

# COVER SHEET

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SEC Registration Number

F I L I N V E S T L A N D , I N C . A N D S U B S I D I A  
R I E S

(Company's Full Name)

7 9 E D S A , B r g y . H i g h w a y H i l l s , M a n d  
a l u y o n g C i t y

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

Venus A. Mejia

(Contact Person)

918-8188 (local 3008)

(Company Telephone Number)

0 3

Month

3 1

Day

(Fiscal Year)

2 0 1 4

1 7 - Q

(Form Type)

Month

Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

5,854 shareholders

Total No. of Stockholders

Total Amount of Borrowings

₱35.95 billion

Domestic

None

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2014
2. SEC Identification Number 170957 3. BIR Tax ID 000-533-224
4. Exact name of issuer as specified in its charter FILINVEST LAND, INC.
- Philippines
5. Province, Country or other jurisdiction of incorporation or organization
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
- Filinvest Building, #79 EDSA, Brgy. Highway Hills, Mandaluyong City 1550
7. Address of issuer's principal office Postal Code
- 02-918-8188
8. Issuer's telephone number, including area code
- Not Applicable
9. Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Section 8 and 12 of the SRC

<u>Title of Each Class</u>	<u>Number of shares of Common Stock Outstanding</u>	<u>Amount of Debt Outstanding</u>
Common Stock, P 1.00 par value	24,249,759,509	35,945,528,111

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

Yes ☒ No ☐

12. Indicate by check mark whether the issuer:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

## TABLE OF CONTENTS

### Part I – FINANCIAL INFORMATION

<b>Item 1. Financial Statements</b>	<b>Annex</b>
Notes to Consolidated Financial Statements	
1. Corporate Information	1
2. Summary of Significant Accounting Policies	1
3. Segment Reporting	7
4. Investment in Associate	9
5. Accounts Payable and Accrued Expenses	10
6. Long-term Debt	11
7. Other Income – net	13
8. Financial Risk Exposures	13
<b>Item 2. Management Discussion and Analysis of Financial Condition and Result of Operations</b>	<b>15</b>

### Part II – OTHER INFORMATION

<b>Item 3. Business Development / New Projects</b>	<b>18</b>
<b>Item 4. Other Disclosures</b>	<b>28</b>

## **PART 1 – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

Please refer to Annex A for the Consolidated Financial Statements of Filinvest Land, Inc. and Subsidiaries covering the three-months period ended March 31, 2014 and March 31, 2013, and period ended December 31, 2013. The Aging Schedule for the Company's receivables as of March 31, 2014 is also presented in Annex B. Also attached are Supplementary Information and Disclosures required on SRC rules 68 and 68.1 as amended for the three-month period ending March 31, 2014.

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

#### **1. Corporate Information**

Filinvest Land, Inc. (the "Parent Company" or "FLI") is a property developer engaged mainly in the development of residential subdivisions, construction of housing units and leasing activities. It was incorporated and domiciled in the Philippines where its shares are publicly traded. Formerly Citation Homes, Inc., the Parent Company was incorporated on November 24, 1989 and later changed to its present name on July 12, 1993. The Parent Company and its subsidiaries (collectively referred to as "the Group") offer a range of real estate products from socialized and affordable housing to middle-income and high-end housing, various types of subdivision lots, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings. The Group also leases out commercial and office spaces in Alabang, Muntinlupa City and Makati City, its major locations for leasing.

The Group's parent company is Filinvest Development Corporation (FDC), a publicly listed entity. A.L. Gotianun Inc. (ALG) is the Group's ultimate parent company.

On May 18, 2012, Countrywide Water Services, Inc. (CWSI), a wholly-owned subsidiary of the Parent Company was incorporated. CWSI has the technical expertise and skills in the operation, management, maintenance, and rehabilitation of waterworks and sewerage system. On August 2, 2012, the Parent Company has engaged the services of CWSI in order to maintain and further improve the billing, collection and customer relation services in the waterworks and sewerage system of its residential projects.

On February 4, 2014, Filinvest Cyberparks, Inc. (FCI), a wholly-owned subsidiary of the Parent Company was incorporated. Its primary purpose is to acquire by purchase, lease, donate and/or to own, use, improve, develop, subdivide, sell, mortgage, exchange, hold for investment and deal with real estate of all kinds. FCI has not yet started its commercial operations as of March 31, 2014.

The Parent Company's registered business address is at 79 EDSA, Brgy. Highway Hills, Mandaluyong City.

#### **2. Summary of Significant Accounting Policies**

##### Basis of Preparation

The accompanying consolidated financial statements are prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVTOCI) that are measured at fair value. Amounts are in thousand pesos except as otherwise indicated.

The Group's consolidated financial statements are presented in Philippine Peso (Peso), which is also the functional currency, under Philippine Financial Reporting Standards (PFRS), of the Parent

Company and its subsidiaries, and an associate.

#### Statement of Compliance

The accompanying consolidated financial statements of the Group have been presented in compliance with PFRS.

#### Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries. The nature of business and the corresponding percentages of ownership over these entities as at March 31, 2014, December 31, 2013 and 2012:

Subsidiaries	Nature of Business	2014	2013	2012
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	100%	100%	100%
Cyberzone Properties, Inc. (CPI)	Leasing	100%	100%	100%
Homepro Realty Marketing, Inc. (Homepro)	Marketing	100%	100%	100%
Property Maximizer Professional Corp. (Promax)	Marketing	100%	100%	100%
Property Specialist Resources, Inc. (Prosper)	Property management	100%	100%	100%
Leisurepro, Inc. (Leisurepro)	Marketing	100%	100%	100%
Filinvest Asia Corporation (FAC)	Leasing	60%	60%	60%
Countrywide Water Services, Inc. (CWSI)	Waterworks and sewerage system operator	100%	100%	100%
Filinvest Cyberparks, Inc. (FCI)	Leasing	100%	—	—

All of the Parent Company's subsidiaries were incorporated in the Philippines. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has: (a) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); (b) exposure, or rights, to variable returns from its involvement with the investee, and, (c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: (a) the contractual arrangement with the other vote holders of the investee; (b) rights arising from other contractual arrangements; and, (c) the Group's voting rights and potential voting rights.

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

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

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

#### Non-Controlling Interest

Non-controlling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Non-controlling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interest even if this results to the non-controlling interest having a deficit balance. Acquisitions of non-controlling interests that does not result in a loss of control are accounted for as equity transaction, whereby the difference between the consideration and the fair value of the share of net assets acquired is recognized as an equity transaction and attributed to the owners of the Group.

#### Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2012, except for the adoption of the following new and amended PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) which became effective on January 1, 2013. Except as otherwise indicated, the adoption of these new accounting standards and amendments have no material impact on the Group's financial statements.

- *PFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments)*

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32, *Financial Instruments: Presentation*.

The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with PAS 32. The amendments have no significant impact

on the Group's financial statements.

- **PFRS 10, Consolidated Financial Statements**

PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. PFRS 10 also defined the concept of protective rights, which are designed to protect the party holding those rights without giving that party power over the entity to which those rights relate. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

The adoption of PFRS 10 affected the accounting for the Group's 60% equity interest in FAC. For all years up to December 31, 2012, FAC was considered as a jointly controlled entity under the previously existing PAS 31, *Interest in Joint Ventures*, and was accounted for using the proportionate consolidation method. Upon adoption of PFRS 10 effective January 1, 2013, the Group reassessed that it controls FAC. The assets, liabilities and equity of FAC have been retrospectively consolidated in full in the consolidated financial statements of the Group. The 40% equity of the other investor was accounted for as noncontrolling interest measured based on the proportionate share of the net assets of FAC. The retroactive effect of PFRS 10 has been reflected in the comparative results of operations for the three-month period ended March 31, 2013.

The quantitative impact on the consolidated financial statements is provided below (amounts in thousands).

Impact on statement of income and statement of comprehensive income for the three-month period ended March 31, 2013 (increase in consolidated net income):

	Three-month Period Ended March 31, 2013
Rental services	₱ 26,204
Cost of rental services	(5,375)
Interest income	348
Other income	2,140
Operating expenses:	
General and administrative expenses	(3,695)
Selling and marketing expenses	—
Interest and other finance charges	(4,256)
Income before income tax	15,366
Provision for income tax	(3,712)
<b>Net income/Total comprehensive income</b>	<b>₱11,654</b>
Attributable to:	
Equity holders of the parent	₱—
Noncontrolling interest	11,654

The adoption did not affect the other comprehensive income for the period and the Group's basic or diluted earnings per share.

Impact on statement of cash flows for the three-month period ended March 31, 2013  
(increase/(decrease) in cash flows):

	Three-month Period Ended March 31, 2013
Operating	₱1,822
Financing	(8,224)
	₱(6,402)

- *PFRS 11, Joint Arrangements*  
PFRS 11 replaces PAS 31, *Interests in Joint Ventures*, and SIC 13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. Under PAS 31 (prior to the transition to PFRS 11), the Group's interest in FAC was classified as a jointly controlled entity and the Group's share of the assets, liabilities, revenue, income and expenses were proportionately consolidated in the consolidated financial statements. As discussed above, the Group reassessed its arrangement with respect to FAC and has determined it has sole control over FAC. Accordingly, the investment was accounted for retrospectively as a subsidiary.
- *PFRS 12, Disclosure of Interests in Other Entities*  
PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.
- *PFRS 13, Fair Value Measurement*  
PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. The application of PFRS 13 has not materially impacted the fair value measurements carried out by the Group. Additional disclosures where required, are provided in the individual notes relating to the assets whose fair values were determined.
- *PAS 1, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI (Amendments)*  
The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group's consolidated financial position or performance.
- *PAS 27, Separate Financial Statements (Revised)*  
As a consequence of the issuance of the new PFRS 10 and PFRS 12, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements.



- PAS 28, *Investments in Associates and Joint Ventures* (Revised)  
As a consequence of the issuance of the new PFRS 11 and PFRS 12, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates.

*Annual Improvements of PFRSs (2009-2011 cycle)*

The Annual Improvements to PFRSs (2009-2011 cycle) contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively.

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs*  
The amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.
- PAS 1, *Presentation of Financial Statements - Clarification of the Requirements for Comparative Information*  
The amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements.

An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group's consolidated financial position or performance.

- PAS 16, *Property, Plant and Equipment - Classification of Servicing Equipment*  
The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any significant impact on the Group's consolidated financial position or performance.
- PAS 32, *Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments*  
The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*. The Group expects that this amendment will not have any impact on its financial position or performance.

- PAS 34, *Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities*  
The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's consolidated financial position or performance.

### 3. Segment Reporting

The Company's operating businesses are organized and managed separately in accordance with the nature of the products and services being provided, with each segment representing a strategic business unit that offers different products and serves different markets. Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments.

The Company derives its revenues from the following reportable segments:

#### *Real estate*

This involves acquisition of land, planning, development and sale across all income segments of various real estate projects such as residential lots and housing units, entrepreneurial communities, large-scale townships, residential farm estates, private membership club, residential resort development, medium-rise buildings (MRBs), high-rise buildings and condotel.

#### *Leasing*

This business segment involves the operations of Festival Supermall and the leasing of office spaces in Northgate Cyberzone in Alabang and PBCOM Tower in Makati City.

#### **Comparative Financial Position and Results of Operations of Business Segment** (Amounts in Thousand Pesos)

As of and for the Three-Months Period ended March 31, 2014 (Unaudited)					
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of an associate:					
External	3,311,964	567,610	3,879,574	91	3,879,665
Inter-segment	28,427	—	28,427	(28,427)	—
	3,340,391	567,610	3,908,001	(28,336)	3,879,665
Equity in net earnings of an associate	11,459	—	11,459	—	11,459
Revenue and other income including equity in net earnings of an associate	3,351,850	567,610	3,919,460	(28,336)	3,891,124
Net income	722,988	360,764	1,083,752	(611)	1,083,141

**Comparative Financial Position and Results of Operations of Business Segment**

(Amounts in Thousand Pesos)

**As of and for the Three-Months Period ended March 31, 2014 (Unaudited)**

	<b>Real Estate Operations</b>	<b>Leasing Operations</b>	<b>Combined</b>	<b>Adjustments and Eliminations</b>	<b>Consolidated</b>
Adjusted EBITDA	1,062,164	509,009	1,571,173	(7,183)	1,563,990
Segment assets	72,605,665	25,639,960	98,245,625	741,516	98,987,141
Less deferred tax assets	–	11,771	11,771	–	11,771
Net segment assets	72,605,665	25,628,189	98,233,854	741,516	98,975,370
Segment liabilities	43,262,620	5,701,913	48,964,533	(46,444)	48,918,089
Less deferred tax liabilities	2,100,631	–	2,100,631	154,196	2,254,827
Net segment liabilities	41,161,989	5,701,913	46,863,902	(200,640))	46,663,262
Cash flows from:					
Operating activities	463,611	534,694	998,305	(273,186)	725,119
Investing activities	327,323	(2,047,803)	(1,720,480)	–	(1,720,480)
Financing activities	(1,116,781)	487,705	(629,076)	(30,361)	(659,437)

**Comparative Financial Position and Results of Operations of Business Segment**

(Amounts in Thousand Pesos)

**As of and for the Three-Months Period ended March 31, 2013 (Unaudited)**

	<b>Real Estate Operations</b>	<b>Leasing Operations</b>	<b>Combined</b>	<b>Adjustments and Eliminations</b>	<b>Consolidated</b>
Revenue and other income except equity in net earnings of an associate:					
External	2,694,687	490,778	3,185,465	–	3,185,465
Inter-segment	29,044	–	29,044	(29,044)	–
	2,723,731	490,778	3,214,509	(29,044)	3,185,465
Equity in net earnings of an associate	29,277	–	29,277	–	29,277
Revenue and other income including equity in net earnings of an associate	2,753,007	490,778	3,243,786	(29,044)	3,214,742
Net income	609,145	313,216	922,361	23,006	945,367

	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of an associate:					
Adjusted EBITDA	836,337	452,376	1,288,713	896	1,289,609
Segment assets	63,107,824	21,372,027	84,479,851	863,641	85,343,492
Less deferred tax assets	—	32,234	32,234	—	32,234
Net segment assets	63,107,824	21,339,793	84,447,617	863,641	85,311,258
Segment liabilities	34,251,525	3,778,735	38,030,260	121,914	38,152,174
Less deferred tax liabilities	1,837,494	(240)	1,837,254	162,537	1,999,791
Net segment liabilities	32,414,031	3,778,975	36,193,006	(40,623)	36,152,383
Cash flows from:					
Operating activities	78,216	566,696	644,912	188,524	833,436
Investing activities	(927,766)	(92,283)	(1,020,049)	—	(1,020,049)
Financing activities	844,308	(110,412)	733,896	(125,002)	608,894

#### 4. Investment in FAC

As of March 31, 2014 and December 31, 2013, noncontrolling interest amounted to ₱369.68 million and ₱353.04 million, respectively, representing 40% equity interest in FAC.

The summarized financial information of FAC is provided below. This information is based on amounts before intercompany elimination.

*Summarized statements of financial position as of:*

	March 31, 2014	December 31, 2013
	(In Thousands)	
Assets:		
Cash and cash equivalents	₱133,727	₱133,689
Other current assets	177,830	179,389
Other noncurrent assets excluding goodwill	1,413,695	1,452,091
Goodwill	494,743	494,743
Liabilities:		
Current liabilities	(252,510)	(274,985)
Noncurrent liabilities	(548,503)	(607,592)
Total Equity	₱1,418,982	₱1,377,335
Attributable to:		
Equity holders of the Parent	₱1,049,306	₱1,024,348
Noncontrolling interest	369,676	353,037

*Summarized statements of comprehensive income for the period ended March 31:*

	2014	2013
	(In Thousands)	
Revenue	<b>₱78,880</b>	₱69,494
Costs	<b>(17,765)</b>	(19,928)
Interest and other finance charges	<b>(7,244)</b>	(10,638)
Income before income tax	<b>53,871</b>	38,928
Provision for income tax	<b>(11,916)</b>	(9,435)
Net income/Total comprehensive income	<b>₱41,955</b>	₱29,492
Attributable to noncontrolling interest	<b>₱16,639</b>	₱11,654
Dividends paid to noncontrolling interest	—	—

*Summarized statements of cash flows information for the period ended March 31:*

	2014	2013
	(In Thousands)	
Operating	₱78,254	₱58,534
Investing	(2,528)	—
Financing	(24,515)	(22,863)
	<b>₱51,211</b>	<b>₱35,671</b>

## 5. Accounts Payable and Accrued Expenses

This account consists of:

	March 31, 2014	December 31, 2013
	(In Thousands)	
Accounts payable	<b>₱5,162,070</b>	₱5,926,971
Advances and deposits from customers	<b>1,337,149</b>	1,247,252
Deposits for registration and insurance	<b>1,217,297</b>	1,127,420
Retention fees payable	<b>1,090,523</b>	955,846
Deposits from tenants	<b>540,544</b>	522,740
Accrued expenses	<b>318,092</b>	267,193
Accrued interest on bonds and loans	<b>202,330</b>	215,193
Liabilities on receivables sold to banks	<b>14,605</b>	37,240
Other payables	<b>443,843</b>	141,557
	<b>₱10,326,453</b>	<b>₱10,441,412</b>

“Accounts payable” includes the outstanding balance of the costs of raw land acquired by the Group and is payable on scheduled due dates or upon completion of certain requirements. This account also includes amount payable to contractors and suppliers for the construction and development costs incurred by the Group.

“Advances and deposits from customers” include collections from accounts which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized receivables on sale of real estate inventories.

“Deposits for registration and insurance” include payments made by buyers for registration and insurance of real estate properties.

“Deposits from tenants” are advance payments made for rentals, utilities and other fees. These are applied against rental obligations of tenants once due.

“Retention fees payable” pertains to the amount withheld from the progress billings of the contractors and is released generally one year from the completion of the construction agreement.

“Accrued expenses” pertain to various operating expenses incurred by the Group in the course of business such as salaries and wages, professional fees and utilities expense.

## 6. Long - Term Debt

The comparative details of this account are as follows (amounts in thousands pesos):

	2014 March 31	2013 December 31
Term Loans from a financial institution	675,000	675,000
Developmental loans from local banks	13,940,038	14,076,209
Bonds Payable	21,330,490	21,318,016
Total long-term debts	35,945,528	36,069,225

### Term Loans from a Financial Institution

On June 17, 2005, the Company entered into a Local Currency Loan Agreement with a foreign financial institution whereby the Company was granted a credit line facility amounting to ₱2,250.00 million. In October 2005, the Company availed of ₱1.125 million or half of the total amount granted. The loan is payable in 10 semi-annual installments commencing December 2010 and ending June 2015. This loan carries a fixed interest rate of 7.72% per annum.

In July 2007, the Company availed the remaining balance of the facility amounting to ₱1,125.00 million. The loan is also payable in 10 semi-annual installments commencing December 2010 and ending June 2015. This loan has a fixed annual interest rate of 7.90%.

Both loans were guaranteed by Filinvest Development Corporation (FDC), the Company’s parent company. Principal payments made amounted to nil and ₱450.00 million as of March 31, 2014 and December 31, 2013, respectively.

### Developmental Loans from Local Banks

These are loans obtained from local banks with floating or fixed interest rates at different terms and repayment periods. Loan balance is presented net of unamortized deferred charges amounting to ₱35.21 million and ₱39.04 million as of March 31, 2014 and December 31, 2013, respectively.

## Bonds

On November 19, 2009, FLI issued fixed rate retail bonds with aggregate principal amount of ₱5.0 billion comprised of ₱500 million three (3)-year fixed rate bonds due in November 2012 and ₱4.5 billion five (5)-year fixed rate bonds due in November 2014. The 3-year bonds have a fixed interest rate of 7.5269% per annum. Interest is payable quarterly in arrears starting on February 19, 2010. On the other hand, the five (5)-year fixed rate bonds have a fixed interest rate of 8.4615% per annum which is payable quarterly in arrears starting on February 20, 2010. FLI raised net proceeds of ₱4,934,064,000 after deducting fees, commissions and expenses relating to the issuance of the bonds. The ₱0.50 billion three (3)-year fixed rate bond was paid by the Parent Company on November 16, 2012.

Unamortized debt issuance cost on bonds payable amounted to ₱7.96 million and ₱10.92 million as of March 31, 2014 and December 31, 2013, respectively. Accretion as of three-months period ended March 31, 2014 and 2013 included as part of Interest and other finance charges amounted to ₱2.96 million and ₱2.71 million, respectively.

As part of the Company's fund raising activities, on June 27, 2011, FLI offered to the public five-year and three-month fixed-rate retail bonds with an aggregate principal amount of Three Billion Pesos (₱3,000,000,000.00) due on October 07, 2016 to finance its capital requirements in 2011 and 2012. The bonds were issued on July 07, 2011 with a fixed interest rate of 6.1962% per annum. The interest on the bond is payable quarterly in arrears starting on October 07, 2011. The bonds shall be repaid at 100% of their face value on October 07, 2016. FLI raised net proceeds of ₱2,978,835,000 after deducting fees, commissions and expenses relating to the issuance of the bonds.

Unamortized debt issuance cost on bonds payable amounted to ₱25.80 million and ₱28.10 million as of March 31, 2014 and December 31, 2013, respectively. Accretion as of three-months period ended March 31, 2014 and 2013 included as part of Interest and other finance charges amounted to ₱2.30 million and ₱2.15 million, respectively.

On May 24, 2012, The Securities and Exchange Commission authorized FLI to issue P11 billion 7-year fixed-rate bonds in two tranches. The first tranche, amounting to P7.0 billion, was issued to the public on June 8, 2012 with a rate of 6.2731% p.a., payable quarterly in arrears and is due 2019. The Parent Company expected to raise net proceeds amounting to P6,902,774,375 while actual net proceeds was P6,915,976,960 after deducting fees, commissions and expenses relating to the issuance of the bonds.

The proceeds of the offering amounting to ₱4,427.42 million was used for project development and about ₱2,488.56 million was used for land acquisition as of December 31, 2012. The second tranche amounting to ₱4.0 billion was no longer issued to the public due to expiration of registration, instead FLI applied a new registration for a separate bond offering.

Unamortized debt issuance cost on bonds payable amounted to ₱58.57 million and ₱61.90 million as of March 31, 2014 and December 31, 2013, respectively. Accretion as of three months period ended March 31, 2014 and 2013 included as part of Interest and other finance charges amounted to ₱3.32 million and ₱0.88 million, respectively.

On November 8, 2013, FLI issued to the public unsecured fixed rate retail bonds with aggregate principal amount of ₱7 billion comprised of P4.3 billion seven (7) year fixed rate bonds due in 2020 and ₱2.7 billion ten (10) year fixed rate bonds due in 2023. The seven-year bonds carry a fixed interest rate of 4.8562% per annum while the five-year bonds have a fixed interest rate of 5.4333% per annum.

The Parent Company expects to raise net proceeds of approximately ₱6,932,405,621 after deducting fees, commissions, and expenses relating to the issuance of the Bonds while the actual net proceeds amounted to ₱6,917,093,003.36. The Parent Company plans to utilize the net proceeds of the Bonds to partially finance the projects in the fourth quarter of 2013 up to first quarter of 2014, the total capital expenditure of which amounts to ₱7.14 billion. The approximate balance of the proceeds as of December 31, 2013 amounted to ₱6,319.96 million.

Unamortized debt issuance cost on bonds payable amounted to ₱77.98 million and ₱81.07 million as of March 31, 2014 and December 31, 2013, respectively. Accretion as of three months period ended March 31, 2014 and 2013 included as part of Interest and other finance charges amounted to ₱3.09 million and ₱1.84 million, respectively.

## 7. Other Income - net

For the three-month period ended March 31, 2014 and 2013, this account consists of:

	2014	2013
	(In Thousands)	
Income from amusement centers, parking and other lease-related activities	₱34,788	₱30,097
Processing fees	52,640	27,958
Forfeited reservations and collections	20,375	25,124
Service fees	1,545	8,042
Others	7,788	3,096
	<b>₱117,136</b>	<b>₱94,317</b>

## 8. Financial Risk Exposures

FLI's Finance and Treasury function operates as a centralized service for managing financial risk and activities as well as providing optimum investment yield and cost efficient funding for the Company. The Board of Directors reviews and approves the policies for managing each of these risks. The policies are not intended to eliminate risk but to manage it in such a way that risks are identified, monitored and minimized so that opportunities to create value for the stakeholders are achieved. The Company's risk management takes place in the context of the normal business processes such as strategic planning, business planning, technical, operational and support processes.

The main financial risk exposures for the Company are Liquidity Risk, Interest Rate Risk and Credit Risk.

### *Liquidity Risk*

The Company seeks to manage its liquidity profile to be able to finance capital expenditures and service debts as they fall due. To cover its financing requirements, the Company intends to use internally generated funds and available long-term and short-term credit facilities including



receivables rediscounting facilities granted by several financial institutions as well as issuance of financial instruments to the public.

As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues.

Under the current financial scenario, it is cheaper for the Company to finance its projects by drawing on its bank lines, tapping the local bond market and/or by rediscounting part of its receivables, to complement the Company's internal cash generation.

### ***Interest Rate Risk***

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's loans from various financial institutions which carry floating interest rates. The Company regularly keeps track of the movements in interest rates and the factors influencing them.

Of the total ₱14,615.03 million loans outstanding as of March 31, 2014, ₱4,167.74 million are on floating rate basis. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Company's annualized profit before tax through the impact on floating rate borrowings.

	Increase (decrease) In basis points	Effect on annualized income before income tax (In Thousands)
March 31, 2014	+ 200	(₱83,355)
	- 200	₱83,355

### ***Credit Risk***

The Company is exposed to risk that a counter-party will not meet its obligations under a financial instrument or customer contract primarily on its mortgage notes and contract receivables and other receivables. It is the Company's policy that buyers who wish to avail of the in-house financing scheme are subject to credit verification process. Receivable balances are being monitored on a regular basis and are subjected to appropriate actions to manage credit risk. In addition to this, the Company has a mortgage insurance contract with the Home Guaranty Corporation for a retail guaranty line. With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents and AFS financial assets, the Company's exposure to credit risk arises from default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments. The maximum credit risk exposure of the Company to these financial assets as of March 31, 2014 is ₱19,664.68 million. All of these financial assets are of high-grade credit quality. Based on the Company's experience, these assets are highly collectible or collectible on demand. The Company holds as collaterals for its installment contract receivables the corresponding properties, which the third parties purchased in installments.

### ***Financial Instruments***

The Company's principal financial instruments are composed of Cash and Cash Equivalents, Mortgage and installment contract receivables, other receivables and loans from financial institutions. The Company does not have any complex financial instruments like derivatives.

### Comparative Fair Values of Principal Financial Instrument (In Thousand Pesos)

	March 31, 2014		December 31, 2013	
	Carrying Values	Fair Values	Carrying Values	Fair Values
<b>Cash &amp; Cash Equivalents</b>	<b>4,735,933</b>	<b>4,735,933</b>	<b>6,390,732</b>	<b>6,390,732</b>
<b>Mortgage, Notes &amp; Installment Contract Receivables</b>	<b>13,975,863</b>	<b>14,236,754</b>	<b>13,083,775</b>	<b>13,319,036</b>
<b>Other Receivables</b>	<b>2,879,158</b>	<b>2,879,158</b>	<b>3,136,739</b>	<b>3,136,739</b>
<b>Long-term Debt</b>	<b>35,945,528</b>	<b>33,933,263</b>	<b>36,069,225</b>	<b>33,796,388</b>

Due to the short-term nature of Cash & Cash Equivalents, the fair value approximates the carrying amounts.

The estimated fair value of Mortgage, Notes and Installment Contracts Receivables, is based on the discounted value of future cash flows from these receivables.

Due to the short-term nature of Other Receivables, the fair value approximates the carrying amounts. The estimated fair value of long-term debts with fixed interest and not subjected to quarterly re-pricing is based on the discounted value of future cash flows using the applicable risk free rates for similar type of loans adjusted for credit risk. Long-term debt subjected to quarterly re-pricing is not discounted since its carrying value approximates fair value.

#### *Investment in foreign securities*

The Company does not have any investment in foreign securities.

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

### Results of Operations for the three-months period ended March 31, 2014 compared to three-months period ended March 31, 2013

For the three-months ended March 31, 2014, FLI's net income from its business segments registered a year-on-year growth of 14.57% or an increase of ₱137.77 million from ₱945.37 million in 2013 to ₱1,083.14 million in 2014.

#### **Revenues**

Total consolidated revenues went up by 22.48% to ₱3,594.17 million during the first three months of 2014 from ₱2,934.55 million for the same period last year. The increase resulted from the continued robust real estate sales that reached ₱3,054.68 million (up by ₱613.83 million or by 25.15%) and rental revenue of ₱493.70 million (higher by ₱45.79 million or 9.27%). Real estate sales booked during the current period broken down by product type are as follows: Middle Income 78% (inclusive of Medium-Rise Buildings and High-Rise Buildings); Affordable 11%; High-End 2%; Farm Estate 2%; Socialized and others 7%. Major contributors to the good sales performance during the period included the launching of new MRB's and House and Lot projects in diverse new locations, intensive marketing activities and attractive pricing. The increase in rental revenues from the mall and office spaces was brought about mainly by higher rental revenues generated by CPI from Northgate Cyberzone buildings resulting from higher take up rate of "Filinvest One" in 2013. Other sources of revenue from rental services include the

ready-built-factories in Filinvest Technology Park in Calamba, Laguna, commercial lots in Tagaytay City, and commercial and office spaces in Alabang, Muntinlupa City and Makati City.

Interest income for the three months ended March 31, 2014 increased by 7.90% to ₱167.88 million from ₱155.58 million during the same period in 2013. The increase was due to higher interest generated from installment contracts receivable and bank deposits. Other income increased by 24.19% to ₱117.14 million from ₱94.32 million or by ₱22.82 million due to higher income from amusement centers, parking and other lease-related activities, and processing fees. The Company's equity in net earnings of an associate decreased from ₱29.28 million in 2013 to ₱11.46 million in 2014 or by 60.86% due to lower earnings recorded by Filinvest Alabang, Inc. (FAI) for the period. FLI has a 20% equity interest in FAI.

The Company also registered a foreign exchange gain of ₱0.48 million for the three months in 2014 compared to ₱1.01 million in 2013 due to the recent strength of the Japanese yen against our local currency in the foreign exchange markets.

#### ***Cost of real estate sales***

Cost of real estate sales increased from ₱1,419.16 million in 2013 to ₱1,781.70 million in 2014 mainly due to higher amount of sales booked during the current period as well as the increased share of sales of MRBs and HRBs which historically had carried relatively lower profit margins. Revenues from MRBs and HRBs significantly grew by ₱218.95 million or by 12.82% from ₱1,708.53 during the three months ended March 31, 2013 to ₱1,927.48 million for the same period of 2014.

#### ***Expenses***

General and administrative expenses increased by ₱35.14 million during the three months of 2014 or by 13.39%, from ₱262.55 million in 2013 to ₱297.69 million in 2014. The increase was due to higher salary and wages, professional fees, rental, subdivision and property repairs, and other representation expenses recorded for the current period. Likewise, selling and marketing expenses also went up by ₱21.28 million or by 11.45% due to additional cost of new advertising and promotional materials brought about by the launch of new marketing campaign featuring our celebrity endorser, higher incentives, commissions and service fees paid to brokers and other sellers as a consequence of higher sales.

Provision for income tax increased by 87.99% or by ₱98.66 million to ₱210.78 million for the three months of 2014 from ₱112.13 million for the same period in 2013.

Provision for current income tax increased to ₱142.02 million in 2014 from ₱71.72 million in 2013 or an increase of ₱70.30 million or by 98.02% due to higher taxable income brought about by higher revenues.

Provision for deferred income tax increased by ₱28.36 million or by 70.18% from ₱40.40 million in 2013 to ₱68.76 million in 2013 due to higher capitalized borrowing cost.

#### ***Financial Condition as of March 31, 2014 compared to as of December 31, 2013***

As of March 31, 2013, FLI's total consolidated assets stood at ₱84,597.23 million, higher by 3.26% or by ₱2,669.96 million than the ₱81,927.26 million total consolidated assets as of December 31, 2012. The following are the material changes in account balances:

**27.17% Decrease in Cash and cash equivalents**

Funds were used for the development of existing and new projects and for the construction of new IT buildings (investment properties) and for raw land acquisitions.

**6.64% Increase in Contracts Receivable**

Contracts receivable increased due to additional sales booked during the period. Several attractive financing schemes are being offered by the Company to its real estate buyers to further increase sales.

**8.06% Decrease in Other Receivables**

This account decreased due to aggressive collection efforts by the Company which reduced the amount due from tenants. Also advances to contractors representing down payments were applied against their billings.

**5.92% Increase in Investment property**

The increase was mainly due to the transfer of a building under construction to Investment properties account upon completion of its construction.

**9.88% Increase in Other assets**

The increase in this account was mainly due to higher prepaid expenses, advances for bidding to a certain property, and input vat.

**162.09% Increase in Income tax payable**

The increase in income tax payable was due to tax accruing on the taxable income earned for the three-month period resulting from improved operational results.

**25.86% Decrease in Due to related parties**

The decrease was due to payments made to affiliates on advances made in the regular course of business.

**5.79% Increase in Retained Earnings**

Movements in retained earnings were brought about by the Company's net income of ₱1,066.50 million generated during the three-months period.

**Performance Indicators**

<b>Financial Ratios</b>	<b>Particulars</b>	<b>As of and for the 3-months period ended March 31, 2014</b>	<b>As of Dec. 31, 2013 and for the 3-months period ended March 31, 2013, as restated</b>
Earnings per Share	Annualized	0.18	0.15
Debt to Equity Ratio	<u>Long Term Debt</u> Total Stockholder's Equity	0.72	0.74
Debt Ratio	<u>Total Liabilities</u> Total Assets	0.49	0.50
EBITDA to Interest paid	<u>EBITDA</u> Interest paid	3.29 times	3.45 times
Price Earnings Ratio	<u>Closing Price of Share</u> Earnings per Share	8.19 times	12.86 times

Earnings per share (EPS) posted for the three months of 2014 went up by 14.22% compared to the EPS for the same period in 2014 on account of higher net income.

The Debt-to-equity (D/E) ratio and Debt ratio decreased due to lower loan levels as of end of current period.

Price earnings multiple went down due to the decrease of market share price as of end of the current period. As of March 31, 2014 and 2013, and as of December 31, 2013, market share price of FLI's stock was at ₱1.44, ₱1.98 and ₱1.41 per share, respectively.

## PART II - OTHER INFORMATION

### Item 3. Business Development/New Projects

Driven by the buoyant sales take-up rate of its vertical residential projects within Metro Manila and Metro Cebu, FLI is on the lookout for additional land in urban areas to expand its inner-city developments. FLI recently acquired parcels of land in Tondo, Manila, Las Piñas City, and Quezon City. As of March 31, 2014, the Company had a land bank of approximately 2,345.73 hectares of raw land for the development of its various projects, including approximately 324.43 hectares of land under joint venture agreements, which the Company's management believes is sufficient to sustain several years of development and sales. FLI plans to develop these properties into mix-use developments with residential and commercial components.

Details of the Parent Company's raw land inventory as of March 31, 2014 are set out in the table below:

<b>FLI Land Bank as of March 31, 2014</b>				
<b>Area in Hectares</b>				
Location	Company Owned	Under Joint Ventures	Total	% to Total
<b>Luzon</b>				
Metro Manila	73.32	—	73.32	3.13%
Rizal	777.17	86.22	863.39	36.81%
Bulacan	234.78	—	234.78	10.01%
Pampanga	—	59.19	59.19	2.52%
Cavite	361.18	88.99	450.17	19.19%
Laguna	282.13	1.31	283.44	12.08%
Batangas	140.63	43.42	184.05	7.85%
Palawan	—	6.00	6.00	0.26%
Sub-total	1,869.21	285.14	2,154.34	91.85%
<b>Visayas</b>				
Cebu	5.06	31.65	36.71	1.56%
Iloilo	0.92	—	0.92	0.04%
Sub-total	5.98	31.65	37.63	1.60%
<b>Mindanao</b>				
General Santos	99.56	—	99.56	4.24%
Cagayan de Oro City	2.78	—	2.78	0.12%
Davao	43.77	7.65	51.42	2.19%
Sub-total	146.11	7.65	153.76	6.55%
<b>Total</b>	<b>2,021.30</b>	<b>324.43</b>	<b>2,345.73</b>	<b>100.00%</b>

In August 2010, FLI launched Citta di Mare, a master-planned development composed of three different zones catering to a wide array of lifestyles and activities - Il Corso, the 10.6 hectare waterfront lifestyle strip, the 40-hectare residential clusters and The Piazza, nestled at the heart of the residential enclaves, puts lifestyle essentials such as a school, church, shops and restaurants within the neighborhood. Citta di Mare is envisioned to be a destination in itself, takes full advantage of the coastal ambience featuring seaside shopping, dining, beach and water sports and more, right by the water's edge.

In November 2010, groundbreaking rites for Amalfi Oasis were held, the first residential enclave at Città de Mare. Amalfi Oasis features nine (9) five-story buildings with luxuriant gardens, resort-style amenities and pedestrian-friendly environs, bask in fresh air, radiant sunshine and charming landscapes. The first building was completed in 2012, while more buildings are scheduled for completion this year.

San Remo Oasis, the second residential enclave in Città di Mare involves the development of 3.4 hectares of land with well-planned living spaces with numerous choice units to choose from to suit anyone's lifestyle. The development consist of eight (8) five-story buildings, the first building was completed in 2012 while construction is on-going on other buildings and are targeted for completion this year.

In late 2011, FLI started the land development of the first two phases of Il Corso lifestyle strip of Citta di Mare, in the South Road Properties in Cebu, covering seven hectares. Phase 1 will have a gross leasable area (GLA) of approximately 22,506 sq. m. and Phase 2 will have a GLA of approximately 12,680 sq.m. Target completion is on the last quarter of 2015. In 2013, Citta di Mare was renamed as City di Mare.

In October 2012, FLI transferred to its new corporate headquarters located along EDSA, Mandaluyong City effectively ending the lease on FDC land and building in San Juan City. In December 2012, FLI purchased from FDC the parcel of land located in San Juan City which was previously being leased as its head office.

In 2013, FLI acquired from various third-party sellers parcels of land in Cavite, Valenzuela City, Quezon City, Pasay City and Taguig City. Also, FLI bid proposal for the purchase of the 0.24 hectare property including the building constructed thereon located at Ortigas Center, Pasig City has been approved in December 2013.

FLI will remain to be focused on its core residential real estate development business, which now includes MRBs, High-Rise Condominium units and Condotels. MRBs and High-Rise Condominiums are being developed in inner-city locations such as Ortigas and Santolan, both in Pasig City, Sta. Mesa, Manila, Pasay City, Filinvest Corporate City, Cebu City and Davao City. Properties in other key cities in the country were also acquired for this purpose.

Currently, FLI has the following on-going High-Rise Condominiums projects:

#### The Linear

FLI started to develop in 2009 The Linear, a master-planned residential and commercial hub in Makati City. Two-L-shaped towers, each 24 storeys high, comprise this dynamic condominium community that perfectly caters to the needs of young urban professionals. The construction of Tower 1 is ongoing and is scheduled for completion in early-2014, while Tower 2 is expected to be delivered in 2014.

#### Studio City

Studio City is a community composed of five-tower residential condominium complex within the Filinvest City to serve the demand for housing of the growing number of professionals working within Filinvest City and in the nearby Madrigal Business Park. Since it is located within the Filinvest City, residents will enjoy proximity to Festival Supermall, Westgate Center, Northgate Cyberzone, Asian Hospital and Medical Center, and other commercial, educational and medical institutions. The

development consists of 18 stories per building with commercial units at the ground floor. All residential floors will have 25 studio units per floor. Site development works are on-going and the first building is targeted for completion in 2014.

#### The Levels

Located at one of the highest points of Filinvest City at around 23 meters above sea level, The Levels is a one-block, four-tower residential condominium development that features laidback suburban living inside a fast-paced business district. The residential development is set in a tropical landscape, with its four towers uniquely designed with terracing levels, giving it a castle-effect look. The high-rise sections will be set in lush greenery, providing residents with views of the gardens. The first building “Anaheim”, is expected to be completed in 2014.

#### Vinia Residences

Vinia is a 25-story condominium development located along EDSA in Quezon City, right across TriNoma and just steps away from the MRT-North Avenue station. With its coveted location, it offers a world of ease and convenience to yuppies and families looking for quality homes, as well as budding entrepreneurs who want to start a home-based business at the heart of the city.

#### Studio Zen

Studio Zen is a 21-story condominium development located along Taft Avenue in Metro Manila. Student-oriented amenities, Zen-inspired features, and functional building facilities makes it an ideal residence for students living independently and a great investment opportunity for entrepreneurs who want to take advantage of the ready rental market in the area.

#### Studio A

Studio A is a single tower 34-story hi-rise residential condominium located in Loyola Heights in Quezon City. A community conveniently situated near premier universities, the LRT 2 line and other commercial establishments.

In 2014, FLI intends to retain its dominant position as the leader in MRB projects by launching five (5) new projects nationwide and three additional buildings of existing projects, with an estimated sales value of ₱3.9 billion. This will bring the Company’s total MRB projects to 20. These new MRB projects are part of the total ₱20.21 billion estimated sales value of new projects slated for launch by FLI in 2014.

FLI plans to launch new “Oasis” projects in Tagaytay and Iloilo, and three (3) additional buildings of existing “Oasis” projects. These projects will follow the success of One Oasis Ortigas, Bali Oasis, Bali Oasis 2, Sorrento Oasis and Capri Oasis in Pasig City, Maui Oasis in Manila, Asiana Oasis in Paranaque City, One Oasis Cebu, Amalfi Oasis and San Remo Oasis in Cebu, and One Oasis Davao. Also, the Parent Company plans to launch three (3) new “Spatial” projects in Iloilo, Davao, and Valenzuela City.

Aside from the MRB’s, FLI has initially pipelined 10 horizontal residential projects with an estimated revenue of about ₱4.5 billion, 2 leisure project with an estimated sales value of ₱0.5 billion, and 3 high-rise buildings (mixed-use) with an estimated sales value of ₱11.09 billion.

Recently, FLI launched the additional buildings/ phases of its middle income projects:

“Capri Oasis” Bldg. Vento, located in Pasig City

“Bali Oasis 2”, Bldg. Banjar, located in Pasig City

“Maui Oasis”, Bldg. 4, located in Sta. Mesa, Manila

“The Tropics 3”, located in Cainta, Rizal

The following table sets out FLI's projects with on-going housing and/or land development as of March 31, 2014.

Category / Name of Project	Location
<b>SOCIALIZED</b>	
Bellevue Meadows	Tanza, Cavite
Belmont Hills	Gen. Trias, Cavite
Belvedere Townhomes	Tanza, Cavite
Blue Isle	Sto. Tomas, Batangas
Sunrise Place	Tanza, Cavite
Castillion Homes	Gen. Trias, Cavite
Melody Plains	San Jose del Monte, Bulacan
Mistral Plains	Gen. Trias, Cavite
Sunrise Place Mactan	Mactan, Cebu
Sandia Homes Ph 1	Tanauan, Batangas
Southern Heights	San Pedro, Laguna
Sunny Brooke	Gen. Trias, Cavite
<b>AFFORDABLE</b>	
Alta Vida Expansion	San Rafael, Bulacan
Bluegrass County	Sto. Tomas, Batangas
Brookside Lane	Gen. Trias, Cavite
Crystal Aire	Gen. Trias, Cavite
Fairway View	Dasmarinas, Cavite
Palmridge	Sto. Tomas, Batangas
Springfield View	Tanza, Cavite
Summerbreeze Townhomes	Sto. Tomas, Batangas
Westwood Place	Tanza, Cavite
Woodville	Gen. Trias, Cavite
Aldea Real	Calamba, Laguna
Costas Villas (Ocean Cove 2)	Davao City
Primrose Hills	Angono, Rizal
The Glens at Park Spring	San Pedro, Laguna
Sommerset Lane	Tarlac City
Claremont Village	Mabalacat, Pampanga
Westwood Mansion Expansion	Tanza, Cavite
Tierra Vista	San Rafael, Bulacan
Aldea del Sol	Mactan, Cebu
Raintree Prime Residences	Dasmarinas, Cavite
La Brisa Townhomes	Calamba, Laguna
Alta Vida Prime	San Rafael, Bulacan
Amare Homes	Tanauan, Batangas



Anila Park	Taytay, Rizal
Anila Park Townhomes	Taytay, Rizal
<b>Category / Name of Project</b>	<b>Location</b>
<b>AFFORDABLE (cont.)</b>	
Austine Homes	Pampanga
The Residences @ Castillon Homes	Tanza, Cavite
Valle Dulce Ph1	Tanza, Cavite
Primrose Hills	Angono, Rizal
Primrose Townhomes	Angono, Rizal
East Bay Palawan	Puerto Princesa, Palawan
Meridian Place	Gen. Trias, Cavite
Savannah Fields	Gen. Trias, Cavite
Parkspring	San Pedro, Laguna
Villa Mercedita	Davao City
Villa Montseratt Expansion	Taytay, Rizal
Futura Homes – San Pedro	San Pedro, Laguna
The Villas	Taytay, Rizal
<b>MIDDLE-INCOME</b>	
Corona Del Mar	Talisay, Cebu
Filinvest Homes- Tagum	Tagum City, Davao
Fuente de Villa Abrille	Davao City
NorthviewVillas	Quezon City
Ocean Cove	Davao City
Orange Grove	Davao City
Spring Country	Batasan Hills, Quezon City
Spring Heights	Batasan Hills, Quezon City
Southpeak	San Pedro, Laguna
The Pines	San Pedro, Laguna
Villa San Ignacio	Zamboanga City
Highlands Pointe	Taytay, Rizal
Manor Ridge at Highlands	Taytay, Rizal
Ashton Fields	Calamba, Laguna
Montebello	Calamba, Laguna
Hampton Orchards	Bacolor, Pampanga
The Enclave at Filinvest Heights	Quezon City
Escala (La Constanera)	Talisay, Cebu
West Palms	Puerto Princesa, Palawan
Filinvest Homes - Butuan	Butuan, Agusan Del Norte
La Mirada of the South	Binan, Laguna
Tamara Lane (formerly Imari)	Caloocan City
Viridian at Southpeak	San Pedro, Laguna
Nusa Dua (Residential)	Tanza, Cavite
The Tropics	Cainta, Rizal

Princeton Heights  
The Glades

Molino, Cavite  
Timberland Heights, San Mateo, Rizal

Category / Name of Project	Location
<b>MIDDLE INCOME (cont.)</b>	
One Oasis Ortigas	Pasig City, Metro Manila
One Oasis Davao	Davao City
Bali Oasis 1	Pasig City, Metro Manila
One Oasis Cebu	Mabolo, Cebu City
Maui Oasis	Sta. Mesa, Manila
Capri Oasis	Pasig City, Metro Manila
Sorrento Oasis	Pasig City, Metro Manila
Amalfi Oasis	South Road Properties, Cebu
San Remo Oasis	South Road Properties, Cebu
The Linear	Makati City
Studio City	Filinvest Corporate City, Alabang
The Levels	Filinvest Corporate City, Alabang
Somerset Lane, Ph 2	Tarlac City
Asiana Oasis	Paranaque, Metro Manila
Bali Oasis 2	Pasig City, Metro Manila
Studio Zen	Pasay City, Metro Manila
Vinia Residences & Versaflats	Edsa, Quezon City
The Terraces Ph 1B & Ph 2	Taytay, Rizal
The Enclave at Highlands Pointe	Taytay, Rizal
Studio A	Quezon City
One Spatial	Pasig City, Metro Manila
One Oasis Cagayan de Oro	Cagayan de Oro City
<b>HIGH-END</b>	
Brentville International	Mamplasan, Binan, Laguna
Woodmore Spring A	Mamplasan, Binan, Laguna
Sunshine Place	Mamplasan, Binan, Laguna
The Meridien	Mamplasan, Binan, Laguna
Prominence 2	Mamplasan, Binan, Laguna
Village Front	Mamplasan, Binan, Laguna
Mission Hills - Sta. Catalina	Antipolo, Rizal
Mission Hills - Sta. Isabel	Antipolo, Rizal
Mission Hills - Sta Sophia	Antipolo, Rizal
Banyan Ridge	San Mateo, Rizal
The Ranch	San Mateo, Rizal
The Arborage at Brentville Int'l	Mamplasan, Binan, Laguna
Banyan Crest	San Mateo, Rizal
Arista	Talisay, Batangas
Orilla	Talisay, Batangas

Bahia	Talisay, Batangas
Highlands Pointe	Taytay, Rizal
<b>Category / Name of Project</b>	<b>Location</b>
<b>HIGH-END (cont.)</b>	
Kembali Arista	Samal Island, Davao
Fortune Hill	San Juan City
The Signature	Quezon City
<b>LEISURE - FARM ESTATES</b>	
Forest Farms	Angono, Rizal
Mandala Residential Farm	San Mateo, Rizal
Nusa Dua	Tanza, Cavite
<b>LEISURE PRIVATE MEMBERSHIP CLUB</b>	
Timberland Sports and Nature Club	San Mateo, Rizal
Category / Name of Project	Location
<b>LEISURE - RESIDENTIAL RESORT DEVELOPMENT</b>	
Kembali Coast	Samal Island, Davao
Laeuna De Taal	Talisay, Batangas
<b>INDUSTRIAL/COMMERCIAL</b>	
Filinvest Technology Park	Calamba, Laguna
The Mercado	Taytay, Rizal
<b>CONDOTEL</b>	
Grand Cenia Hotel & Residences	Cebu City
The Leaf	San Mateo, Rizal

Aside from the residential projects, FLI will continue to construct business process outsourcing (BPO) office spaces at Northgate Cyberzone, Cebu and other selected areas to accommodate the increase in demand for BPO office space. FLI earns revenues from approximately 131,000 sq.m. leasable space with Convergys, HSBC, Convergys, APAC, GenPact Services LLC, eTelecare Global Solutions, Inc., Capital One, AIG Shared Services, First Source, Verizon Business, Lattice Semiconductor, and Flour Daniel. as major tenants, among others. Of the 10 hectares of land on which the Northgate Cyberzone is situated, approximately four hectares are available for future development.

Construction is ongoing for the following new BPO office buildings located at Northgate Cyberzone:

- Filinvest Two and Three: This is a twin-tower project located along Alabang Zapote Road each building with 14 storeys and GLA of approximately 23,784 sqms each. Target completion is August 2014.

Current buildings with leases are the following:

- Plaza A: This is a six-story building with an approximate GFA of 11,575 sq.m. and an approximate GLA of 10,860 sq.m. Plaza A was completed in June 2006 and was substantially fully leased to GenPact Services LLC and eTelecare Global Solutions, Inc.
- Plaza B and Plaza C: Plaza B and Plaza C are four-story buildings, each with an approximate GFA of 7,150 sq.m. and an approximate GLA of 6,540 sq.m. for a combined GLA of 13,080 sq.m. Plaza B and Plaza C are both completed in 2001. Plaza B and Plaza C are substantially fully leased. Tenants for Plaza B include goFluent, AMS Express, Team Asia, Outboundphil, APPCO Direct Int'l., Treadyne and Seven Seven Global Services, Inc. All of Plaza C has been leased by APAC Customer Services, Inc.
- Plaza D: This is a six-story building with the same specifications as Plaza A and with an approximate GFA of 11,575 sq.m. and an approximate GLA of 10,860 sq.m. Plaza D had been leased to ICICI First Source Ltd., a 100% owned subsidiary of India's largest private sector bank, and Verizon Communications Phils Inc, the Philippine branch of Verizon Business solutions, a leading communications company in the United States of America.
- Convergys Building: This is a three-story building with an approximate GFA of 6,466 sq.m. and an approximate GLA of 5,839 sq.m. Completed in 2004, it was one of the first buildings completed in the Northgate Cyberzone and was "built-to-suit" (BTS) to meet the requirements of Convergys. Recently Convergys signed a contract to extend the lease for another five years.
- HSBC Building: This is another building that was constructed on a BTS basis to meet the requirements of HSBC. Completed in 2005, the HSBC building has an approximate GLA of 18,000 sq.m.
- IT School: This is a three-story building with an approximate GFA of 3,297 sq.m. and an approximate GLA of 2,595 sq.m. Its major tenant is currently Genpact Services LLC.
- Building 5132: This is a six-story building with an approximate GFA of 10,560 sq.m. and an approximate GLA of 9,408 sq.m. Building 5132 has been fully taken up by GenPact Services LLC.
- iHub I and iHub II: This is a two-tower complex (one with six stories and the other with nine stories) iHub I has an approximate GLA of 9,474 sq.m. and has been leased out to numerous tenant which includes GenPact, HSBC, W.R. Grace Philippines and Lattice Semiconductor. iHub II has an approximate GLA of 14,166 sq.m. and has been leased out primarily to Convergys and Integra.
- Vector One : an 11-storey building with an approximate GFA of 19,545 sq.m. and an approximate GLA of 17,951 sq.m. It was completed in 2010. Filinvest Alabang, Inc. (FAI) was its first tenant, occupying the fifth to seventh floors for its corporate headquarters. Other tenants of the building are Convergys and Flour Daniel.
- Vector Two: This building has the same configuration as with Vector One. It is also 11 stories high with an approximate GLA of 17,914 sq.m. It was completed in October 2011. Tenants of the building include Infosys and Flour Daniel.
- Filinvest One (*formerly called AZ Building*) : This is a 10-story building with a GLA of approximately 19,637 sq.m. Tenants of the building include HSBC, Ford Philippines, Denso Phil., AMEC Services, and PHL Center.

- Plaza E: This is a nine-story building, situated between Plaza A and Plaza D, with approximate GFA of 16,281 sq.m. and an approximate GLA of 14,859 sq.m. The building was completed in December 2012 and currently has an occupancy rate of 46%. EXL Service Phils. and Hinduja are the two tenants of this building.

With about four hectares of land available for the construction of additional buildings within the Northgate Cyberzone, FLI expects to be able to provide an additional 195,510 sq.m. of leasable office space to accommodate expected increases in demand from BPO companies. These BPO companies usually require significant amounts of office space for their operations. FLI, through CPI, plans to focus on attracting their businesses, including custom-designed office space with call center and BPO design requirements in mind.

#### EDSA Transcom Building

This five-storey BPO building is located along EDSA in Mandaluyong City and has approximately 7,358 sq.m. of GLA. This is FLI's first BPO office building outside Northgate Cyberzone. EDSA Transcom Building is fully leased out to Anthem Solutions, Inc.

#### Filinvest Cebu Cyberzone

Construction of the Filinvest Cebu Cyberzone Tower 1, first BPO building has started at the 1.2 –hectare joint venture project with the Provincial Government of Cebu. This is the first building of the four-building complex with 11 storeys and approximate GLA of 21,261 sqms. When completed, the project is projected to have a GLA of over 100,000 square meters. Target completion is August 2014. Currently, FLI is one of the largest BPO office space providers in the country.

#### Mall Expansion

To further augment the Group's recurring income stream in the retail segment, land development has commenced on the expansion of Festival Mall at Filinvest Corporate City. The expansion project will add over 48,974 square meters of GLA, and is targeted to be completed in 2015. Riverpark, the first phase of the mall expansion, is completed in December 2013 with GLA of 2,269 sq.m. FLI is also developing the first phase of Il Corso lifestyle strip of Citta di Mare, in the South Road Properties in Cebu, which will contribute a GLA of around 37,850 sq.m. when fully completed. FLI will also start constructing two (2) malls, one in Fora Tagaytay City and another at its Princeton Heights residential projects located in Cavite.

The Group will continue to carry out an intensive marketing campaign so as to maintain a high occupancy rate in Festival Supermall, PBCom Tower and Northgate Cyberzone properties, thereby maximizing its leasing revenues.

#### **Registration with the Board of Investments (BOI)**

As of the date of this report, FLI has registered the following projects with the BOI under the Omnibus Investments Code of 1987 (Executive order No. 226):

Name	Reg. No.	Date Registered	Type of Registration
La Brisa Townhomes	2011-117	9-Jun-11	New Developer of Low-Cost Mass Housing Project
One Oasis Ortigas Bldg. F to M	2011-120	15-Jun-11	Expanding Developer of Low-Cost Mass Housing Project
The Linear	2011-121	15-Jun-11	New Developer of Low-Cost Mass Housing Project
Villa Monserrat 3	2011-132	27-Jun-11	Expanding Developer of Low-Cost Mass Housing Project

Ocean Cove	2011-133	27-Jun-11	New Developer of Low-Cost Mass Housing Project
Bali Oasis 3 & 4	2011-134	27-Jun-11	Expanding Developer of Low-Cost Mass Housing Project

Name	Reg. No.	Date Registered	Type of Registration
Villa San Ignacio	2011-148	14-Jul-11	New Developer of Low-Cost Mass Housing Project
Villa Mercedita	2011-154	19-Jul-11	New Developer of Low-Cost Mass Housing Project
Escala at Corona Del Mar	2011-167	29-Jul-11	New Developer of Low-Cost Mass Housing Project
Filinvest Homes Tagum, ph 1	2011-171	2-Aug-11	New Developer of Low-Cost Mass Housing Project
Filinvest Homes Tagum, ph 2	2011-214	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Tierra Vista	2011-191	31-Aug-11	New Developer of Low-Cost Mass Housing Project
One Oasis Davao, Bldg. 1,2,3,	2011-194	2-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Tamara Lane	2011-215	26-Sep-11	New Developer of Low-Cost Mass Housing Project
The Glens at Parkspring, ph 2	2011-216	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
The Glens at Parkspring, ph 3	2011-217	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
The Glens at Parkspring, ph 4	2011-218	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Austine Homes	2011-252	25-Nov-11	New Developer of Low-Cost Mass Housing Project
Somerset Lane	2011-273	21-Dec-11	New Developer of Low-Cost Mass Housing Project
Aldea de Sol	2011-276	22-Dec-11	Expanding Developer of Low-Cost Mass Housing Project
Capri Oasis	2012-036	5-Mar-12	New Developer of Low-Cost Mass Housing Project
Studio City, Tower 1	2012-044	19-Mar-12	New Developer of Low-Cost Mass Housing Project
Anila Park, Ph 1	2012-052	26-Mar-12	New Developer of Low-Cost Mass Housing Project
San Remo Oasis	2012-069	14-May-12	New Developer of Low-Cost Mass Housing Project
One Oasis Cebu, Bldg. 1 to 3	2012-082	28-May-12	New Developer of Low-Cost Mass Housing Project
One Oasis Davao, Bldg. 4	2012-093	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Filinvest Homes-Butuan	2012-094	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Bldg. A to H2	2012-095	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Maui Oasis, Bldgs. 2 & 3	2012-096	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Amare Homes	2013-014	18-Jan-13	New Developer of Low-Cost Mass Housing Project

Castillon Homes – The Residences	2013-064	11-Mar-13	New Developer of Low-Cost Mass Housing Project
Woodville Ph 2	2013-65	11-Mar-13	New Developer of Low-Cost Mass Housing Project

#### Item 4. Other Disclosures

1. Except as disclosed in the Notes to Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
2. The Company's unaudited interim consolidated financial statements were prepared in accordance with PAS 34 (PAS 34, par. 19).
3. The Company's unaudited interim consolidated financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated annual financial statements as of and for the year ended December 31, 2013 (PAS 34, par 15).
4. The accounting policies and methods of computation adopted in the preparation of the unaudited interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended December 31, 2013.
5. There are no known trends, events or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations of FLI.
6. Except for income generated from retail leasing, there are no seasonal aspects that have a material effect on the Company's financial conditions or results of operations. There are no unusual operating cycles or seasons that will differentiate the operations for the period January to September 30, 2013 from the operations for the rest of the year.
7. Aside from any probable material increase in interest rates on the outstanding long-term debt with floating rates, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Company within the next 12 months.
8. There are no changes in estimates of amounts reported in prior year (2013) that have material effects in the current interim period.
9. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no other issuances, repurchases and repayments of debt and equity securities.
10. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, and Financial Risk Exposures, there are no material events subsequent to March 31, 2014 up to the date of this report that have not been reflected in the financial statements for the interim period.

11. There are no changes in contingent liabilities or contingent assets since December 31, 2013 except for the sale of additional receivables with buy back provision in certain cases during the interim period.
12. There are no material contingencies and any other events or transactions affecting the current interim period.
13. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments, or any significant amount of the Company's payables that have not been paid within the stated trade terms.
14. There are no significant elements of income that did not arise from the Company's continuing operations.
15. There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Company.
16. Except for those discussed above there are no material changes in the financial statements of the Company from December 31, 2013 to March 31, 2014.
17. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period other than those that were previously reported.
18. There are no other information required to be reported that have not been previously reported in SEC Form 17-C.



## **SIGNATURES**

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

### **FILINVEST LAND, INC.**

Signature:



**JOSEPHINE G. YAP**

Title:

President / Chief Executive Officer

Date:

April 30, 2014

Signature:



**NELSON M. BONA**

Title:

Senior Vice-President / Chief Financial Officer

Date:

April 30, 2014

**ANNEX A****PART 1 - FINANCIAL INFORMATION****Item 1 - Financial Statements**

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Amounts in Thousands of Pesos)

	March 31, 2014 (Unaudited)	December 31, 2013 (Audited)
<b>ASSETS</b>		
Cash and cash equivalents	4,735,933	6,390,732
Contracts receivable	13,975,863	13,083,775
Due from related parties	209,137	204,538
Other receivables	2,879,158	3,136,739
Financial assets at fair value through other comprehensive income	17,852	17,852
Real estate inventories	24,321,282	24,426,958
Land and land development	19,388,308	18,794,686
Investment in an associate	4,029,517	4,018,058
Investment properties	20,732,705	19,592,830
Property and equipment	1,158,317	1,150,822
Deferred income tax assets	11,771	12,320
Other assets	2,960,056	2,700,494
Goodwill	4,567,242	4,567,242
<b>TOTAL ASSETS</b>	<b>98,987,141</b>	<b>98,097,046</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	10,326,453	10,441,412
Income tax payable	49,908	17,235
Loans payable	14,615,038	14,751,209
Bonds payable	21,330,490	21,318,016
Due to related parties	148,497	209,201
Retirement liabilities	192,876	186,817
Deferred income tax liabilities - net	2,254,827	2,187,244
<b>Total Liabilities</b>	<b>48,918,089</b>	<b>49,111,134</b>
<b>Equity</b>		
Common stock	24,470,708	24,470,708
Preferred stock	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321
Treasury stock	(221,041)	(221,041)
Remeasurement losses on retirement plan	(105,686)	(105,686)
Retained earnings	19,503,899	18,437,398
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Share in other components of equity of an associate	361,794	361,794
Equity attributable to equity holders of the parent	49,699,376	48,632,875
Non-controlling interest	369,676	353,037
<b>Total Equity</b>	<b>50,069,052</b>	<b>48,985,912</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>98,987,141</b>	<b>98,097,046</b>

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in Thousands of Pesos)  
(Unaudited)

	Three Months Period Ended March 31,	
	2014 (Unaudited)	2013 (As restated)
<b>REVENUE</b>		
Real estate sales	3,054,683	2,440,856
Rental services	539,487	493,698
<b>EQUITY IN NET EARNINGS OF AN ASSOCIATE</b>	11,459	29,277
<b>OTHER INCOME</b>		
Interest income	167,879	155,582
Foreign currency exchange gain (loss) - net	480	1,012
Others	117,136	94,317
	<u>3,891,124</u>	<u>3,214,742</u>
<b>COSTS</b>		
Real estate sales	1,781,704	1,419,161
Rental services	122,790	111,861
<b>OPERATING EXPENSES</b>		
General and administrative expenses	297,688	262,545
Selling and marketing expenses	207,110	185,826
<b>INTEREST AND OTHER FINANCE CHARGES</b>	187,910	177,857
	<u>2,597,202</u>	<u>2,157,250</u>
<b>INCOME BEFORE INCOME TAX</b>	1,293,922	1,057,492
<b>PROVISION FOR INCOME TAX</b>		
Current	142,024	71,723
Deferred	68,757	40,402
	<u>210,781</u>	<u>112,125</u>
<b>NET INCOME</b>	<u>1,083,141</u>	<u>945,367</u>
<b>Attributable to:</b>		
Equity holders of the parent	1,066,502	933,713
Noncontrolling interest	16,639	11,654
	<u>1,083,141</u>	<u>945,367</u>
<b>EARNINGS PER SHARE</b>		
<b>Basic/Diluted</b>		
a. Net income (annualized)	4,266,008	3,734,852
b. Weighted average number of outstanding common shares	24,249,759	24,249,759
c. Earnings per share - Basic/Diluted (a/b)	<u>0.18</u>	<u>0.15</u>

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousands of Pesos)

	Three Months Period Ended March 31,	
	2014 (Unaudited)	2013 (As restated)
<b>NET INCOME FOR THE PERIOD</b>	<b>1,083,141</b>	<b>945,367</b>
Remeasurement losses on retirement plan	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,083,141</b>	<b>945,367</b>
<b>Attributable to:</b>		
Equity holders of the parent	1,066,502	933,713
Noncontrolling interest	16,639	11,654
	<b>1,083,141</b>	<b>945,367</b>

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Thousands of Pesos)  
(Unaudited)

	Three Months Period Ended March 31,	
	2014 (Unaudited)	2013 (As restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	1,293,922	1,057,492
Adjustments for:		
Interest expense	160,481	157,211
Depreciation and amortization	93,617	83,537
Equity in net earnings of an associate	(11,459)	(29,277)
Interest income	(167,879)	(155,599)
Operating income before changes in operating assets and liabilities	1,368,682	1,113,364
Changes in operating assets and liabilities		
Contracts receivables	(892,088)	(779,504)
Due from related parties	(4,599)	7,153
Other receivables	259,381	29,040
Real estate inventories	322,710	(24,945)
Other assets	(362,291)	(382,906)
Accounts payable and accrued expenses	(133,367)	711,888
Retirement liabilities	6,059	5,595
Net cash generated from (used for) operations	564,486	679,685
Interest received	167,879	155,671
Income taxes paid	(7,247)	(1,920)
Net cash provided by (used in) operating activities	725,119	833,436
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment properties and property and equipment	(428,072)	(724,379)
Acquisition of rawland	(1,292,408)	(295,670)
Cash used in investing activities	(1,720,480)	(1,020,049)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans availment	500,000	1,250,500
Payments of loans payable	(640,000)	(226,666)
Increase (decrease) in amounts due to related parties	(60,704)	(36,704)
Interest paid	(458,733)	(378,236)
Net cash provided by financing activities	(659,437)	608,894
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,654,799)	422,281
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	6,390,732	2,165,931
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	4,735,933	2,588,212

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Amounts in Thousands of Pesos)  
(Unaudited)

	Three Months Period Ended March 31,	
	2014 (Unaudited)	2013 (As restated)
<b>Capital Stock</b>		
Common shares - P1 par value		
Authorized - 33 billion shares		
Issued - 24,470,708,509 shares		
Outstanding - 24,249,759,509	24,470,708	24,470,708
Preferred shares - P0.01 par value		
Authorized - 8 billion shares		
Issued and outstanding - 8 billion shares	80,000	80,000
Treasury shares	(221,041)	(221,041)
Additional paid-in capital	5,612,321	5,612,321
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Share in components of equity of an associate	361,794	361,794
Remeasurement losses on retirement plan	(105,686)	(105,686)
<b>Retained earnings</b>		
Balance at beginning of the period	18,437,397	15,683,170
Net income	1,066,502	933,713
Balance at end of the period	19,503,899	16,616,883
Equity attributable to equity holders of the parent	49,699,376	46,812,360
Noncontrolling interest	369,676	378,960
<b>Total Equity</b>	<b>50,069,052</b>	<b>47,191,320</b>

## ANNEX B

### FILINVEST LAND, INC. AND SUBSIDIARIES

#### AGING OF RECEIVABLES

(Amounts in Thousands of Pesos)

As of March 31, 2014

Type of Account Receivable	Current	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total
a) Mortgage, Notes & Installment Contract Receivable							
1. Installment Contracts Receivable	13,196,003	28,787	14,546	8,403	6,613	236,378	13,490,730
2. Receivable from financing Institutions	485,133						485,133
Sub-total	13,681,136	28,787	14,546	8,403	6,613	236,378	13,975,863
b) Other Receivables	2,879,158						2,879,158
Net Receivables	16,560,294	28,787	14,546	8,403	6,613	236,378	16,855,021

Account Receivable Description Type of Receivables	Nature/Description	Collection Period
Installment contracts receivables	This is the Company's in-house financing, where buyers are required to make downpayment and the balance will be in the form of a mortgage loan to be paid in equal monthly installments.	5-10 years
Receivable from financing institution	This represents proceeds from buyers' financing under one or more of the government programs granted to finance buyers of housing units and mortgage house financing of private banks.	Within 1 year
Other receivables	This represents claims from other parties arising from the ordinary course of business. It also includes advances for expenses/accommodations made by the Company in favor of officers and employees.	1 to 2 years

Normal Operating Cycle: 12 calendar months

**FILINVEST LAND, INC.****GROUP SUPPLEMENTARY INFORMATION AND DISCLOSURES  
REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED  
MARCH 31, 2014**

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

**Schedule A. Financial Assets in Equity Securities**

Below is the detailed schedule of financial assets in equity securities of the Group as of March 31, 2014:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at end of year	Income Received and Accrued
(In Thousands Except Number of Shares)				
<b>Financial assets at FVTOCI</b>				
Quoted:				
The Palms Country Club	10	3,060	3,060	—
Philippine Long Distance Telephone Company	26,100	261	261	—
		3,321	3,321	—
Unquoted:				
Manila Electric Company (MERALCO)	1,153,694	11,537	11,537	—
Timberland Sports and Nature Club	3,000	2,995	2,995	—
		14,532	14,532	—
		<b>₱17,853</b>	<b>₱17,853</b>	<b>₱—</b>

The Group has no income received and accrued related to the financial assets at FVTOCI during the year.

The Group investment in MERALCO is an unlisted preferred shares acquired in connection with the infrastructure that it provides for the Group's real estate development projects. These are carried at cost less impairment, if any.



Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Below is the schedule of advances to employees of the Group with balances above ₱100,000 as of March 31, 2014:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
		(In Thousands)		
Amelia F Encarnacion	15,376	101,893	73,870	43,399
Aubrey F Ortega	13,612	8,244	4,853	17,003
Antonio E Cenon	11,423	192,741	188,940	15,224
Noel V Advincula	394	51,957	42,951	9,400
Alberto L Cataluña	6,706	7,898	8,305	6,299
Arvin L. Pamalaran	15,316	4,127	14,754	4,689
Marco Vicente P. Fernande	1,064	4,030	2,158	2,937
Jimhar A Hamid	1,995	-	-	1,995
John Delmer P Vitaliz	306	1,212	96	1,422
Geraldine Marie C De Goro	1,144	708	1,089	762
Romel Doncillo	18	795	147	666
Niel Aquino	584	2	1	585
Jeffrey John M Cortes	514	2	1	515
Eva Marie M Bernardo	486	21	54	454
Melchor B Mistula	16	444	20	440
Jeffrey M Nisnisan	817	1,295	1,683	429
Corazon A Rollon	388	11	-	399
Romeo M Estrella	760	370	749	381
Liang -Ta C. Chien	148	604	405	347
Winnifred H Lim	735	211	625	321
Bernarda Gitalan	96	488	277	308
Ana Venus A. Mejia	268	12	11	269
Kathryn Ann R Lao	3,900	4,927	8,591	236
Joseph M Yap	206	3	-	209
Noel F Oblesias	14	332	146	200
Marie Angeline C. Joven	113	16	-	129
Rey Ferdinand C Maribao	3,317	723,309	726,509	117
Elsa N Marquez	114	3	1	116
Remilyn M Magallon	105	25	23	107
	79,935	1,105,680	1,076,259	109,358

These advances were obtained by the Group's employees for expenses and disbursements necessary in carrying out their functions in the ordinary course of business such as for selling and marketing activities, official business trips, emergency and cash-on-delivery purchases of materials, equipment and supplies, repair of Group's vehicles, model units and housing units, registration of titles, etc. The advances will be liquidated when the purposes for which these advances were granted are accomplished or completed. There were no amounts written off during the year and all receivables are expected to be collected/ liquidated within the next twelve months.

### Related Party Transactions

#### *Due from related parties*

Below is the list of outstanding receivables from related parties of the Group presented in the consolidated statements of financial position as of March 31, 2014 (amount in thousands):

	Relationship	Nature	Balance at period ending March 31, 2014
Timberland Sports and Nature Club.	Affiliate	A	₱188,791
East West Banking Corp.	Affiliate	A	12,612
Davao Sugar Central Corp.	Affiliate	A	5,819
Filinvest Information Technology, Inc.	Affiliate	A	875
AL Gotianun, Inc.	Ultimate Parent	A	778
The Palms Country Club	Affiliate	A	218
Filarchipelago Hospitality Inc.	Affiliate	A	29
GCK Realty	Affiliate	A, C, D	13
FSM Cinemas, Inc.	Affiliate	A	2
			<b>₱209,137</b>

#### *Nature of intercompany transactions*

The nature of the intercompany transactions with the related parties is described below:

- A. Expenses - these pertain to the share of the Group of related parties in various common selling and marketing and general and administrative expenses.
- B. Advances - these pertain to temporary advances to/from related parties for working capital requirements
- C. Management and marketing fee
- D. Reimbursable commission expense
- E. Rentals
- F. Dividends

### Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties, which are eliminated in the consolidated financial statements as of March 31, 2014 (amounts in thousands):

			Receivable	Terms
Filinvest AII Philippines, Inc.	Share in expenses	₱3,403	₱97,304	Non-interest bearing and to be settled within the year
Property Maximizer Professional Corporation	Marketing fee expense	55,637		Non-interest bearing and to be settled within the year
	Share in expenses	3,111	5,858	
	Rental income	28,428	10,975	Non-interest bearing and to be settled within the year
Cyberzone Properties, Inc.	Share in expenses	1,584		
Property Specialist Resources, Inc.	Share in expenses	—	6,765	Non-interest bearing and to be settled within the year
Leisurepro, Inc.		29	6,163	Non-interest bearing and to be settled within the year
	Share in expenses			
Homepro Realty Marketing, Inc.		30	4,381	Non-interest bearing and to be settled within the year
	Share in expenses			
			<b>₱131,446</b>	

Name	Balance at beginning of year	Additions	Collections	Balance at period ending March 31, 2014
Filinvest AII Philippines, Inc.	₱185,901	₱3,403	(₱92,000)	₱97,304
Property Maximizer Professional Corporation	24,453	37,042	(55,637)	5,858
Cyberzone Properties, Inc. (CPI)	40,987	28,428	(58,440)	10,975
Property Specialist Resources, Inc.	8,470	—	(1,705)	6,765
Leisurepro, Inc	6,134	29	—	6,163
Homepro Realty Marketing, Inc	4,351	30	—	4,381
	₱270,296	₱68,932	(₱207,782)	₱131,446

The intercompany transactions between the FLI and the subsidiaries pertain to share in expenses, rental charges, marketing fee and management fee. There were no amounts written off during the year and all amounts are expected to be settled within the year.

#### Schedule D. Intangible Asset

As of March 31, 2014, the Company's intangible assets consist of Goodwill. Goodwill in the Company's consolidated statements of financial position arose from the acquisition of two major assets consisting of (in thousands):

Festival Supermall structure	₱3,745,945
Filinvest Asia Corporation	494,744
CPI	326,553
	₱4,567,242

#### Schedule E. Long term debt

Below is the schedule of long-term debt of the Group (amounts in thousands):

Type of Obligation	Amount	Current	Noncurrent
<u>Term loans</u>			
Guaranteed loan amounting to ₱1.13 billion and ₱1.12 billion obtained in October 2005 and July 2007, respectively. Both loan principal is payable in 10 semi-annual installments commencing December 2010 and ending June 2015. The loans carry a fixed interest rate of 7.72% and 7.90% per annum, respectively.	₱675,000	₱450,000	₱225,000
<u>Developmental loans</u>			
Unsecured loan obtained in July 2013 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (fixed rate) 5.07% per annum, payable quarterly in arrears. The principal is payable at maturity on July 2018.	1,493,751	—	1,493,751
Unsecured loan obtained in June 2013 with a fixed interest rate of 4.98% per annum inclusive of GRT, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting September 2015 up to June 2018.	1,143,866	—	1,143,866
Unsecured loan obtained in January 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (fixed rate) 6.39% per annum, payable quarterly in arrears. The principal is payable at maturity on January 2017	997,398	—	997,398
Unsecured loan obtained in April 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (fixed rate) 6.12% per annum, payable quarterly in arrears. The principal is payable at maturity on January 2017.	997,175	—	997,175
Unsecured loan obtained in November 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (fixed rate) 5.50% per annum, payable quarterly in arrears. The principal is payable at maturity on November 2017.	996,350	—	996,350

Type of Obligation	Amount	Current	Noncurrent
<u>Developmental loans (cont.)</u>			
Unsecured loan obtained in August 2013 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (Fixed rate) 4.27% per annum, payable quarterly in arrears. The 50% of principal payable in 20 equal quarterly amortization to commence on November 2015 and 50% payable at maturity on August 2018.	996,507	—	996,507
Unsecured loan obtained in February 2013 with interest at prevailing market rate plus GRT, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting May 2015 to February 2018.	747,478	—	747,478
Unsecured loan obtained in December 2013 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (Fixed rate of 4.62% per annum), payable quarterly in arrears. The 50% of principal payable in 20 equal quarterly amortization to commence on March 2016 and 50% payable at maturity on December 2020.	700,000	—	700,000
Unsecured loan obtained in March 2011 with interest rate equal to 91-day PDS Treasury Fixing (PDST-F) rate plus a spread of up to 1% per annum, payable quarterly in arrears. The 50% of principal payable in 12 equal quarterly amortization to commence on June 2013 and 50% payable at maturity on March 2016.	623,759	124,289	499,470
Unsecured loans obtained in August 15, 2012 with interest of 5.79% per annum (inclusive of GRT), subject to repricing and payable quarterly in arrears. The loan has a term of 7 years, inclusive of 2 year grace period on principal repayment, 50% principal balance is payable in 20 equal quarterly installments to commence on November 2014 and 50% payable at maturity on August 2019.	600,000	15,000	585,000
Unsecured loan obtained in June 2011 with interest rate equal to 91-day PDST-F rate plus a spread of 1% per annum, payable quarterly in arrears. The 50% balance is paid in July 2011 and the remaining 50% balance is payable in twelve (12) equal quarterly installments starting September 2013 up to June 2016.	560,530	248,584	311,946
Unsecured loan obtained in October 2013 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (Fixed rate of 4.21% per annum), payable quarterly in arrears. The 50% of principal payable in 20 equal quarterly amortization to commence on January 2016 and 50% payable at maturity on October 2020.	547,512	—	547,512
Unsecured loan obtained in August 2013 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (Fixed rate) 4.27% per annum, payable quarterly in arrears. The 50% of principal payable in 20 equal quarterly amortization to commence on November 2015 and 50% payable at maturity on August 2020.	500,000	—	500,000
Unsecured loan obtained in March 2014 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (Fixed rate of 5.26% per annum), payable quarterly in arrears. The principal is payable at maturity on March 2019.	500,000	—	500,000
Unsecured loan obtained in December 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (fixed rate) 5.29% per annum, payable quarterly in arrears. The principal is payable at maturity on December 2017.	498,180	—	498,180
Unsecured loan obtained in December 2011 with interest at prevailing market rate 4.2% per annum inclusive of GRT, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting March 2014 to December 2016.	320,040	116,241	203,799
Unsecured loan obtained in May 17, 2012 with interest at prevailing market rate, subject to repricing and payable quarterly in arrears. The loan has a term of 7 years, inclusive of 2 year grace period on principal repayment, 50% principal balance is payable in 20 equal quarterly installments to commence on August 2014 and 50% payable at maturity on May 2019.	300,000	15,000	285,000

Type of Obligation	Amount	Current	Noncurrent
<u>Developmental loans (cont.)</u>			
Unsecured loan obtained in October 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% per annum plus GRT (Fixed rate of 6.03% per annum), payable quarterly in arrears. The principal is payable at maturity on October 2017.	300,000	—	300,000
Unsecured loan obtained in May 2013 with interest rate equal to BSP overnight reverse repurchase agreement plus 1% per annum plus GRT (Fixed rate of 4.74% per annum), payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting August 2015 up to May 2018.	300,000	—	300,000
Unsecured loan obtained in May 2013 with a fixed interest rate of 4.74% per annum inclusive of GRT, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting August 2015 up to May 2018.	249,075	—	249,075
Unsecured loan granted in November 10, 2011 with a term of 7 years with 2 years grace period on principal repayment. Interest is based on prevailing market rate, subject to quarterly repricing and payable quarterly in arrears. 50% of principal is payable in 12 quarterly amortization commencing on February 10, 2014 and 50% is payable on maturity.	195,000	20,000	175,000
Unsecured loan granted in May 2010 with a term of five years with 50% of principal payable in 12 equal quarterly amortization to commence on August 2012 and 50% payable at maturity in May 2015. The loan carries interest at prevailing market rate payable quarterly in arrears.	141,667	33,333	108,334
Unsecured loan granted in December 2012 with a term of five years with 50% of principal payable in 20 equal quarterly amortization to commence on March 2013 and 50% payable at maturity on December 2017. The loan carries interest at prevailing market rate payable quarterly in arrears.	131,250	15,000	116,250
Unsecured loan granted in May 2012 payable over 7-year period inclusive of 2 year grace period; 50% of principal is payable in 20 equal quarterly amortizations to commence on August 2014 and 50% payable at maturity on May 2019. The loan carries interest at prevailing market rate.	100,000	5,000	95,000
Unsecured loan obtained in February 2013 with interest rate equal to 91-day PDS Treasury Fixing (PDST-F) rate plus a spread of up to 1% per annum plus GRT, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting May 2015 to February 2018.	500	—	500
	14,615,038	1,042,447	13,572,591
<u>Bonds</u>			
Fixed rate bonds with aggregate principal amount of ₱4.50 billion, comprised of five (5)-year fixed rate bonds due in 2014 was issued by the Company on November 19, 2009. The bonds have a term of 5 years and one (1) day from the issue date, with a fixed interest rate of 8.4615% per annum. Interest is payable quarterly in arrears starting on February 20, 2010.	4,492,040	4,492,040	—
Fixed rate bonds with principal amount of ₱3.00 billion and term of five (5) years from the issue date was issued by the Company on July 7, 2011. The fixed interest rate is 6.1962% per annum, payable quarterly in arrears starting on October 7, 2011.	2,974,197	—	2,974,197
Fixed rate bonds with principal amount of ₱7.00 billion and term of seven (7) years from the issue date was issued by the Company on June 8, 2012. The fixed interest rate is 6.27% per annum, payable quarterly in arrears starting on September 10, 2012.	6,942,233	—	6,942,233
Fixed rate bonds with aggregate principal amount of ₱7.00 billion issued by the Group on November 8, 2013. This is comprised of ₱4.3 billion seven (7) year fixed rate bonds due in 2020 with a fixed interest rate of 4.8562% per annum, and ₱2.7 billion ten (10) year fixed rate bonds due in 2023 with a fixed interest rate of 5.43% per annum.	6,922,020	—	6,922,020
	21,330,490	4,492,040	16,838,450
	₱35,945,528	₱5,534,487	₱30,411,041

Each loan balance is presented net of unamortized deferred costs.

#### Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Below is the list of outstanding payables to related parties of the Group presented in the Group statements of financial position as of March 31, 2014 (amount in thousands):

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Filinvest Development Corp.	Parent Company	A, C, E	₱93,635	₱58,282
Filinvest Alabang, Inc.	Associate	A, C	65,075	51,745
Pacific Sugar Holdings, Corp.	Affiliate	A	27,009	27,009
Festival Supermall, Inc. – Management	Affiliate	A	6,151	11,456
Seascape Resorts, Inc.	Affiliate	A	5	5
East West Banking Coporation	Affiliate	A	17,322	–
Quest Restaurants Inc.	Affiliate	A	4	–
			₱209,201	₱148,497

#### *Nature of intercompany transactions*

The nature of the intercompany transactions with the related parties is described below:

- Expenses - these pertain to the share of the Group of related parties in various common selling and marketing and general and administrative expenses.
- Advances - these pertain to temporary advances to/from related parties for working capital requirements
- Management and marketing fee
- Reimbursable commission expense
- Rentals

#### Schedule G. Guarantees of Securities of Other Issuers

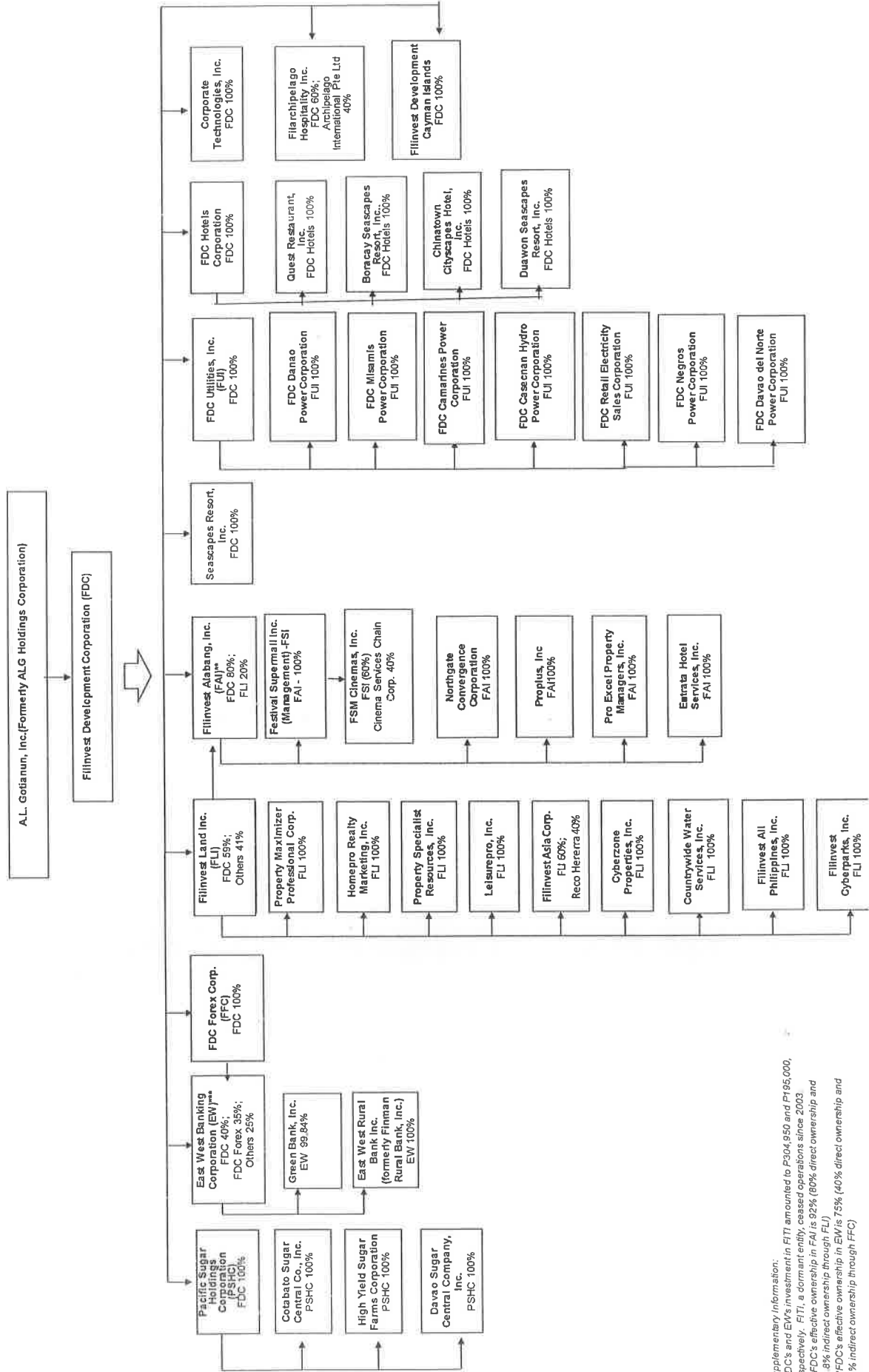
The Company does not have guarantees of securities of other issuers as of March 31, 2014.

#### Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
			(In Thousands)			
Common Shares	33,000,000	24,249,759	–	14,017,206	14,559	None
Preferred Shares	8,000,000	8,000,000	–	8,000,000	–	None

# Group Structure

Below is a map showing the relationship between and among the Group and its ultimate Group, subsidiaries, and associates as of March 31, 2014..



Supplementary Information:  
 \*FDC's and EW's investment in FITI amounted to P304,950 and P195,000, respectively. FITI, a dormant entity, ceased operations since 2003.  
 \*\* FDC's effective ownership in FAI is 92% (80% direct ownership and 11.8% indirect ownership through FLI)  
 \*\*\*FDC's effective ownership in EW is 75% (40% direct ownership and 35% indirect ownership through FFC)

*Standards adopted by the Group*

Below is the list of all effective Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of March 31, 2014:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2014		Adopted	Not Adopted	Not Applicable
<b>Framework for the Preparation and Presentation of Financial Statements</b> Conceptual Framework Phase A: Objectives and qualitative characteristics		√		
<b>PFRSs Practice Statement Management Commentary</b>				√
<b>Philippine Financial Reporting Standards</b>				
<b>PFRS 1 (Revised)</b>	First-time Adoption of Philippine Financial Reporting Standards	√		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	√		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			√
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			√
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			√
	Amendments to PFRS 1: Government Loans			√
<b>PFRS 2</b>	Share-based Payment			√
	Amendments to PFRS 2: Vesting Conditions and Cancellations			√
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			√
<b>PFRS 3 (Revised)</b>	Business Combinations	√		
<b>PFRS 4</b>	Insurance Contracts			√
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			√
<b>PFRS 5</b>	Non-current Assets Held for Sale and Discontinued Operations			√
<b>PFRS 6</b>	Exploration for and Evaluation of Mineral Resources			√
<b>PFRS 7</b>	Financial Instruments: Disclosures	√		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	√		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	√		



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2014		Adopted	Not Adopted	Not Applicable
<b>PFRS 7 (cont.)</b>	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	√		
	Amendments to PFRS 7: Disclosures – Transfers of Financial Assets	√		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities		√	
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		√	
<b>PFRS 8</b>	Operating Segments	√		
<b>PFRS 9</b>	Financial Instruments	√		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	√		
<b>PFRS 10</b>	Consolidated Financial Statements		√	
<b>PFRS 11</b>	Joint Arrangements		√	
<b>PFRS 12</b>	Disclosure of Interests in Other Entities		√	
<b>PFRS 13</b>	Fair Value Measurement		√	
<b>Philippine Accounting Standards</b>				
<b>PAS 1 (Revised)</b>	Presentation of Financial Statements	√		
	Amendment to PAS 1: Capital Disclosures			√
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			√
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income		√	
<b>PAS 2</b>	Inventories	√		
<b>PAS 7</b>	Statement of Cash Flows	√		
<b>PAS 8</b>	Accounting Policies, Changes in Accounting Estimates and Errors	√		
<b>PAS 10</b>	Events after the Reporting Date	√		
<b>PAS 11</b>	Construction Contracts	√		
<b>PAS 12</b>	Income Taxes	√		
	Amendment to PAS 12 – Deferred Tax: Recovery of Underlying Assets			√
<b>PAS 16</b>	Property, Plant and Equipment	√		
<b>PAS 17</b>	Leases	√		
<b>PAS 18</b>	Revenue	√		
<b>PAS 19</b>	Employee Benefits	√		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	√		
<b>PAS 19 (Amended)</b>	Employee Benefits	√		
<b>PAS 20</b>	Accounting for Government Grants and Disclosure of Government Assistance			√

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2014		Adopted	Not Adopted	Not Applicable
PAS 21	The Effects of Changes in Foreign Exchange Rates			√
	Amendment: Net Investment in a Foreign Operation			√
PAS 23 (Revised)	Borrowing Costs	√		
PAS 24 (Revised)	Related Party Disclosures	√		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			√
PAS 27	Consolidated and Separate Financial Statements	√		
PAS 27 (Amended)	Separate Financial Statements		√	
PAS 28	Investments in Associates	√		
PAS 28 (Amended)	Investments in Associates and Joint Ventures		√	
PAS 29	Financial Reporting in Hyperinflationary Economies			√
PAS 31	Interests in Joint Ventures	√		
PAS 32	Financial Instruments: Disclosure and Presentation	√		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			√
	Amendment to PAS 32: Classification of Rights Issues			√
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities		√	
PAS 33	Earnings per Share	√		
PAS 34	Interim Financial Reporting			√
PAS 36	Impairment of Assets	√		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	√		
PAS 38	Intangible Assets	√		
PAS 39	Financial Instruments: Recognition and Measurement	√		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			√
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			√
	Amendments to PAS 39: The Fair Value Option			√
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			√
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			√
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			√
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			√
	Amendment to PAS 39: Eligible Hedged Items			√

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2014		Adopted	Not Adopted	Not Applicable
PAS 40	Investment Property	√		
PAS 41	Agriculture			√
<b>Philippine Interpretations</b>				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			√
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			√
IFRIC 4	<i>Determining Whether an Arrangement Contains a Lease</i>	√		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			√
IFRIC 6	<i>Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment</i>			√
IFRIC 7	<i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>			√
IFRIC 8	<i>Scope of PFRS 2</i>			√
IFRIC 9	Reassessment of Embedded Derivatives			√
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			√
IFRIC 10	<i>Interim Financial Reporting and Impairment</i>			√
IFRIC 11	PFRS 2– Group and Treasury Share Transactions			√
IFRIC 12	Service Concession Arrangements			√
IFRIC 13	Customer Loyalty Programmes			√
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			√
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			√
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			√
IFRIC 17	Distributions of Non-cash Assets to Owners			√
IFRIC 18	Transfers of Assets from Customers			√
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			√
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine		√	
SIC-10	Government Assistance -- No Specific Relation to Operating Activities			√
SIC-12	Consolidation – Special Purpose Entities			√
	Amendment to SIC – 12: Scope of SIC 12			√
SIC-13	Jointly Controlled Entities – Non-Monetary Contributions by Venturers			√
SIC-15	Operating Leases – Incentives			√
SIC-21	Income Taxes – Recovery of Revalued Non-Depreciable Assets			√
SIC-25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders			√

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2014		Adopted	Not Adopted	Not Applicable
<b>SIC-27</b>	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			√
<b>SIC-29</b>	Service Concession Arrangements: Disclosures.			√
<b>SIC-31</b>	Revenue – Barter Transactions Involving Advertising Services			√
<b>SIC-32</b>	Intangible Assets – Web Site Costs			√

Standards tagged as “Not applicable” have been adopted by the Group but have no significant covered transactions for the year ended March 31, 2014.

Standards tagged as “Not adopted” are standards issued but not yet effective as of March 31, 2014. The Group will adopt the Standards and Interpretations when these become effective.

### *Financial Soundness Indicator*

Below are the financial ratios that are relevant to the Group for the year ended March 31, 2014 and 2013:

Financial ratios		2014	2013
Current ratio <sup>(1)</sup>	$\frac{\text{Current assets}}{\text{Current liabilities}}$	2.28	3.51
Long-term debt-to-equity ratio	$\frac{\text{Long-term debt}}{\text{Equity}}$	0.72	0.57
Debt ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	0.49	0.45
EBITDA to total interest paid	$\frac{\text{EBITDA}}{\text{Total interest paid}}$	3.29	3.45
Price Earnings Ratio	$\frac{\text{Closing price}^{(2)}}{\text{Earnings per share}}$	8.19	12.86

(1) In computing for the Group's current ratio, current assets include cash and cash equivalents, contracts receivables, due from related parties, other receivables and real estate inventories and current liabilities include accounts payable and accrued expenses, due to related parties, income tax payable, loans payable and bonds payable. Determination of current accounts is based on their maturity profile of relevant assets and liabilities.

(2) Closing price at March 31, 2014 and 2013

**FILINVEST LAND, INC. AND SUBSIDIARIES**

**CONSOLIDATED UNAPPROPRIATED RETAINED EARNINGS AVAILABLE  
FOR DIVIDEND DISTRIBUTION**

(Amounts in Thousands of Pesos)

<b>Retained Earnings, January 1, 2014</b>	<b>₱18,437,398</b>
Adjustments:	
Equity in net earnings of subsidiaries and an associate	(5,440,542)
Prior-year adjustments	192,793
<b>Unappropriated Retained Earnings, as adjusted, January 1, 2014</b>	<b>13,189,649</b>
<b>Net income based on the face of unaudited financial statements</b>	<b>1,066,502</b>
Less: Non-actual/unrealized income net of tax	
Equity in net income of subsidiaries and an associate	(224,455)
Unrealized foreign exchange gain - net	—
Unrealized actuarial gain	—
Fair value adjustment (marked-to-market gains)	—
Fair value adjustment of Investment Property resulting to gain	—
Adjustment due to deviation from PFRS/GAAP gain	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—
Add: Non-actual/unrealized losses net of tax	
Depreciation on revaluation increment	—
Adjustment due to deviation from PFRS/GAAP loss	—
Loss on fair value adjustment of Investment Property	—
Movement in deferred tax assets	(1,689)
<b>Net income actual/realized</b>	<b>840,358</b>
Less: Dividend declarations during the year	—
<b>Unappropriated Retained Earnings, as adjusted, March 31, 2014</b>	<b>₱14,030,007</b>