GOTIANUN
DIRECTOR



VAL ANTONIO B. SUAREZ
INDEPENDENT DIRECTOR



LAMBERTO U. OCAMPO
INDEPENDENT DIRECTOR

BOARD OF DIRECTORS



MARICEL B. LIRIO
EVP - CYBERZONE
PROPERTIES, INC.



NELSON M. BONA
SVP - CHIEF FINANCE
OFFICER



ANA VENUS A. MEJIA
SVP - DEPUTY CHIEF
FINANCE OFFICER



FRANCIS V. CEBALLOS
SVP - BUSINESS GROUP
HEAD



VINCE LAWRENCE L. ABEJO
SVP - BUSINESS GROUP
HEAD



TRISTANIEL D. LAS MARIAS
SVP - BUSINESS GROUP
HEAD



ARNULFO N. DELOS REYES
SVP - CONSTRUCTION
MANAGEMENT



WINNIFRED H. LIM
SVP - CHIEF TECHNICAL
PLANNING OFFICER



JOVITA R. POLLOSO
SVP - COMMERCIAL CENTERS,
FESTIVAL SUPERMALL, INC.

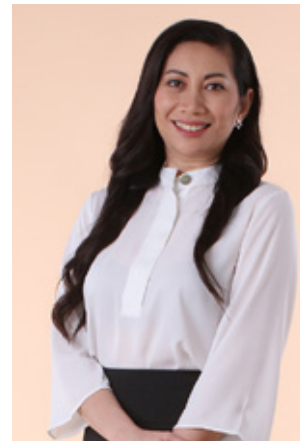
SENIOR MANAGEMENT



ROMEO T. BAUTISTA
SVP - BIDS & AWARDS



LUIS L. FERNANDEZ
FVP - HOA & WATER
SYSTEMS



CESARINE JANETTE B. CORDERO
FVP - FILINVEST CYBERPARKS,
INC.



ANTONIO E. CENON
FVP - PERMITS &
LICENSES



REYNALDO JUANITO S. NIEVA
FVP - OPERATIONS



MICHAEL EDWARD T. GOTIANUN
VP - SUPPLY CHAIN
MANAGEMENT



MAI C. YANG
VP - BUSINESS GROUP
HEAD



RIZALANGELA L. REYES
VP- HRAD & CUSTOMER
CARE

SENIOR MANAGEMENT



JIMMY S. ROQUE
VP - ARCHITECTURAL DESIGN
& PLANNING



BERNADETTE M. RAMOS
VP - GROUP REAL ESTATE
MARKETING



ROMEO L. MAGTANONG
VP - LITIGATION



HARRIET C. DUCEPEC
VP - CHIEF OF STAFF



ALAN J. BARQUILLA
VP - AREA GROUP HEAD,
VISMIN



LEONARD A. GONZALES
VP - SECURITY & SAFETY



NELLY DESYREE D. TOBIAS
VP - CONTROLLERSHIP



SEAN PHILIP R. IMPERIAL
VP - BUSINESS PLANNING

SENIOR MANAGEMENT



FINANCIAL STATEMENTS

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands of Pesos)

	December 31	
	2018	2017 (As restated, see Note 2)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 19 and 30)	₱6,419,560	₱7,576,090
Contracts receivables (Notes 2, 3, 6, 8 and 30)	800,850	4,535,296
Contract assets (Notes 2, 3, 6 and 30)	3,798,831	—
Other receivables (Notes 9 and 30)	2,348,361	1,882,416
Real estate inventories (Notes 2, 3 and 10)	67,853,028	52,299,118
Other current assets (Notes 2, 3, 6 and 11)	3,874,332	4,586,800
Total Current Assets	85,094,962	70,879,720
Noncurrent Assets		
Contract asset - net of current portion (Notes 2, 3, 6 and 30)	6,243,274	—
Contracts receivables - net of current portion (Notes 2, 3, 8 and 30)	—	12,690,696
Investments in associates (Notes 3 and 12)	4,056,019	4,197,002
Investment properties (Notes 2, 3 and 13)	49,867,671	44,355,604
Property and equipment (Notes 3 and 14)	3,833,120	3,408,312
Deferred income tax assets (Notes 3 and 28)	85,979	48,655
Goodwill (Notes 3 and 4)	4,567,242	4,567,242
Other noncurrent assets (Notes 2, 3 and 15)	5,112,216	4,974,688
Total Noncurrent Assets	73,765,521	74,242,199
TOTAL ASSETS	₱158,860,483	₱145,121,919
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 16 and 30)	₱12,446,821	₱14,259,062
Contract liabilities (Notes 2 and 6)	2,156,955	—
Due to related parties (Notes 19 and 30)	181,271	199,315
Income tax payable	109,002	49,219
Current portion of loans payable (Notes 17, 26 and 30)	1,969,936	3,661,118
Current portion of bonds payable (Notes 18, 26 and 30)	6,993,574	—
Total Current Liabilities	23,857,559	18,168,714

(Forward)

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands of Pesos)

	2018	(As restated, see Note 2)
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 17, 26 and 30)	₱22,978,537	₱19,647,418
Bonds payable - net of current portion (Notes 18, 26 and 30)	27,840,692	34,775,665
Contract liabilities - net of current portion (Notes 2 and 6)	1,053,221	—
Net retirement liabilities (Notes 3 and 24)	598,403	517,929
Deferred income tax liabilities - net (Note 28)	6,011,674	5,298,440
Other noncurrent liabilities (Notes 16 and 30)	9,248,775	3,212,710
Total Noncurrent Liabilities	67,731,302	63,452,162
Total Liabilities	91,588,861	81,620,876
Equity		
Common stock (Note 26)	24,470,708	24,470,708
Preferred stock (Note 26)	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321
Treasury stock (Note 26)	(221,041)	(221,041)
Retained earnings (Notes 2 and 26)	36,882,343	33,099,891
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Remeasurement losses on retirement plan - net of tax (Note 24)	(148,581)	(155,336)
Share in other components of equity of associates (Note 12)	361,794	361,794
Equity attributable to equity holders of the parent	67,034,925	63,245,718
Noncontrolling interests (Note 2)	236,697	255,325
Total Equity	67,271,622	63,501,043
TOTAL LIABILITIES AND EQUITY	₱158,860,483	₱145,121,919

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2018	2017	2016
REVENUE			
Real estate sales (Notes 3, 5 and 6)	₱14,404,201	₱13,748,423	₱14,255,920
Rental and related services (Notes 5, 6, 13, 15 and 25)	5,608,258	4,414,665	3,384,182
Total revenue	20,012,459	18,163,088	17,640,102
EQUITY IN NET EARNINGS OF ASSOCIATES (Note 12)	537,017	350,213	183,020
OTHER INCOME			
Interest income (Notes 7, 8, 19 and 22)	977,290	935,302	871,972
Others - net (Notes 19 and 23)	678,419	821,048	805,492
	22,205,185	20,269,651	19,500,586
COSTS			
Real estate sales (Notes 3 and 10)	8,339,208	8,051,904	8,322,274
Rental and related services (Notes 13, 14 and 15)	1,130,507	999,057	742,489
OPERATING EXPENSES			
General and administrative expenses (Note 20)	2,322,060	1,879,135	1,303,954
Selling and marketing expenses (Note 21)	1,442,587	981,693	1,204,804
INTEREST AND OTHER FINANCE CHARGES (Notes 17, 18 and 22)	1,192,441	1,062,705	1,072,664
	14,426,803	12,974,494	12,646,185
INCOME BEFORE INCOME TAX	7,778,382	7,295,157	6,854,401
PROVISION FOR INCOME TAX (Note 28)	1,702,509	1,460,976	1,503,615
NET INCOME	₱6,075,873	₱5,834,181	₱5,350,786
Net income attributable to:			
Equity holders of the parent	₱5,894,408	₱5,685,394	₱5,247,262
Noncontrolling interest	181,465	148,787	103,524
	₱6,075,873	₱5,834,181	₱5,350,786
Basic/Diluted Earnings Per Share (Note 27)	₱0.24	₱0.23	₱0.22

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2018	2017	2016
NET INCOME	₱6,075,873	₱5,834,181	₱5,350,786
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss			
Remeasurement gains on retirement plan, net of tax (Notes 24 and 28)	6,755	3,637	(36,625)
TOTAL COMPREHENSIVE INCOME	₱6,082,628	₱5,837,818	₱5,314,161
Total comprehensive income attributable to:			
Equity holders of the parent	₱5,901,163	₱5,689,031	₱5,210,637
Noncontrolling interest	181,465	148,787	103,524
	₱6,082,628	₱5,837,818	₱5,314,161

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

	Attributable to Equity Holders of the Parent										
	Common Stock (Note 26)	Preferred Stock (Note 26)	Additional Paid-in Capital	Treasury Stock (Note 26)	Retained Earnings (Note 26)	Revaluation Reserve on Financial Assets at FVTOCI (Note 15)	Remeasurement Losses on Retirement Plan (Note 24)	Share in Other Components of Equity of an Associate (Note 12)	Total	Noncontrolling Interest	Total Equity
For the Year Ended December 31, 2018											
Balances as at January 1, 2018, as previously stated	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱33,099,891	(₱2,619)	(₱155,336)	₱361,794	₱63,245,718	₱255,325	₱63,501,043
Effect of adoption of new accounting standards (Note 2)	—	—	—	—	(613,321)	—	—	—	(613,321)	—	(613,321)
Balance as January 1, 2018, as restated	24,470,708	80,000	5,612,321	(221,041)	32,486,570	(2,619)	(155,336)	361,794	62,632,397	255,325	62,887,722
Net income	—	—	—	—	5,894,408	—	—	—	5,894,408	181,465	6,075,873
Other comprehensive income	—	—	—	—	—	—	6,755	—	6,755	—	6,755
Total comprehensive income	—	—	—	—	5,894,408	—	6,755	—	5,901,163	181,465	6,082,628
Dividends declared (Note 26)	—	—	—	—	(1,498,635)	—	—	—	(1,498,635)	—	(1,498,635)
Dividend distribution to noncontrolling interest	—	—	—	—	—	—	—	—	—	(184,000)	(184,000)
Acquisition of noncontrolling interest (Note 2)	—	—	—	—	—	—	—	—	—	(16,093)	(16,093)
Balances as at December 31, 2018	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱36,882,343	(₱2,619)	(₱148,581)	₱361,794	₱67,034,925	₱236,697	₱67,271,622
For the Year Ended December 31, 2017											
Balances as of January 1, 2017	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱29,015,356	(₱2,619)	(₱158,973)	₱361,794	₱59,157,546	₱255,091	₱59,412,637
Net income	—	—	—	—	5,685,394	—	—	—	5,685,394	148,787	5,834,181
Other comprehensive income	—	—	—	—	—	—	3,637	—	3,637	—	3,637
Total comprehensive income	—	—	—	—	5,685,394	—	3,637	—	5,689,031	148,787	5,837,818
Dividends declared (Note 26)	—	—	—	—	(1,486,510)	—	—	—	(1,486,510)	—	(1,486,510)
Dividend distribution to noncontrolling interest	—	—	—	—	—	—	—	—	—	(146,000)	(146,000)
Investment from noncontrolling interest	—	—	—	—	—	—	—	—	—	21,951	21,951
Acquisition of noncontrolling interest (Note 2)	—	—	—	—	(114,349)	—	—	—	(114,349)	(24,504)	(138,853)
Balances as of December 31, 2017	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱33,099,891	(₱2,619)	(₱155,336)	₱361,794	₱63,245,718	₱255,325	₱63,501,043

	Attributable to Equity Holders of the Parent										
	Common Stock (Note 26)	Preferred Stock (Note 26)	Additional Paid-in Capital	Treasury Stock (Note 26)	Retained Earnings (Note 26)	Revaluation Reserve on Financial Assets at FVTOCI (Note 15)	Remeasurement Losses on Retirement Plan (Note 24)	Share in Other Components of Equity of an Associate (Note 12)	Total	Noncontrolling Interest	Total Equity
For the Year Ended December 31, 2016											
Balances as of January 1, 2016	P24,470,708	P80,000	P5,612,321	(P221,041)	P25,247,329	(P2,619)	(P122,348)	P361,794	P55,426,144	P271,117	P55,697,261
Net income	—	—	—	—	5,247,262	—	—	—	5,247,262	103,524	5,350,786
Other comprehensive income	—	—	—	—	—	—	(36,625)	—	(36,625)	—	(36,625)
Total comprehensive income	—	—	—	—	5,247,262	—	(36,625)	—	5,210,637	103,524	5,314,161
Dividends declared (Note 26)	—	—	—	—	(1,479,235)	—	—	—	(1,479,235)	—	(1,479,235)
Dividend distribution to noncontrolling interest	—	—	—	—	—	—	—	—	—	(120,000)	(120,000)
Investment from noncontrolling interest	—	—	—	—	—	—	—	—	—	450	450
Balances as of December 31, 2016	P24,470,708	P80,000	P5,612,321	(P221,041)	P29,015,356	(P2,619)	(P158,973)	P361,794	P59,157,546	P255,091	P59,412,637

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2018	2017 (As restated, see Note 2)	2016 (As restated, see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱7,778,382	₱7,295,157	₱6,854,401
Adjustments for:			
Interest income (Note 22)	(977,290)	(935,302)	(871,972)
Interest expense and amortization of transaction costs (Note 22)	1,155,761	1,038,511	1,034,036
Depreciation and amortization (Notes 5, 13, 14 and 15)	810,629	769,461	520,789
Equity in net earnings of associates (Note 12)	(537,017)	(350,213)	(183,020)
Net pension expense, net of contribution and benefits paid (Note 24)	90,124	78,600	56,008
Operating income before changes in operating assets and liabilities	8,320,589	7,896,214	7,410,242
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contracts receivable	16,425,142	4,559,588	(2,330,309)
Contract assets	(10,042,105)	—	—
Other receivables	(465,945)	(630,904)	777,730
Real estate inventories	(10,699,331)	(7,719,291)	503,394
Other assets	304,788	(669,372)	(983,443)
Increase (decrease) in:			
Accounts payable and accrued expense	82,051	5,665,098	(2,400,741)
Contract liabilities	3,210,176	—	—
Cash generated from operations	7,135,365	9,101,333	2,976,873
Income taxes paid, including creditable withholding taxes	(1,198,192)	(878,726)	(562,696)
Interest received	977,290	935,302	871,972
Net cash provided by operating activities	6,914,463	9,157,909	3,286,149
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Investment properties and property and equipment (Notes 13 and 14)	(5,558,464)	(6,854,429)	(6,353,151)
Investment in associate (Note 12)	—	—	(37,829)
Noncontrolling interest	—	(138,853)	—
Dividends received (Note 12)	678,000	200,000	155,225
Redemption of financial asset at FVTOCI (Note 15)	48	—	1
Net cash used in investing activities	(4,880,416)	(6,793,282)	(6,235,754)

(Forward)

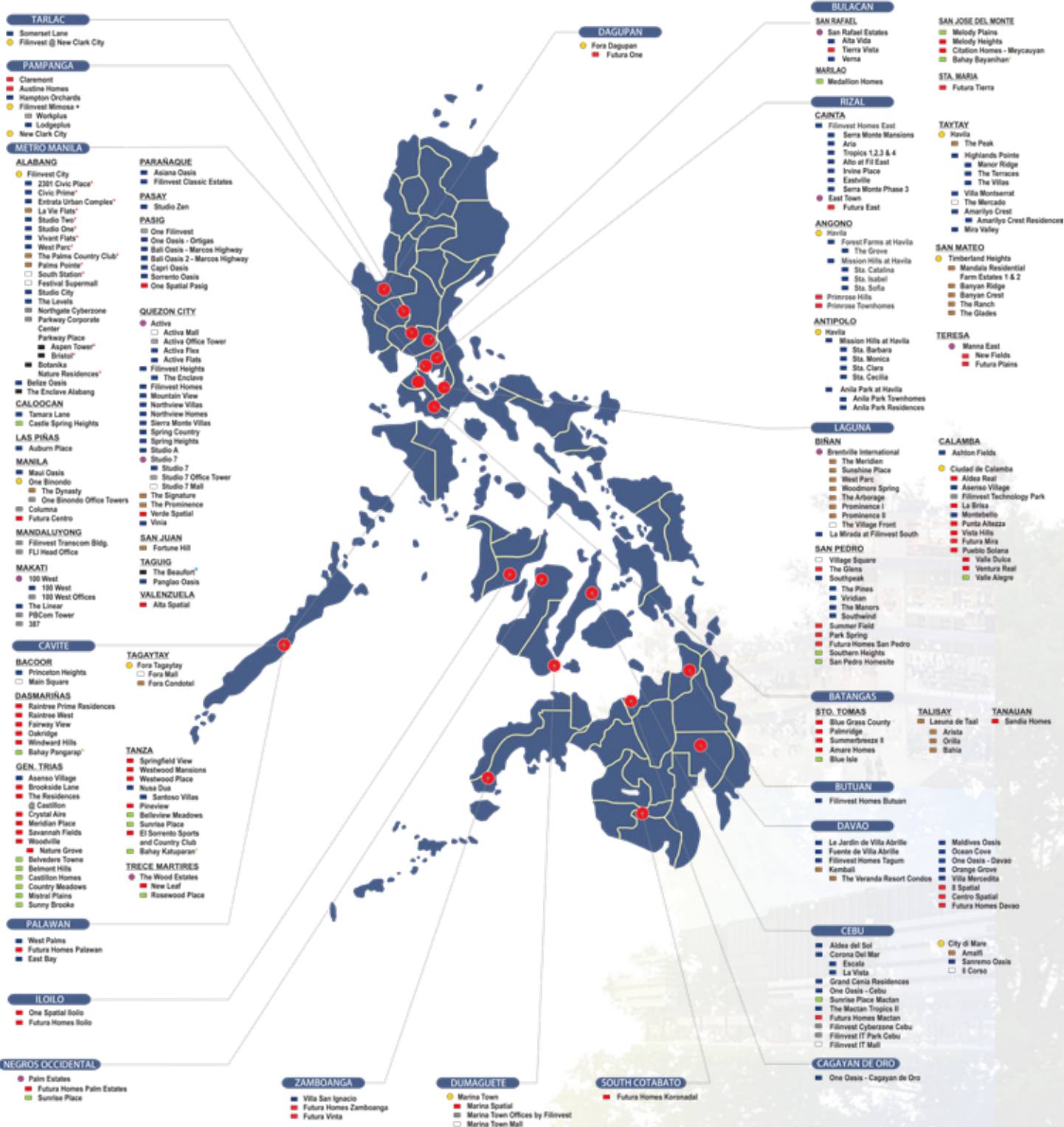
FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2018	2017 (As restated, see Note 2)	2016 (As restated, see Note 2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of:			
Loans payable (Notes 17 and 30)	₱5,500,000	₱3,225,000	₱10,475,000
Bonds payable (Notes 18 and 30)	—	6,000,000	—
Payments of:			
Loans payable (Note 17)	(3,841,338)	(4,370,198)	(1,932,827)
Bonds payable (Note 18)	—	—	(3,000,000)
Cash dividend (Note 26)	(1,498,635)	(1,486,510)	(1,479,235)
Interest and transaction costs	(3,132,467)	(2,861,384)	(2,617,989)
Dividends paid to noncontrolling interest	(184,000)	(146,000)	(120,000)
Decrease in amounts due to related parties	(18,044)	(44,421)	(99,149)
Investment from noncontrolling interest	—	21,951	450
Acquisition of noncontrolling interest (Note 2)	(16,093)	—	—
Net cash provided by (used in) financing activities	(3,190,577)	338,438	1,226,250
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,156,530)	2,703,065	(1,723,355)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,576,090	4,873,025	6,596,380
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	₱6,419,560	₱7,576,090	₱4,873,025

See accompanying Notes to Consolidated Financial Statements.



LEGEND

- FILIGREE**
- PRESTIGE by Filinvest**
- ASPIRE by Filinvest**
- FUTURA by Filinvest**
- SOCIALIZED**
- RETAIL / COMMERCIAL**
- MIXED-USE**
- OFFICE**
- TOWNSCAPE**
- Filinvest Alabang, Inc. projects**
- Filinvest Development Corp. projects**
- Projects developed by FLI but sold to PRA**

MAP OF PROJECTS



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