

FILINVEST LAND, INC.

79 EDSA, Highway Hills
Mandaluyong City, Metro Manila
Trunk line: (632) 918-8188
Customer hotline: (632) 588-1688
Fax number: (632) 918-8189
www.filinvestland.com

November 12, 2018

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

37/F, Tower 1, The Enterprise Center
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

Attention: **MS. PAULA BEATRICE A. BUENO**
OIC - Issuer Compliance and Disclosure Department (ICDD)

Ladies:

Please find attached Quarterly Report of Filinvest Land, Inc. for the period ended September 30, 2018.

Thank you.

Very truly yours,



SHARON P. PAGALING-REFUERZO

Assistant Corporate Secretary and
Corporate Information Officer



111122018000211

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osená

Receiving Branch : SEC Head Office

Receipt Date and Time : November 12, 2018 09:59:20 AM

Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000170957

Company Name FILINVEST LAND INC.

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 111122018000211

Document Type 17-Q (FORM 11-Q: QUARTERLY REPORT/FS)

Document Code 17-Q

Period Covered September 30, 2018

No. of Days Late 0

Department CFD

Remarks

COVER SHEET

SEC Registration Number

1	7	0	9	5	7				
---	---	---	---	---	---	--	--	--	--

COMPANY NAME

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																							

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

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													

Form Type

1	7	Q	-	3	
---	---	---	---	---	--

Department requiring the report

--	--	--	--

Secondary License Type, if Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

--

Company's Telephone Number

(632)918-8188

Mobile Number

--

No. of Stockholders

5,682

Annual Meeting (Month / Day)

Second to the last Friday of
April

Fiscal Year (Month / Day)

09/30

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Venus A. Mejia

Email Address

venus.mejia@filinvestgroup
.com

Telephone Number/s

(632)918-8188

Mobile Number

--

CONTACT PERSON'S ADDRESS

79 EDSA, Brgy. Highway Hills, Mandaluyong City

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

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

**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 September 30, 2018
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, ₱1.00 par value	24,249,759,509	60,226,253,062

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 1 – FINANCIAL INFORMATION

	Page
Item 1. Financial Statements	
Notes to Consolidated Financial Statements	
1. Corporate Information	1
2. Summary of Significant Accounting Policies	3
3. Significant Accounting Judgments and Estimates	10
4. Segment Reporting	13
5. Accounts Payable and Accrued Expenses	16
6. Long-term Debt	17
7. Other Income - net	18
8. Financial Risk Exposures	19
 Item 2. Management Discussion and Analyses of Financial Condition and Results of Operations	 22

Part II – OTHER INFORMATION

Item 3. Business Development / New Projects	25
 Item 4. Other Disclosures	 38

Annex A

Annex 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 nine months ended September 30, 2018 and 2017, and period ended December 31, 2017. The Aging Schedule for the Company's receivables as of September 30, 2018 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 nine months ended September 30, 2018.

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 is domiciled in the Philippines where its shares are publicly traded. Formerly Citation Homes, Inc., the Parent Company was incorporated on November 24, 1989 with the expiration of its corporate life 50 years thereafter, 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, condotels, and condominium buildings. The Group also leases out commercial and office spaces in Muntinlupa City, Makati City, Pasay City, Cebu City, Tagaytay City, and Cavite, 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. FDC and ALG were incorporated in the Philippines.

The Parent Company's registered business address is at 79 E. Delos Santos Ave. (EDSA), Brgy. Highway Hills, Mandaluyong City.

On January 18, 2018, FLI entered into a Share Sale and Purchase Agreement to purchase 100% of the total outstanding shares of Gintong Parisukat Realty and Development Inc.(GPRDI). GPRDI was incorporated on August 18, 2006. The primary purpose of the Corporation is to hold, purchase, lease, contract or otherwise acquire any and all real and personal properties of every kind and description whatsoever which the Company may deem necessary or appropriate and to own, hold, operate, improve, develop, manage, grant, lease, sell, exchange or otherwise dispose of the whole or any part thereof.

On November 20, 2017, Filinvest Lifemalls Tagaytay, Inc. (FLTI), a wholly-owned subsidiary of the Parent Company was incorporated. Its primary purpose is to acquire by purchase, lease (except financial leasing), donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise deal in real estate of all kinds in order to develop, conduct, operation, lease, and maintenance of retail and commercial space for rent, restaurants, function halls, amusement centers, movie or cinema theaters within the compound to premises of the shopping centers. FLTI has started its commercial operations in March 1, 2018.

On August 3, 2017, Realpros Philippines, Inc. (RPI), a wholly-owned subsidiary of the Parent Company was incorporated. Its primary purpose is to provide administrative support services and skills training primarily through the use of information technology, licensed software, and systems. RPI has started its commercial operations in November 2017.

On May 18, 2017, the Parent Company, and Cyberzone Properties, Inc. (CPI) and Filinvest Cyberparks, Inc. (FCI), subsidiaries of the Parent Company, subscribed to 53.0 million common shares of Pro-Excel Property Managers, Inc. (Pro-Excel). The resulting ownership interest of FLI, CPI and FCI in Pro-Excel after subscription is 32.94%, 16.97% and 16.97%, respectively. Prior to the Group's subscription, Pro-Excel is 100% owned by Filinvest Alabang, Inc. (FAI), an associate of the Parent Company. The primary purpose of Pro-Excel is to engage in the business of administration, maintenance and management of real estate development, controlled development projects and subdivision projects.

On March 29, 2017, Proleads Philippines, Inc. (PPI), a wholly-owned subsidiary of the Parent Company was incorporated. Its primary purpose is to provide management, organizational, and other administrative services and training. PPI started its commercial operations in November 2017.

On February 7, 2017, Property Leaders International Limited (PLIL), a company limited by shares, was registered at the territory of the British Virgin Islands. PLIL has not started its commercial operations as of September 30, 2018.

On January 23, 2017, Filinvest Lifemalls Mimosa, Inc. (FLMI), a wholly-owned subsidiary of the Parent Company was incorporated. Its primary purpose is to acquire by purchase, lease except financial leasing, donation, or otherwise, and/or to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise deal in real estate of all kinds, nature and purpose and/or any interest or right therein. FLMI has not started its commercial operations as of September 30, 2018.

On January 23, 2017, Filinvest Cyberzone Mimosa, Inc. (FCMI), a wholly-owned subsidiary of the Parent Company was incorporated. Its primary purpose is to acquire by purchase, lease except financial leasing, donation or and hold for investment or otherwise deal in real estate of all kinds, nature, purpose and/or any interest or right therein. During the first quarter of 2017, FCMI started the construction of its first Business Process Outsourcing (BPO) Office, the Filinvest Cyberzone Mimosa Building 1.

On January 11, 2017, Dreambuilders Pro, Inc. (DPI), a wholly-owned subsidiary of the Parent Company was incorporated. Its primary purpose is to engage in and carry on a general construction business. DPI started its commercial operations in February 2017.

On February 11, 2016, FCGC Corporation (FCGCC) was incorporated to undertake the development of the Clark Green City Project under the Joint Venture Agreement with Bases Conversion and Development Authorities (BCDA). On March 16, 2016, Filinvest BCDA Clark, Inc. (FBCI), a joint venture company with BCDA, was incorporated to handle the development of the Clark Green City Project. FBCI is 55%-owned by FCGCC and 45%-owned by BCDA. As of September 30, 2018, FCGCC and FBCI have not started commercial operations.

On March 31, 2016, Filinvest Mimosa, Inc. (FMI) was incorporated to enter into an agreement with Clark Development Corporation (CDC) for the lease of the Mimosa Leisure Estate. As of December 31, 2017, FMI is 47.5% owned by FLI, 47.5% owned by FDC and 5% by CDC. FMI started its commercial operations in June 2016.

On July 26, 2016, the SEC approved Whiluc Realty & Mgt., Inc.'s (Whiluc) application for increase in its authorized capital stock for which FLI subscribed in full and paid ₱124.69 million. On the same date, the SEC also approved the amendments of its corporate name and principal

business address. Whiluc's new corporate name is Filinvest Lifemalls Corporation (FLC). Its primary purpose is to invest in, purchase, hold, and use, develop, lease, sell, assign, transfer mortgage, enjoy or otherwise dispose of, as may be permitted by law, all properties of every kind, nature and description and wherever situated, of any corporation.

On December 28, 2015, the Parent Company and FAI entered into a Deed of Assignment of Shares, wherein FAI agreed to sell its rights, title and interests in the 249,995 common shares of Festival Supermall, Inc. (FSI), with par value of ₱1.0 per share and equivalent to 100% ownership interest, to FLI for and in total consideration of ₱0.50 million. FSI is the property manager of Festival Supermall and other commercial centers of the Group. FSI also owns 60% equity interest in FSM Cinemas, Inc. which is engaged in theater operations. The transaction was accounted for using the pooling of interest method.

On April 15, 2015, FLI and Engie Services Philippines (ENGIE), entered into a joint venture agreement to establish Philippine DCS Development Corporation (PDDC). On July 31, 2015, PDDC was registered with the SEC to engage in the business of building and operating a district cooling system within existing and future buildings at Northgate Cyberzone Area, Filinvest City, Alabang, Muntinlupa City. PDDC is 60% owned by FLI and 40% owned by ENGIE.

2. Summary of Significant Accounting Policies

Basis of Preparation

The 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.

The Group's consolidated financial statements are presented in Philippine Peso (Peso), which is also the functional currency of the Parent Company and its subsidiaries, and an associate. Amounts are in thousand Pesos except as otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been presented in compliance with Philippine Financial Reporting Standards (PFRS). PFRS include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

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 September 30, 2018 and December 31, 2017 are as follows. The voting rights held by the Group in these subsidiaries are in proportion to its ownership interest.

Subsidiaries	Nature of Business	September 30, 2018	December 31, 2017
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	100%	100%
Homepro Realty Marketing, Inc. (Homepro)	Real estate developer	100%	100%
FCGC Corporation (FCGCC)	Real estate developer	100%	100%
Filinvest BCDA Clark, Inc. (FBCI) ¹	Real estate developer	55%	55%
Gintong Parisukat Realty and Development Corp. (GPRDI)	Real estate developer	100%	—

(Forward)

Subsidiaries	Nature of Business	September 30, 2018	December 31, 2017
Cyberzone Properties, Inc. (CPI)	Leasing	100%	100%
Filinvest Cyberparks, Inc. (FCI)	Leasing	100%	100%
Filinvest Cyberzone Mimosa, Inc. (FCMI)	Leasing	100%	100%
Filinvest Lifemalls Corporation (FLC)	Property management	100%	100%
Property Specialist Resources, Inc. (Prosper)	Property management	100%	100%
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Property management	100%	100%
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Property management	100%	100%
Festival Supermall, Inc. (FSI)	Property management	100%	100%
Pro-Excel Property Managers, Inc. (Pro-Excel) ²	Property management	74%	74%
Dreambuilders Pro, Inc. (DPI)	Construction	100%	100%
Property Maximizer Professional Corp. (Promax)	Marketing	100%	100%
Leisurepro, Inc. (Leisurepro)	Marketing	100%	100%
Property Leaders International Limited (PLIL)	Marketing	100%	100%
Proleads Philippines, Inc. (PPI)	Marketing	100%	100%
Realpros Philippines, Inc. (RPI)	Marketing	100%	100%
Timberland Sports and Nature Club (TSNC) ³	Recreational Sports and Natures Club	97%	97%
FSM Cinemas, Inc. (FSM Cinemas) ⁴	Theater operator	60%	60%
Philippine DCS Development Corporation (PDDC)	District cooling systems, builder and operator	60%	60%
Filinvest Asia Corporation (FAC)	Leasing	60%	60%

1. FBCI is owned indirectly through FCGCC.

2. The effective ownership interest of the Parent Company includes portion owned indirectly through CPI, FCI and FAI (see Note 1). The acquisition of Pro-Excel in 2017 was accounted for as a business combination under common control using the pooling of interest method. The retrospective adjustments resulting from this transaction are not material to the 2016 and 2015 financial position and results of operation of the Group.

3. TSNC was retroactively consolidated in compliance with PIC Q&A 2016-02 which took effect beginning January 1, 2016. In 2017, the Parent Company acquired noncontrolling interest in TSNC representing additional 5% ownership interest for a total consideration of ₱138.85 million.

4. FSM Cinemas is owned indirectly through FSI.

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

A subsidiary is an entity which the Group controls. 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 consolidated financial statement 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 Company and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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 noncontrolling 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

Noncontrolling Interest

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

Noncontrolling 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 noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

Business Combinations Involving Entities under Common Control

A business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. This will include transactions such as the transfer of subsidiaries or businesses between entities within a group. Common control business combinations are outside the scope of PFRS 3, *Business Combination*. The Group elected to account for its common control business combination using acquisition method and this is applied consistently for similar transactions.

However, where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity. Common control business combination without commercial substance is accounted using "pooling of interests" method wherein the assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination and adjustments made are only those adjustments to harmonize accounting policies. No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the periods presented and on retained earnings at the date of acquisition are eliminated to the extent possible.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial years, except for the adoption of the following amendments in PFRS and Philippine Accounting Standards (PAS) which became effective beginning on or after January 1, 2017. Unless otherwise stated, the new standards and amendments did not have any material impact to the Group.

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

The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. The adoption of these amendments did not have any impact on the consolidated financial statements since the Group has no interest in other entities that is classified as held for sale.

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

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

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

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

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

Effective beginning on or after January 1, 2018

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

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

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. The amendments do not have significant impact on the Group's financial position and results of operation.

- *PFRS 9, Financial Instruments*

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

As the Group has early adopted the first phase of PFRS 9 (2010 version) effective January 1, 2011, the adoption did not have significant impact on the classification and measurement of the Group's financial assets and financial liabilities. However, the impact is on the impairment methodology for the Group's financial assets and on the amount of its credit losses. The Group continues to assess the impact of this standard.

- *PFRS 15, Revenue from Contracts with Customers*

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

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

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

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

should be applied retrospectively with earlier application permitted. The Group continues to assess the impact of this standard.

- **Amendments to PAS 40, *Investment Property, Transfers of Investment Property***
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight. The Group continues to assess the impact of this standard.
- **Philippine Interpretation on International Financial Reporting Interpretations Committee (IFRIC) 22, *Foreign Currency Transactions and Advance Consideration***
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group continues to assess the impact of this standard.

Future Changes in Accounting Policies

The Group will adopt the following standards and interpretations when these become effective. Except as otherwise stated, the Group does not expect the adoption of these standards to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2019

- **Amendments to PFRS 9, *Prepayment Features with Negative Compensation***
The amendments to PFRS 9 allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019.
- **PFRS 16, *Leases***
PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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

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

PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17. Early application is permitted, but not before an entity applies PFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Group is currently assessing the impact of PFRS 16 and plans to adopt the new standard on the required effectivity date.

- *Amendments to PAS 28, Long-term Interests in Associates and Joint Ventures*
The amendments to PAS 28 clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019.
- *Philippine Interpretation IFRIC 23, Uncertainty over Income Tax Treatments*
The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. Earlier application is permitted. The Group will perform an assessment in 2018 of the interpretation's impact on the Group's consolidated financial statements.

Interpretation with Deferred Effective Date

- *Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*.

Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

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

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Real Estate Revenue Recognition

Selecting an appropriate revenue recognition method for a real estate sale transaction requires certain judgments based on, among others:

- Buyer's commitment on sale which may be ascertained through the significance of the buyer's initial payments in relation to the total contract price; and,
- Stage of completion of the project development.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group. The Group also determines whether a project's percentage of completion is already considered beyond preliminary stage based on the physical proportion of the contract of work.

Operating Lease Classification – The Group as Lessor

The Group has entered into various property leases on its investment property portfolio. The Group has determined that it retains all significant risks and rewards of ownership on these properties hence classified as operating leases.

Operating Lease Commitments – The Group as Lessee

The Group has entered into land lease arrangements for its investment properties portfolio. The Group has determined that all significant risks and rewards of ownership are retained by the respective lessors and therefore account for these leases as operating leases.

Evaluation of Impairment on Nonfinancial Assets

The Group reviews its investments in associates, investment properties, property and equipment and other assets (excluding short-term deposits) for impairment of value. This includes consideration of certain indicators of impairment such as significant change in asset usage, significant decline in asset's market value, obsolescence or physical damage of an asset, plans of discontinuing the real estate projects, and significant negative industry or economic trends.

If such indicators are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to recoverable amount.

The recoverable amount is the asset's fair value less cost of disposal, except for investments in associates, which have recoverable value determined using value-in-use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction while value-in-use is the present value of estimated future cash flows expected to arise from the investments in associates. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

As at September 30, 2018 and December 31, 2017, the Group did not record impairment on any of its nonfinancial assets since there are no indications of impairment. The carrying values (in thousands) of the Group's nonfinancial assets (excluding goodwill) as of September 30, 2018 and December 31, 2017 follow:

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
Investment in associates	P4,534,957	P4,197,002
Investment properties	48,359,921	44,321,475
Property and equipment	3,700,165	3,408,312
Other current assets - net of short-term deposits	5,587,462	5,960,156
Other noncurrent assets - net of financial assets at FVTOCI	3,383,666	3,439,197

Contingencies

In the normal course of business, the Group is currently involved in various legal proceedings and assessments. The assessment of probability and estimate of the probable costs for the resolution of these claims have been developed in consultation with outside counsel handling the defense in these matters and based upon analysis of potential results. The Group currently does not believe these proceedings will have material or adverse effect on the Group's financial position and results of operations.

Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Real Estate Revenue and Cost Recognition

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate sales recognized based on the percentage of completion are measured principally on the basis of physical completion of real estate project.

Revenue and cost recognized based on percentage of completion for nine months ending September 30 are as follows:

	2018 (In Thousands)	2017
Real estate sales	P6,508,567	P4,273,919
Cost of real estate	3,335,783	2,522,450

Evaluation of Impairment of Financial Assets at Amortized Cost

The Group reviews financial assets at amortized cost, other than cash and cash equivalents, at each reporting date to assess whether an allowance for impairment should be recorded in the consolidated statements of income. If there is objective evidence that an impairment loss on financial assets at amortized cost, other than cash and cash equivalents, has been incurred, the carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in the consolidated statement of income.

The Group maintains allowance for doubtful accounts based on the result of the individual and collective assessment. Under the individual assessment, impairment loss is determined as the difference between the receivables carrying balance and recoverable amount. Factors considered in individual assessment include payment history, account status and term. The collective assessment would require the Group to classify its receivables based on the credit risk characteristics (customer type, payment history, account status and term) of the customers.

Impairment loss is then determined based on historical loss experience of the receivables grouped per credit risk profile adjusted on the basis of current observable data to reflect the effects of current conditions.

The methodology and assumptions used for the individual and collective assessments are based on management's judgment and estimate. Therefore, the amount and timing of recorded expense for any period would differ, depending on the judgments and estimates made for the period.

The contracts receivables are collateralized by the corresponding real estate properties sold. In cases of buyer defaults, the Group can repossess the collateralized properties and resell them at the prevailing market prices.

Estimating NRV of real estate inventories

The Company adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether the selling prices of those inventories have significantly declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of September 30, 2018 and December 31, 2017, the carrying amount of real estate inventories amounted to ₱40.34 billion and ₱33.46 billion, respectively and land and land development amounted to ₱25.25 billion and ₱18.88 billion, respectively.

Evaluation of Impairment on Goodwill

Goodwill is tested for impairment annually or earlier when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill on acquisition of CPI, FAC, Festival Supermall structure and Gintong Parisukat is based on value-in-use calculation that uses a discounted cash flow model. The cash flows are derived from budget period of 10 years and do not include restructuring activities that the Group is not yet committed to nor significant future investments that will enhance the asset base of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as the revenue growth rates, gross margins and terminal growth rates used. The pre-tax discount rates used in 2018 and 2017 was 10%. Average growth rate was derived from the average contractual rent increases.

Estimating Retirement Liabilities

The determination of the Group's obligation and cost for retirement is dependent on selection of certain assumptions used by the actuary in calculating such amounts. The assumptions include, among others, discount rates and rates of salary increase. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the retirement obligation.

Recognition of Deferred Income Tax Assets

The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that the Group will generate sufficient future taxable profit to allow all or part of its deferred income tax assets to be utilized.

Fair Values of Financial Instruments

The preparation of consolidated financial statements in compliance with PFRS requires certain financial assets and financial liabilities to be measured at fair value and fair value disclosure of financial instruments, the determination of which requires the use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., interest rate), the amount of changes in fair value would differ due to usage of different valuation methodology. Any changes in fair value of these financial assets and financial liabilities would affect directly the Group's consolidated net income and other comprehensive income.

4. Segment Reporting

For management purposes, the Group is organized into the following segments:

Real Estate

This involves the acquisition of land, planning and development of large-scale, fully integrated residential communities, as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings.

Leasing

This involves the operations of Festival Supermall (the "Mall"), including its management and theater operations, and the leasing of commercial and office spaces in Makati City, Alabang, Muntinlupa City, Pasay City, Cebu City and Tagaytay City.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, which in certain respects, are measured similarly as net income in the consolidated financial statements.

The chief operating decision-maker has been identified as the Executive Committee. This committee reviews the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

No operating segments have been aggregated to form the above reportable segments. Transfer prices between segments are based on rates agreed upon by the parties and have terms equivalent to transactions entered into with third parties.

The information about the financial position and result of operations of these business segments for the period ended September 30, 2018 and 2017 are summarized below (amounts in thousands).

	September 30, 2018 (Unaudited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of associates:					
External	₱12,287,870	₱4,083,713	₱16,371,583	(₱872,128)	₱15,499,455
Inter-segment	178,534	-	178,534	(178,534)	-
	12,466,404	4,083,713	16,550,117	(1,050,662)	15,499,455
Equity in net earnings of associates	481,955	-	481,955	-	481,955
	₱12,948,359	₱4,083,713	₱17,032,072	(₱1,050,662)	₱15,981,410
Net income	₱2,149,234	₱2,088,722	₱4,237,956	(₱21,183)	₱4,216,773
Adjusted EBITDA	₱3,391,043	₱3,224,375	₱6,615,418	(₱68,970)	₱6,546,448
Segment assets	₱120,035,073	₱39,475,039	₱159,510,112	(₱3,096,547)	₱156,413,565
Less net deferred income tax assets	-	57,393	57,393	-	57,393
Net segment assets	₱120,035,073	₱39,417,646	₱159,452,719	(₱3,096,547)	₱156,356,172
Segment liabilities	₱66,120,302	₱24,319,580	₱90,439,882	(₱125,098)	₱90,314,784
Less net deferred income tax liabilities	4,706,228	189,510	4,895,738	92,261	4,987,999
Net segment liabilities	₱61,414,074	₱24,130,070	₱85,544,144	(₱217,359)	₱85,326,785
Cash flows provided by (used in):					
Operating activities	₱5,208,622	₱3,482,827	₱8,691,449	(114,349)	₱8,577,100
Investing activities	(3,916,284)	(3,705,098)	(7,621,382)	-	(7,621,382)
Financing activities	(522,116)	(1,086,158)	(1,608,274)	(39,474)	(1,647,748)

September 30, 2017 (Unaudited)					
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of associates:					
External	P11,825,571	P3,022,202	P14,847,773	(P541,135)	P14,306,638
Inter-segment	158,559	–	158,559	(158,559)	–
	11,984,130	3,022,202	15,006,332	(699,694)	14,306,638
Equity in net earnings of associates	187,321	–	187,321	–	187,321
	P12,171,451	P3,022,202	P15,193,653	(P699,694)	P14,493,959
Net income	P2,424,852	P1,595,084	P4,019,936	(P323,559)	P3,696,377
Adjusted EBITDA	P3,955,485	P2,497,683	P6,453,168	(P499,839)	P5,953,329
Segment assets	P88,689,645	P51,811,319	P140,500,964	P1,154,128	P141,655,092
Less net deferred tax assets	–	46,374	46,374	–	46,374
Net segment assets	P88,689,645	P51,764,945	P140,454,590	P1,154,128	P141,608,718
Segment liabilities	P57,399,919	P22,865,366	P80,265,285	(P99,008)	P80,166,277
Less net deferred tax liabilities	4,801,714	182,674	4,984,388	123,232	5,107,620
Net segment liabilities	P52,598,205	P22,682,692	P75,280,897	(P222,240)	P75,058,657
Cash flows provided by (used in):					
Operating activities	P2,588,755	P4,064,110	P6,652,865	(P983,350)	P5,669,515
Investing activities	(509,611)	(3,907,611)	(4,417,222)	–	(4,417,222)
Financing activities	(1,919,484)	3,177,325	1,257,841	(26,061)	1,231,780

The following table shows a reconciliation of the adjusted earnings before interest and other finance charges, income taxes, depreciation and amortization (EBITDA) to income before income tax in the consolidated statements of income for the nine months ending September 30:

	2018 (Unaudited)	2017 (Unaudited)
	(In Thousands)	
Adjusted EBITDA	P6,546,448	P5,953,329
Depreciation and amortization	(695,663)	(523,394)
Operating profit	5,850,785	5,429,935
Interest and other finance charges	(1,149,773)	(1,017,658)
Equity in net earnings of associates	481,955	187,321
Income before income tax	P5,182,967	P4,599,598

5. Accounts Payable and Accrued Expenses

This account consists of:

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
	(In Thousands)	
Accounts payable	₱11,369,358	₱7,354,162
Advances and deposits from customers	4,199,767	2,657,083
Retention fees payable	2,682,925	2,533,708
Deposits for registration	1,386,445	1,310,232
Deposits from tenants	1,642,645	1,206,653
Accrued expenses	1,326,999	1,308,258
Accrued interest on bonds and loans	372,568	293,868
Liabilities on receivables sold to banks	7,327	7,327
Other payables	1,249,159	800,481
	₱24,237,193	₱17,471,772

“Accounts payable” includes the outstanding balance of the costs of land and stocks 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 and operating expenses incurred by the Group.

“Advances and deposits from customers” include collections from accounts that 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.

“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.

“Deposits for registration” pertain to amounts collected from buyers for payment of registration of real estate properties.

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

“Accrued expenses” pertain to various operating expenses incurred by the Group in the course of business such as salaries and wages, professional fees, unbilled construction cost related to ongoing projects, and utilities expense, among others.

“Other payables” pertain mainly to withholding taxes, output VAT payables and deferred rental income.

6. Long Term Debt

This account consists of:

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
	(In Thousands)	
Developmental loans from local banks	₱25,481,358	₱23,358,184
Less unamortized transaction costs	74,578	49,648
	25,406,780	23,308,536
Less current portion of loans payable	2,005,130	3,661,118
Long-term portion of loans payable	₱23,401,650	₱19,647,418

Loans from Local Banks

These are loans obtained from local banks with floating or fixed interest rates at different terms and repayment periods.

Bonds

- a. On June 8, 2012, the Parent Company issued fixed rate bonds with aggregate principal amount of ₱7.00 billion, and term of seven (7) years from the issue date. The fixed interest rate is 6.27% per annum, payable quarterly in arrears starting on September 8, 2012.

Unamortized debt issuance cost on bonds payable amounted to ₱10.06 million and ₱20.50 million as of September 30, 2018 and December 31, 2017, respectively. Amortization during the nine months ending September 30, 2018 and 2017 included as part of Interest and Other Finance Charges amounted to ₱10.44 million and ₱8.69 million, respectively.

- b. On November 8, 2013, the Parent Company issued fixed rate bonds with aggregate principal amount of ₱7.00 billion comprised of ₱4.30 billion, 7-year bonds with interest of 4.86% per annum due in 2020 and ₱2.70 billion, 10-year bonds with interest of 5.43% per annum due in 2023. Interest for both bonds are payable quarterly in arrears starting on February 8, 2014.

Unamortized debt issuance cost on bonds payable amounted to ₱27.75 million and ₱35.33 million as of September 30, 2018 and December 31, 2017, respectively. Amortization during the nine months ending September 30, 2018 and 2017 included as part of Interest and Other Finance Charges amounted to ₱7.58 million and ₱7.96 million, respectively.

- c. On December 4, 2014, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱7.00 billion comprising of ₱5.30 billion, 7-year fixed rate bonds due in 2021 and ₱1.70 billion, 10-year fixed rate bonds due in 2024. The 7-year bonds carry a fixed rate of 5.40% per annum, while the ten-year bonds have a fixed interest rate of 5.64% per annum.

Unamortized debt issuance cost on bonds payable amounted to ₱34.47 million and ₱42.27 million as of September 30, 2018 and December 31, 2017, respectively. Amortization during the nine months ending September 30, 2018 and 2017 included as part of Interest and Other Finance Charges amounted to ₱7.80 million and ₱8.24 million, respectively.

- d. On August 20, 2015, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.00 billion comprising of ₱7.00 billion, 7-year fixed rate bonds due in 2022 and ₱1.00 billion, 10-year fixed rate bonds due in 2025. The 7-year bonds carry a fixed rate of 5.36% per annum while the 10-year bonds have a fixed interest rate of 5.71% per annum.

Unamortized debt issuance cost on bonds payable amounted to ₱53.99 million and ₱62.40 million as of September 30, 2018 and December 31, 2017, respectively. Amortization during the nine months ending September 30, 2018 and 2017 included as part of Interest and Other Finance Charges amounted to ₱8.41 million and ₱7.07 million, respectively.

- e. On July 7, 2017, CPI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱5.00 billion with an over-subscription option of up to ₱1.00 billion and term of five and a half (5.5) years due in 2023. The bonds carry a fixed rate of 5.05% per annum, payable quarterly in arrears starting on October 7, 2017.

Unamortized debt issuance cost on bonds payable amounted to ₱54.25 million and ₱63.83 million as of September 30, 2018 and December 31, 2017, respectively. Amortization during the nine months ending September 30, 2018 and 2017 included as part of Interest and Other Finance Charges amounted to ₱9.57 million and ₱2.98 million, respectively.

These bonds require the Group to maintain certain financial ratios which include maximum debt-to-equity ratio of 2.0x; minimum current ratio of 2.0x; and minimum debt service coverage ratio of 1.0x (except for CPI bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x). As of September 30, 2018 and December 31, 2017, the Group is not in breach of any of these debt covenants.

7. Other Income - net

The account consists of:

	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
	(In Thousands)	
Forfeited reservations and collections	₱507,976	₱196,306
Service fees	97,925	30,438
Management, leasing and other fees	78,361	106,287
Processing fees	46,154	6,068
Foreign currency exchange gain (loss) - net	345	2,694
Others	24,711	15,108
	₱755,472	₱356,901

8. Financial Risk Exposures

The Group's principal financial instruments are composed of cash and cash equivalents, contracts and other receivables, due from related parties, financial assets at FVTOCI, accounts payable and accrued expenses, due to related parties and long-term debt (loans payable and bonds payable). The main purpose of these financial instruments is to raise financing for the Group's operations.

The main objectives of the Group's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and,
- To provide a degree of certainty about costs.

The Group's finance and treasury functions operate as a centralized service for managing financial risks and activities, as well as providing optimum investment yield and cost-efficient funding for the Group. The Group's BOD 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 opportunities to create value for the stakeholders are achieved. The Group's risk management takes place in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The Group also monitors the foreign currency risk arising from all financial instruments.

Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Group uses a combination of internally generated funds and available long-term and short-term credit facilities.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, 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 Group 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 Group's internal cash generation.

Interest Rate Risk

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

Of the total ₱25.41 billion loans outstanding as of September 30, 2018, ₱495.26 million are on floating rate basis. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group'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)
September 30, 2018	+200	(₱9,905)
	-200	9,905

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for its contract receivables and other receivables.

Credit risk is managed since the titles of the properties sold are retained by the Group until installment receivables are fully collected and the fair values of these properties held as collateral are sufficient to cover the carrying values of the installment contract receivable.

It is the Group's policy that buyers who wish to avail the in-house financing scheme be subjected to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk. Moreover, the Group has a mortgage insurance contract with Home Guaranty Corporation for a retail guaranty line.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and financial assets at FVTOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group has outstanding purchase agreements with financial institutions whereby the Group sold its contracts receivable with a provision that the Group should buy back these receivables in case these become overdue for two to three consecutive months or when the contract to sell has been cancelled.

Based on the Group's experience, the said assets are highly collectible or collectible on demand. The Group holds as collaterals the corresponding properties which the third parties had bought on credit. In few cases of buyer defaults, the Group can repossess the collateralized properties and resell them at the prevailing market price.

The maximum credit risk exposure of the Group to these financial assets as of September 30, 2018 is ₱20.77 billion. All of these financial assets are of high-grade credit quality. Based on the Group's experience, these assets are highly collectible or collectible on demand. The Group 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 Thousands of Pesos)

	September 30, 2018		December 31, 2017	
	Carrying Values	Fair Values	Carrying Values	Fair Values
Cash & Cash Equivalents	₱6,884,060	₱6,884,060	₱7,576,090	₱7,576,090
Contract Receivables	11,831,073	12,051,926	17,225,992	17,547,554
Other Receivables	2,050,619	2,050,619	2,215,491	2,215,491
Long-term Debt	60,226,253	56,193,231	58,084,201	54,326,823

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

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

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 Group does not have any investment in foreign securities.

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

Results of operations for the nine months ended September 30, 2018 compared to nine months ended September 30, 2017

For the nine months ended September 30, 2018, FLI's net income from its business segments registered growth of 14.08% or an increase of ₱520.40 million from ₱3.70 billion in 2017 to ₱4.22 billion in 2018.

Revenues

Total consolidated revenues went up by 10.26% to ₱15.98 billion for the first nine months of 2018 from ₱14.49 billion for the same period last year. The increase resulted from 28.07% increase in rental and related services amounting to ₱885.06 million (from ₱3.15 billion in 2017 to ₱4.04 billion in 2018) offset by 0.36% decrease in real estate sales amounting to ₱37.55 million (from ₱10.38 billion in 2017 to ₱10.34 billion in 2018). The increase in rental revenues from the mall and office spaces was mainly due to the additional income generated by the new buildings in Northgate Cyberzone and Cyberzone Pasay and opening of Main Square Mall and Fora Tagaytay. Real estate sales booked during the current period broken down by product type are as follows: Middle Income 73.10% (inclusive of Medium-Rise Buildings and High-Rise Buildings); Affordable 18.40%; High-End 4.24%; Socialized and Others 4.26%.

Interest income for the nine months ended September 30, 2018 decreased by 12.80% to ₱362.91 million from ₱416.17 million during the same period in 2017. The decrease was due to lower interest income generated from in house installment contracts receivable. Other income increased by 111.68% to ₱755.47 million from ₱356.90 million or by ₱398.57 million due to increase in income from various fees charged to buyers, other lease-related activities, and processing fees. The Group's equity in net earnings of associates increased from ₱187.32 million in 2017 to ₱481.96 million in 2018 or by 157.29% due to higher earnings recorded by Filinvest Alabang, Inc. (FAI) and Filinvest Mimosa, Inc. (FMI) for the period. FLI has a 20% equity interest in FAI and 47.5% equity interest in FMI.

Costs

Cost of real estate sales increased by 0.59% or by ₱35.74 million (from ₱6.11 billion in 2017 to ₱6.14 billion in 2018). Cost of rental and related services increased by 29.74% or by ₱205.37 million (from ₱690.64 million in 2017 to ₱896.01 million in 2018). The increase is mainly attributable to depreciation of new buildings for lease.

Gross Profit

Gross profit margin for real estate sales is at 41% in 2018 and 41% in 2017 while gross profit margin on rental and related services is at 78% in 2018 and 78% in 2017.

Expenses

General and administrative expenses increased by ₱332.22 million during the nine months of 2018 or by 26.66%, from ₱1.25 billion in 2017 to ₱1.58 billion in 2018. The increase was due to higher employees compensation and benefits, depreciation, repairs and maintenance, transportation and travel and rent recorded for the period. Selling and marketing expenses went up by ₱198.64 million or by 23.86% due to increase ads and promotions for projects and commission expenses.

Interest and other finance charges increased by 12.98% or by ₱132.12 million mainly because of the higher interest expense.

Provision for income tax increased by 6.97% or by ₱62.97 million to ₱966.19 million for the nine months of 2018 from ₱903.22 million for the same period in 2017 due to higher taxable income.

Financial Condition as of September 30, 2018 compared to as of December 31, 2017

As of September 30, 2018, FLI's total consolidated assets stood at ₱156.41 billion, higher by 7.78% or by ₱11.29 billion than the ₱145.12 billion total consolidated assets as of December 31, 2017. The following are the material changes in account balances:

9.13% Decrease in Cash and Cash Equivalents

The decrease is mainly due to interest, loans and bond payments amounting to ₱5.49 billion and equity infusion of investment in stocks for purchase of Gintong Parisukat Realty and Development, Inc. with initial payment of ₱961.61 million. These were offset by availment of new loans totaling ₱5.50 billion.

31.32% Decrease in Contracts Receivable

Contracts receivable decreased due to collections of receivables from journalized sales booked during the period. Several attractive financing schemes are being offered by the Company to its real estate buyers to further increase sales and collection.

4.25% Decrease in Other Receivables

The decrease is due to collection of receivables from contractors and tenants, and other receivables such as advances to officers and employees and joint venture partners.

34.55% Decrease in Due from Related Parties

The net decrease is due to collection of dividend from FAI amounting to ₱144 million offset by additional receivables from Quest Restaurant and Filinvest Mimosa, Inc.

25.35% Increase in Real Estate Inventories

The increase is mainly attributable to new projects launched and capitalized interest.

9.11% Increase in Investment Properties

The increase is mainly due to the additional costs of buildings and new projects of the leasing segment under construction.

8.56% Increase in Property and Equipment

The increase is mainly due to acquisition of new equipment related to new buildings and mall expansion.

17.96% Increase in Deferred Income Tax Assets

The increase in deferred income tax assets is mainly due to additional recognition of advance rent payments from lessees.

5.04% Decrease in Other Assets

The decrease in the account is mainly due to decrease in input taxes, construction bond and security deposits.

38.72% Increase in Accounts Payable and Accrued Expenses

The increase in this account is due to increased committed costs to contractors and suppliers related to the construction of projects.

147.51% Increase in Income Tax Payable

The increase in income tax payable is due to higher taxable income for the period.

9.00% Increase in Loans Payable

The increase in loans payable is due to loans availment amounting to P4 billion, offset by various loans payment and amortization of deferred finance charges of P1.98 billion.

0.13% Increase in Bonds Payable

Increase in bonds payable is mainly due to amortization of deferred finance charges pertaining to FLI and CPI bonds.

18.22% Decrease in Due to Related Parties

The decrease in due to related party transactions is due to regular settlement of charges between the parent and subsidiaries.

11.70% Increase in Retirement Liabilities

The increase in retirement liabilities is mainly due to additional retirement provision based on actuarial valuation report.

5.86% Decrease in Deferred Income Tax Liabilities

The slight decrease in deferred tax liabilities is mainly due to realization of portion of sales offset by additional capitalized borrowing costs.

Performance Indicators

Financial Ratios	Particulars	As of and for the nine months ended September 30, 2018	As of and for the nine months ended September 30, 2017
Earnings per Share	<u>Net income (Not Annualized)</u> Weighted average number of outstanding common shares	0.17	0.15
Earnings per Share	<u>Net income (Annualized)</u> Weighted average number of outstanding common shares	0.22	0.20
Debt to Equity Ratio	<u>Long Term Debt</u> Total Stockholder's Equity	0.91	0.95
Debt Ratio	<u>Total Liabilities</u> Total Assets	0.58	0.57
EBITDA to Interest paid	<u>EBITDA (Not Annualized)</u> Interest paid	3.09 times	2.77 times
Price Earnings Ratio	<u>Closing Price of Share</u> Earnings per Share (Annualized)	6.37 times	10.27 times

Earnings per share (EPS) posted for the nine months of 2018 went up by 13.50% compared to the EPS for the same period in 2017 because of higher net income.

The Debt-to-equity (D/E) ratio decreased due to increase in equity mainly from income during the current period while debt ratio increased due to the increase in accounts payable and accrued expenses mainly from committed costs to contractors and suppliers related to the construction of projects and acquisition of various raw lands.

Price earnings multiple went down due to the decrease of the market share price as of end of the current period and increase in annualized earnings per share during the period. As of September 30, 2018 and 2017 market share price of FLI's stock was at ₱1.43 and ₱2.03 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, FLI is on the lookout for additional land in urban areas to expand its inner-city developments. As of September 30, 2018, the Company had a land bank of approximately 2,165.84 hectares of raw land for the development of its various projects and investment properties, including approximately 227.29 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 September 30, 2018 are set out in the table below:

FLI Land Bank as of September 30, 2018				
Area in Hectares				
Location	Company Owned	Under Joint Ventures	Total	% to Total
Luzon				
Metro Manila	38.20	—	38.20	1.76%
Rizal	715.37	8.88	724.25	33.44%
Bulacan	248.81	—	248.81	11.49%
Bataan	12.27	—	12.27	0.57%
Pampanga	—	52.61	52.61	2.43%
Pangasinan	4.73	—	4.73	0.22%
Cavite	314.16	58.83	372.99	17.22%
Laguna	274.54	0.71	275.25	12.71%
Batangas	143.50	42.07	185.57	8.57%
Sub-total	1,751.58	163.10	1,914.68	88.41%
Visayas				
Cebu	21.87	35.90	57.77	2.66%
Negros Occidental	51.04	—	51.04	2.36%
Sub-total	72.91	35.90	108.81	5.02%
Mindanao				
Davao	1.21	28.29	29.50	1.36%
Zamboanga del Sur	12.29	—	12.29	0.57%
South Cotabato	100.56	—	100.56	4.64%
Sub-total	114.06	28.29	142.35	6.57%
Total	1,938.55	227.29	2,165.84	100.00%

In August 2010, FLI launched City di Mare, a 50.6-hectare property located at the South Road Properties in Cebu City. The 10.6-hectare portion of the property is to be developed into a modern urban center consisting of residential, office, commercial, hotel and leisure buildings and a public promenade which is one kilometer long waterfront lifestyle strip that will offer a range of seaside leisure activities. The remaining 40-hectares will be developed into 4 phases of residential clusters over a 20-year period.

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 and 2014, FLI acquired from various third-party sellers parcels of land in Dumaguete City, Cavite, Valenzuela City, Quezon City, Pasay City and Taguig City. In addition, FLI won the bid to purchase a 0.24-hectare property including the building constructed thereon located at Ortigas Center, Pasig City.

In July 2015, FLI, CPI and FAI (collectively referred to as Filinvest Consortium) won the bidding for a 19.20-hectare lot in Cebu's SRP. Thereafter, in August 7, 2015, Filinvest Consortium entered into a Deed of Sale on Installment (DSI) with the Cebu City Government. In a letter dated January 6, 2017, the Cebu City Mayor questioned the validity of the sale and gave the buyers the option to withdraw from the sale at buyer's discretion. In a letter to the Cebu City Mayor dated February 7, 2017 (the Letter), Filinvest Consortium expressed its intention to rescind the DSI. Under the DSI, Cebu City undertook to comply with several covenants, undertakings and obligations no later than February 7, 2016 (or 180 days from execution of the DSI). The Letter pointed out that as of February 7, 2017, the said covenants, undertakings and obligations have not been complied with and it does not appear that these will be complied with within a foreseeable reasonable period of time.

The rescission of the DSI shall only take effect upon return by Cebu City of the down payment and installment payments made to Cebu City by Filinvest Consortium, plus interests, within ninety (90) days from receipt of the Letter in accordance with Section 5.7 of the DSI. Pending receipt of such payments, the DSI shall remain valid and subsisting by and among the parties.

As of September 30, 2018, such payment has not been received and no formal and definitive legal proceeding has been undertaken by the parties on this matter. Consequently, as of said date, the DSI remains valid and Filinvest Consortium has the sole and rightful claim over the property.

The 19.2-hectare property mentioned above is a separate property from the other two properties within the SRP which were acquired from Cebu City: a) the 40-hectare property under a joint venture undertaking with Cebu City; and b) the 10-hectare property which was already paid in full by FLI to Cebu City.

In September 2015, FLI won the bid for the right to own 55% of the Joint Venture Company with the BCDA that will be tasked to develop, market, manage and lease the first phase of Clark Green City. The first phase refers to 288 hectares of land that will form part of the new mixed-use metropolis rising in Northern Luzon adjoining Clark Freeport Zone and Clark International Airport.

Filinvest Mimosa, Inc., the new company formed by the consortium of Filinvest Development Corporation (FDC) and Filinvest Land, Inc. (FLI) as the winning bidder in the privatization of the former Mimosa Leisure Estate, has signed the lease agreement with Clark Development Corporation for a term of 50 years, renewable for another 25 years. Over this period, Filinvest Mimosa will develop, manage and operate the estate.

In 2017, FLI acquired from various third-party sellers parcels of land in Alabang Muntinlupa City, Cubao, Quezon City, Teresa, Cainta and Taytay, Rizal, Balanga, Bataan and Zamboanga City.

During the first three quarter of the year FLI acquired from various third-party sellers parcels of land in Quezon City, Parañaque City, Gagupan City, Pangasinan, Bacoar City, Cavite, Calamba City, Laguna and Mandaluyong City.

FLI will further grow its core residential real estate development business, which includes house and lots, MRBs and high-rise condominium units. Currently, FLI has the following on-going high-rise condominiums projects:

The Linear

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.

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-storeys per building with commercial units at the ground floor. All residential floors will have 25 studio units per floor. Studio Tower 5 has just been launched.

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 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 second tower has just been launched.

Vinia Residences

Vinia is a 25-storey 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-storey 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-storey 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.

100 West

100 West is a single tower 38-storey high-rise commercial and residential condominium with office spaces located in Gen. Gil Puyat Avenue corner Washington St. in Makati City. 100 West is in the Makati Business District and accessible to both north and south of Metro Manila.

Studio 7

Studio 7 is a mixed-use development that will have office and residential towers complemented with retail outlets, located in Quezon City along EDSA very close to the GMA-Kamuning MRT station. Studio 7 will have studios as well as one-bedroom residential units.

Activa

Activa is a mixed-use development that will have office and residential towers complemented with retail outlets, located in Cubao, Quezon City on EDSA corner Aurora Boulevard.

The following table sets out all of FLI's projects with ongoing housing and/or land development or marketing as of September 30, 2018.

Category / Name of Project	Location
SOCIALIZED	
Belmont Hills	General Trias, Cavite
Belvedere Townhomes	Tanza, Cavite
Blue Isle	Sto. Tomas, Batangas
Castillon Homes	General Trias, Cavite
Country Meadow	General Trias, Cavite
Melody Plains	San Jose Del Monte, Bulacan
Mistral Plains	General Trias, Cavite
Southern Heights	San Pedro, Laguna
Sunrise Place	Tanza, Cavite
Sunrise Place Mactan	Lapu-Lapu City, Cebu
Valle Alegre	Calamba City, Laguna
AFFORDABLE	
8 Spatial	Davao City, Davao Del Sur
Aldea del Sol	Lapu-Lapu City, Cebu
Aldea Real	Calamba City, Laguna
Alta Vida Expansion	San Rafael, Bulacan
Alta Vida Prime	San Rafael, Bulacan
Alta Spatial	Valenzuela City,
Amare Homes	Tanauan City, Batangas
Anila Park	Antipolo City, Rizal
Anila Park Residences	Antipolo City, Rizal
Anila Park Townhomes	Antipolo City, Rizal
Asenso Village, Gen. Trias	General Trias, Cavite
Austine Homes	Mabalacat, Pampanga
Bluegrass County	Sto. Tomas, Batangas
Brookside Lane	General Trias, Cavite
Castlespring Heights	Caloocan City
Centro Spatial	Davao City, Davao Del Sur
Citation Homes	Meycauayan, Bulacan
Claremont Village	Mabalacat, Pampanga
Futura East	Cainta, Rizal
Futura Homes - Iloilo	Leganes, Iloilo
Futura Homes - Koronadal	Koronadal City, South Cotabato
Futura Homes - Mactan	Lapu-Lapu City, Cebu
Futura Homes - Palawan	Puerto Princesa, Palawan
Futura Homes - Palm Estates	Talisay, Negros Occidental
Futura Homes - San Pedro	San Pedro, Laguna

Category / Name of Project	Location
Futura Homes - Zamboanga	Zamboanga City,
Futura Homes Davao	Davao, Davao Del Sur
La Brisa Townhomes	Calamba City, Laguna
Marina Spatial	Dumaguete City, Negros Oriental
Meridian Place	General Trias, Cavite
New Fields at Mana	Teresa, Rizal
Oakridge	Dasmariñas, Cavite
One Spatial	Pasig City
One Spatial Iloilo	Iloilo City, Iloilo
Palmridge	Sto. Tomas, Batangas
Park Spring	San Pedro, Laguna
Pineview	Tanza, Cavite
Primrose Townhomes	Angono, Rizal
Punta Altezza	Calamba City, Laguna
Sandia Homes	Tanauan City, Batangas
Savannah Fields	General Trias, Cavite
Springfield View	Tanza , Cavite
Summerbreeze Townhomes	Sto. Tomas, Batangas
The Glens at Park Spring	San Pedro, Laguna
The Residences @ Castillon Homes	General Trias, Cavite
Tierra Vista	San Rafael, Bulacan
Valle Dulce Phase 1	Calamba City, Laguna
Verde Spatial	Quezon City
Villa Mercedita	Davao City
Villa Montserrat	Taytay, Rizal
Villa Montserrat 1D	Taytay, Rizal
Villa Montserrat 3B	Taytay, Rizal
Villa Montserrat 3C	Taytay, Rizal
Villa Montserrat Expansion	Taytay, Rizal
Vista Hills	Calamba City, Laguna
Westwood Mansions	Tanza, Cavite
Windward Hills	Dasmariñas, Cavite
MIDDLE-INCOME	
100 West	Makati City
Amarilyo Crest	Taytay, Rizal
Amarilyo Crest	Taytay, Rizal
Aria at Serra Monte	Cainta, Rizal
Asenso Village Calamba	Calamba City, Laguna
Ashton Fields	Calamba , Laguna
Asiana Oasis	Paranaque, Metro Manila
Auburn Place	Las Piñas City
Bali Oasis 1	Pasig City
Bali Oasis 2	Pasig City
Banyan Crest	San Mateo, Rizal

Category / Name of Project	Location
Banyan Ridge	San Mateo, Rizal
Capri Oasis	Pasig City
Corona Del Mar	Talisay City, Cebu
East Bay Palawan	Puerto Princesa City, Palawan
Filinvest Homes - Butuan	Butuan City, Agusan Del Norte
Filinvest Homes- Tagum	Tagum City, Davao Del Norte
Fuente de Villa Abrille	Davao City
Hampton Orchards	Bacolor, Pampanga
Highlands Pointe	Taytay, Rizal
Irvine Place	Antipolo City, Rizal
Maldives Oasis	Matina-Pangi, Davao
Manor Ridge at Highlands	Taytay, Rizal
Maui Oasis	Sta. Mesa, Manila
Mission Hills - Sta Sophia	Antipolo, Rizal
Mission Hills - Sta. Cecilia	Antipolo, Rizal
Mission Hills - Sta. Isabel	Antipolo, Rizal
Montebello	Calamba City, Laguna
Nusa Dua (Santoso)	Tanza, Cavite
Ocean Cove	Davao City
One Oasis Cagayan de Oro	Cagayan De Oro City, Misamis Oriental
One Oasis Cebu	Cebu City, Cebu
One Oasis Davao	Davao City, Davao Del Sur
One Oasis Ortigas	Pasig City
Orange Grove	Davao City, Davao Del Sur
Panglao Oasis	Taguig City
Princeton Heights	Bacoor, Cavite
San Remo Oasis	South Road Properties, Cebu
Somerset Lane	Tarlac City, Tarlac
Sorrento Oasis	Pasig City
Southpeak	San Pedro, Laguna
Southwinds	San Pedro , Laguna
Spring Country	Quezon City
Spring Heights	Quezon City
Studio 7	Quezon City
Studio A	Quezon City
Studio Zen	Pasay City
Tamara Lane (formerly Imari)	Caloocan City
The Enclave at Filinvest Heights	Quezon City
The Enclave at Highlands Pointe	Taytay, Rizal
The Glades	San Mateo , Rizal
The Levels	Muntinlupa City, Metro Manila
The Linear	Makati City
The Mactan Tropics	Lapu-Lapu City, Cebu
The Manors At Southpeak	San Pedro, Laguna

Category / Name of Project	Location
The Pines	San Pedro, Laguna
The Terraces Ph 1B & Ph 2	Taytay, Rizal
The Tropics	Cainta, Rizal
The Villas	Taytay, Rizal
Umi Garden	City di Mare
Villa San Ignacio	Zamboanga City
Vinia Residences & Versaflats	Quezon City
West Palms	Puerto Princesa, Palawan
HIGH-END	
Amalfi Oasis	South Road Properties, Cebu
Arista	Talisay, Batangas
Brentville International	Biñan, Laguna
Enclave Alabang	Las Piñas City
Fora	Tagaytay, Cavite
Fortune Hill	San Juan City
Le Jardin De Villa Abrille	Davao City, Davao Del Sur
Mission Hills - Sta. Barbara	Antipolo, Rizal
Mission Hills - Sta. Catalina	Antipolo, Rizal
Mission Hills - Sta. Clara	Antipolo, Rizal
Mission Hills - Sta. Monica	Antipolo, Rizal
The Grove	Angono, Rizal
The Peak	Taytay, Rizal
The Prominence	Quezon City
The Ranch	San Mateo, Rizal
The Signature	Quezon City
Village Front	Biñan, Laguna
Viridian at Southpeak	San Pedro, Laguna
LEISURE - FARM ESTATES	
Forest Farms	Angono, Rizal
Mandala Residential Farm	San Mateo, Rizal
Nusa Dua	Tanza, Cavite
LEISURE PRIVATE MEMBERSHIP CLUB	
Kembali Coast	Samal Island, Davao
Laeuna De Taal	Talisay, Batangas
Veranda Resort Condominiums	Samal Island, Davao
INDUSTRIAL/COMMERCIAL	
Filinvest Technology Park	Calamba, Laguna
CONDOTEL	
Grand Cenia Hotel & Residences	Cebu City

On-going developments of the abovementioned projects are expected to require additional funds but FLI believes that it will have sufficient financial resources for these anticipated requirements, both from debt financing and generation from operations.

In 2018, FLI intends to retain its dominant position as the leader in MRB projects by launching 5 new projects nationwide and 5 additional buildings of existing projects, with an estimated sales value of ₱7.0 billion. This will bring the FLI's total MRB projects to 32 (excluding condotel). These new MRB projects are part of the total ₱16.0 billion estimated sales value of new projects slated for launch by FLI in 2018.

Aside from the MRB's, FLI has pipelined 17 horizontal residential projects with an estimated revenue of about ₱6.2 billion and 1 high-rise building (mixed-use) with an estimated sales value of ₱2.8 billion.

For the first nine months of 2018, the following projects were launched:

Horizontal	
Ventura Real	Calamba, Laguna
Valle Dulce Phase 2	Calamba, Laguna
Claremont Expansion	Pampanga
Southwinds	San Pedro, Laguna
Futura Zamboanga	Zamboanga
MRB	
Alta Spatial	Valenzuela City
Panglao Oasis	Taguig City
Futura East	Cainta, Rizal
Maldives Oasis	Davao

FLI has the following investment properties for lease:

Commercial Retail Leasing Properties

Festival Alabang

The landmark project, Festival Alabang, carries on its position as the prime destination for recreation and retail in southern Metro Manila. With more 'firsts' on its offerings and a better shopping ambiance, the mall has altered the retail experience in the south.

As the existing mall continued to have major improvements undertaken for its facilities, architectural works that gave the mall a refreshed look and modernized ambiance complementing the opening of its expansion. Festival Mall opened its doors for Decathlon, a French sporting goods retailer with approximately more than 3,500 sq. m of leasable space, which added to the roster of anchors pulling in drove of shoppers from catchments all over Luzon.

Simultaneously, the tenants of the mall expansion with over 46,000 sq. m of gross leasable area, have gradually opened beginning 2017 bringing in a mix of fashion and food concepts.

The introduction of new and unique food establishments has made Festival a gastronomic destination having brands such as Mary Grace, Cinnabon, Petit Bistro, Café Seolhwa, Gustav Café, Tenya, Tori Ichi, All for U, NY Café, and Mesa to name a few, ushering in new markets and strengthening traffic of its core target market. Festival Mall Expansion's new supermarket and department store partner anchor, Landmark, occupying around 50,000 sq. m of floor area, opened during the second half of 2017, further made the mall and Filinvest City's traffic more dynamic. Festival patrons are also enjoying the Water Garden, a distinctly refreshing outdoor amenity and convergence zone.

Before end of 2017, two new additional malls, Fora in Tagaytay and Main Square in Bacoor, have opened which contributed more than 50,000 sq. m of leasable space.

Fora Mall

Conveniently located right by the city's landmark, Tagaytay Rotunda is Fora Mall, the first regional mall in the area fronting a mixed-use leisure development consisting of a condotel and residential buildings. This prime retail destination provides about 31,000 sq.m of leasable space amidst nature, open spaces, and a beautifully-landscaped amphitheater, primarily serving the strengthening local market and burgeoning tourist influx from the city and neighboring towns. It has partnered with brands such as Uniqlo, Giordano, Levi's, Mujosh, Vision Express, Penshoppe, Regatta, ForMe, Oxygen, Memo, etc for its fashion offerings. A number of local and popular food concepts, coupled with national brands, have initially opened. A strong wellness category is also in place and junior anchors such as Ace Hardware, Abenson and La Sedia. Super Metro, its anchor, opened last June 2017 with the first hypermarket format operating for 24 hours. The four digital cinemas launched last November 2017 is now the locals' go to place for recreation.

Main Square

With a smaller format of over 18,000 sq. m leasable area, Main Square is the first and only mall along Bacoor Blvd, close to Bacoor City Hall and fronting Princeton Heights. Positioned as the reliable one-stop hub for neighboring gated villages of Bacoor, it provides basic shopping, wellness, service and convenience offerings from partner brands such as Anytime Fitness, Watson's, Ace Hardware, Western Appliances, Japan Home, and DIY. The mall's supermarket anchor for this development is Robinsons Supermarket which has become the most convenient basic shopping destination in the area.

PBCom Tower

The PBCom Tower, is a 52 floor, Grade A, PEZA-designated I.T. office building in Ayala Avenue, Makati City, Metro Manila. FLI owns part of the PBCom Tower thru Filinvest Asia Corporation. FLI earns 60% of revenues from the 36,000 sq. m. leasable space owned by Filinvest Asia Corp. in this building. In addition, pursuant to a management agreement, FAI provides the following services: general management services, accounting services, operations, legal review and documentation, office rental services and recruitment and training services.

Northgate Cyberzone

Northgate Cyberzone is a PEZA registered BPO park within Filinvest City. FLI earns revenues from approximately 212,527 sq. m. leasable space.

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

- Axis (formerly Megablock) Towers 1 and 2 with combined GLA of 78,681 sq. m. Axis Tower 1 is nearing full completion and is being prepared for final turnover from the contractor to the company.

Current buildings with leases are the following:

- Plaza A: This is a six-storey building with an approximate GFA of 11,575 sq. m. and an approximate GLA of 10,860 sq. m.
- Plaza B and Plaza C: Plaza B and Plaza C are four-storey buildings, each with an approximate GFA of 7,150 sq. m. Plaza B has an approximate GLA of 6,488 sq. m. and Plaza C, 6,540 sq. m. for a combined GLA of 13,028 sq. m.
- Plaza D: This is a six-storey 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 E: This is a twelve-storey 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.
- Convergys Building: This is a three-storey building with an approximate GFA of 6,466 sq. m. and an approximate GLA of 6,399 sq. m. It was a "built-to-suit" (BTS) building to meet the requirements of Convergys.
- HSBC Building: This is another building that was constructed on a BTS basis to meet the requirements of HSBC. The HSBC building has an approximate GLA of 18,000 sq. m.
- IT School: This is a three-storey building with an approximate GFA of 3,297 sq. m. and an approximate GLA of 2,595 sq. m.
- Building 5132: This is a six-storey building with an approximate GFA of 10,560 sq. m. and an approximate GLA of 9,408 sq. m.
- iHub I and iHub II: This is a two-tower complex (one with six-storey and the other with nine-storey) iHub I has an approximate GLA of 9,480 sq. m. iHub II has an approximate GLA of 14,181 sq. m.
- Vector One: an 11-storey building with an approximate GFA of 19,545 sq. m. and an approximate GLA of 17,764 sq. m.
- Vector Two: This building has the same configuration as with Vector One. It is also 14 storeys high with an approximate GLA of 17,889 sq. m.
- Filinvest One (*formerly called AZ Building*): This is a 10-storey building with a GLA of approximately 19,637 sq. m.
- Filinvest Two and Three: This is a twin-tower project located along Alabang Zapote Road. Each building has a GLA of approximately 23,784 sq. m. or a total of 47,568 sq. m. The buildings were completed in the 4th quarter of 2015.
- Vector Three with a GLA of 36,345 sq. m. was completed in 2017.

EDSA Transcom Building

This five-storey BPO building is located along EDSA in Mandaluyong City and have approximately 7,358 sq. m. of GLA. This is FLI's first BPO office building outside Northgate Cyberzone.

Other projects outside Alabang

To tap the lucrative opportunities in the BPO sector, FLI is expanding its office portfolio in more areas outside of Northgate to meet the demands of the industry. The following are the ongoing new BPO office buildings located in various locations:

- *Filinvest Cyberzone Pasay* is the first development of Filinvest Cyberparks, Inc. and is the Filinvest Group's first LEED-certified project in Metro Manila outside of Northgate Cyberzone. Rising nine storeys within the Bay Reclamation Area in Pasay City, it will provide a total of 80,000 sq. m. of office space. To be developed in three phases, it is meant to cater to the office accommodation needs of the still growing outsourcing sector, and address retail support requirements of companies and government agencies that will set up shop in the surrounding area. Phase 1 has been completed and is comprised of Towers 1 and 2 with approximately 36,438 sq. m. of office GLA. Towers 3 and 4 are currently under construction.
- *Filinvest Cebu Cyberzone Tower 1* is the first BPO building located 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 13 storeys and approximate GLA of 19,937 sq. m. Tower 2 is already near completion.
- *Clark Mimosa Cyberzone Building 1* of the planned 6 buildings has been completed with a GLA of 8,410 sq. m. Building 2 is under construction.
- Construction is underway for two sites along Epifanio delos Santos Avenue for the development of mixed-use complexes that both contain BPO office spaces. *Studio 7*, a mixed-use project in South Triangle near GMA Network, will have a BPO office component,

aside from residential and retail facilities. Its office portion, called *Studio 7 Cyberzone*, will provide 36,594 sq. m. of GLA by 2019. Another dynamic mixed-use development located at the corner of EDSA and Aurora Boulevard, which shall be called *Activa*, will also play host to BPO offices by providing an estimated 49,700 sq. m. of GLA.

- Construction of One Filinvest Ortigas, which will have traditional office and retail components is currently underway. This is located in the Ortigas Business District (former Philcomcen property).

The Group will continue to carry out an intensive marketing campaign so to maintain high occupancy rates in its investment properties to maximize 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
Valle Dulce, Ph 1	2014-140	29-Aug-14	New Developer of Low-Cost Mass Housing Project
One Spatial Bldg. 1 (Fairmont) & Bldg. 2 (Greenwich)	2014-141	29-Aug-14	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Ph 2 - Bldgs. K, L, N	2014-142	29-Aug-14	New Developer of Low-Cost Mass Housing Project
Maui Oasis, Bldg. 4	2014-143	29-Aug-14	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Bldgs. M1 & M2	2014-204	12-Nov-14	New Developer of Low-Cost Mass Housing Project
One Oasis CDO, Bldg. 1	2014-212	4-Dec-14	New Developer of Low-Cost Mass Housing Project
Vinia Residences, Main Building	2014-205	12-Nov-14	New Developer of Low-Cost Mass Housing Project
Studio City Tower 2	2015-058	5-Mar-15	New Developer of Low-Cost Mass Housing Project
One Spatial Bldg. 3 (Hampstead) & Bldg. 4 (Kensington)	2015-228	27-Oct-15	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Bldg. J	2015-229	27-Oct-15	New Developer of Low-Cost Mass Housing Project
Villa Montserrat, Ph. 1D	2015-261	25-Nov-15	New Developer of Low-Cost Mass Housing Project
Villa Montserrat, Ph. 3B	2015-262	25-Nov-15	New Developer of Low-Cost Mass Housing Project
Villa Montserrat, Ph. 3C	2015-263	25-Nov-15	New Developer of Low-Cost Mass Housing Project
One Oasis Davao, Bldg. 6	2015-264	2-Dec-15	New Developer of Low-Cost Mass Housing Project
Studio A	2016-008	8-Jan-16	New Developer of Low-Cost Mass Housing Project
Meridian Place	2016-030	5-Feb-16	New Developer of Low-Cost Mass Housing Project
Bali Oasis, Ph. 2 (Banjar)	2016-031	5-Feb-16	New Developer of Low-Cost Mass Housing Project
Anila Park Townhomes	2016-052	7-Mar-16	New Developer of Low-Cost Mass Housing Project

Name	Reg. No.	Date Registered	Type of Registration
Futura Homes, San Pedro	2016-053	7-Mar-16	New Developer of Low-Cost Mass Housing Project
One Spatial (Richmond)	2016-244	1-Dec-16	New Developer of Low-Cost Mass Housing Project
One Spatial Iloilo	2016-243	1-Dec-16	New Developer of Low-Cost Mass Housing Project
Futura Homes Mactan Subdivision	2016-270	27-Dec-16	New Developer of Low-Cost Mass Housing Project
One Spatial Victoria	2017-030	27-Jan-17	New Developer of Low-Cost Mass Housing Project
Studio 7	2017-031	27-Jan-17	New Developer of Low-Cost Mass Housing Project
8 Spatial Davao 1&2	2017-047	28-Feb-17	New Developer of Low-Cost Mass Housing Project
Valle Dulce, Ph 1	2014-140	29-Aug-14	New Developer of Low-Cost Mass Housing Project
One Spatial Bldg. 1 (Fairmont) & Bldg. 2 (Greenwich)	2014-141	29-Aug-14	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Ph 2 - Bldgs. K, L, N	2014-142	29-Aug-14	New Developer of Low-Cost Mass Housing Project
Maui Oasis, Bldg. 4	2014-143	29-Aug-14	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Bldgs. M1 & M2	2014-204	12-Nov-14	New Developer of Low-Cost Mass Housing Project
One Oasis CDO, Bldg. 1	2014-212	4-Dec-14	New Developer of Low-Cost Mass Housing Project
Vinia Residences, Main Building	2014-205	12-Nov-14	New Developer of Low-Cost Mass Housing Project
Studio City Tower 2	2015-058	5-Mar-15	New Developer of Low-Cost Mass Housing Project
One Spatial Bldg. 3 (Hampstead) & Bldg. 4 (Kensington)	2015-228	27-Oct-15	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Bldg. J	2015-229	27-Oct-15	New Developer of Low-Cost Mass Housing Project
Villa Montserrat, Ph. 1D	2015-261	25-Nov-15	New Developer of Low-Cost Mass Housing Project
Villa Montserrat, Ph. 3B	2015-262	25-Nov-15	New Developer of Low-Cost Mass Housing Project
Villa Montserrat, Ph. 3C	2015-263	25-Nov-15	New Developer of Low-Cost Mass Housing Project
One Oasis Davao, Bldg. 6	2015-264	2-Dec-15	New Developer of Low-Cost Mass Housing Project
Studio A	2016-008	8-Jan-16	New Developer of Low-Cost Mass Housing Project
Meridian Place	2016-030	5-Feb-16	New Developer of Low-Cost Mass Housing Project
Bali Oasis, Ph. 2 (Banjar)	2016-031	5-Feb-16	New Developer of Low-Cost Mass Housing Project
Anila Park Townhomes	2016-052	7-Mar-16	New Developer of Low-Cost Mass Housing Project
Futura Homes, San Pedro	2016-053	7-Mar-16	New Developer of Low-Cost Mass Housing Project
One Spatial (Richmond)	2016-244	1-Dec-16	New Developer of Low-Cost Mass Housing Project
One Spatial Iloilo	2016-243	1-Dec-16	New Developer of Low-Cost Mass Housing Project

Name	Reg. No.	Date Registered	Type of Registration
Futura Homes Mactan Subdivision	2016-270	27-Dec-16	New Developer of Low-Cost Mass Housing Project
One Spatial Victoria	2017-030	27-Jan-17	New Developer of Low-Cost Mass Housing Project
Studio 7	2017-031	27-Jan-17	New Developer of Low-Cost Mass Housing Project
8 Spatial Davao 1&2	2017-047	28-Feb-17	New Developer of Low-Cost Mass Housing Project
8 Spatial Davao Bldg 3	2017-130	23-May-17	Expanding Developer of Economic and Low-Cost Housing Project
8 Spatial Davao Bldg 4	2017-131	23-May-17	Expanding Developer of Economic and Low-Cost Housing Project
Marina Spatial Marina Town Bldg. A	2017-129	23-May-17	New Developer of Low-Cost Mass Housing Project
One Oasis CDO 2	2017-184	23-May-17	Expanding Developer of Economic and Low-Cost Housing Project
Ventura Real	2017-298	08-Nov-17	New Developer of Economic and Low-Cost Housing Project
Meridian Place Phase 2	2017-354	22-Dec-17	Expanding Developer of Economic and Low-Cost Housing Project
Savannah Fields 1	2017-355	22-Dec-17	New Developer of Economic and Low-Cost Housing Project
Savannah Fields 4A	2017-357	27-Dec-17	Expanding Developer of Economic and Low-Cost Housing Project
Valle Dulce 2	2017-356	27-Dec-17	Expanding Developer of Economic and Low-Cost Housing Project
New Fields	2018-016	22-Jan-18	New Developer of Economic and Low-Cost Housing Project
Futura Homes Palm Estates	2018-156	20-Jul-18	New Developer of Economic and Low-Cost 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, 2017 (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, 2017.
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, 2018 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 (2017) 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 September 30, 2018 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, 2017 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, 2017 to September 30, 2018.
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:

November 9, 2018

Signature:



NELSON M. BONA

Title:

Senior Vice-President / Chief Financial Officer

Date:

November 9, 2018

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)

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	6,884,060	7,576,090
Contracts receivable	4,721,656	4,535,296
Other receivables	1,723,545	1,882,416
Real estate inventories	40,344,868	33,455,903
Other current assets	5,691,858	6,106,621
Total Current Assets	59,365,987	53,556,326
Noncurrent Assets		
Contracts receivable - net of current portion	7,109,417	12,690,696
Land and land development	25,254,806	18,877,344
Investment in associates	4,534,957	4,197,002
Investment properties	48,359,921	44,321,475
Property and equipment	3,700,165	3,408,312
Deferred income tax assets	57,393	48,655
Goodwill	4,631,584	4,567,242
Other noncurrent assets	3,399,335	3,454,867
Total Noncurrent Assets	97,047,578	91,565,593
TOTAL ASSETS	156,413,565	145,121,919
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	15,953,581	14,259,062
Due to related parties	163,009	199,315
Income tax payable	121,824	49,219
Current portion of loans payable	2,005,130	3,661,118
Current portion of bonds payable	6,989,938	-
Total Current Liabilities	25,233,482	18,168,714
Noncurrent Liabilities		
Loans payable - net of current portion	23,401,650	19,647,418
Bonds payable - net of current portion	27,829,535	34,775,665
Retirement liabilities	578,506	517,929
Deferred income tax liabilities - net	4,987,999	5,298,440
Other noncurrent liabilities	8,283,612	3,212,710
Total Noncurrent Liabilities	65,081,302	63,452,162
	90,314,784	81,620,876
Equity		
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)
Retained earnings	35,683,590	33,099,891
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Remeasurement losses on retirement plan	(148,581)	(155,336)
Share in other components of equity of an associate	361,794	361,794
Equity attributable to equity holders of the parent	65,836,172	63,245,718
Non-controlling interest	262,609	255,325
Total Equity	66,098,781	63,501,043
TOTAL LIABILITIES AND EQUITY	156,413,565	145,121,919

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

	Quarters Ended September 30,		Nine Months Period Ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
REVENUE				
Real estate sales	3,540,672	2,881,408	10,343,183	10,380,734
Rental services	1,440,628	1,120,210	4,037,895	3,152,836
EQUITY IN NET EARNINGS OF AN ASSOCIATE	54,156	120,536	481,955	187,321
OTHER INCOME				
Interest income	127,326	174,828	362,905	416,167
Others	164,161	134,229	755,472	356,901
	5,326,943	4,431,211	15,981,410	14,493,959
COSTS				
Real estate sales	2,073,918	1,745,315	6,143,017	6,107,278
Rental services	275,946	256,413	896,014	690,642
OPERATING EXPENSES				
General and administrative expenses	591,109	475,536	1,578,428	1,246,213
Selling and marketing expenses	454,396	338,312	1,031,211	832,570
INTEREST AND OTHER FINANCE CHARGES	315,628	411,034	1,149,773	1,017,658
	3,710,997	3,226,610	10,798,443	9,894,361
INCOME BEFORE INCOME TAX	1,615,946	1,204,601	5,182,967	4,599,598
PROVISION FOR INCOME TAX				
Current	871,110	373	1,276,834	361,923
Deferred	(587,935)	165,269	(310,640)	541,298
	283,175	165,642	966,194	903,221
NET INCOME	1,332,771	1,038,959	4,216,773	3,696,377
Attributable to:				
Equity holders of the parent			4,082,334	3,596,664
Noncontrolling interest			134,439	99,713
			4,216,773	3,696,377
EARNINGS PER SHARE				
Basic/Diluted				
1. Not Annualized				
a. Net income			4,082,334	3,596,664
b. Weighted average number of outstanding common shares			24,249,759	24,249,759
c. Earnings per share - Basic/Diluted (a/b)			0.17	0.15
2. Annualized				
a. Net income			5,443,112	4,795,552
b. Weighted average number of outstanding common shares			24,249,759	24,249,759
c. Earnings per share - Basic/Diluted (a/b)			0.22	0.20

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

	Nine Months Period Ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
NET INCOME FOR THE PERIOD	4,216,773	3,696,377
Remeasurement losses on retirement plan, net of tax	6,755	11,949
TOTAL COMPREHENSIVE INCOME	4,223,528	3,708,326
Attributable to:		
Equity holders of the parent	4,089,089	3,608,613
Noncontrolling interest	134,439	99,713
	4,223,528	3,708,326

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

	Nine Months Period Ended September 30,	
	2018	2017
	(Unaudited)	(Unaudited)
Capital Stock		
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	(148,581)	(147,023)
Retained earnings		
Balance at beginning of the period	33,099,891	29,015,356
Net income	4,082,334	3,596,664
Dividends	(1,498,635)	(1,486,510)
Balance at end of the period	35,683,590	31,125,510
Equity attributable to equity holders of the parent	65,836,172	61,279,650
Noncontrolling interest	262,609	209,166
Total Equity	66,098,781	61,488,816

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

	Nine Months Period Ended September 30,	
	2018	2017
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	5,182,967	4,599,598
Adjustments for:		
Interest expense	1,073,193	962,701
Depreciation and amortization	695,663	523,394
Equity in net earnings of associates	(481,955)	(187,321)
Interest income	(362,905)	(416,167)
Operating income before changes in operating assets and liabilities	6,106,963	5,482,205
Changes in operating assets and liabilities		
Decrease (increase) in:		
Contracts receivables	5,394,919	3,566,172
Due from related parties	80,667	260,666
Other receivables	78,204	(368,936)
Real estate inventories	(4,951,480)	(6,571,860)
Other assets	(500,244)	(1,393,337)
Increase in:		
Accounts payable and accrued expenses	2,186,819	4,422,090
Retirement liabilities	60,577	31,700
Net cash generated from operations	8,456,425	5,428,700
Interest received	362,905	416,167
Income taxes paid	(242,230)	(175,352)
Net cash provided by operating activities	8,577,100	5,669,515
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment properties and property and equipment	(4,252,170)	(3,996,878)
Acquisition of rawland	(3,513,212)	(420,344)
Dividends received from associates	144,000	-
Net cash used in investing activities	(7,621,382)	(4,417,222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availments of:		
Loans Payable	5,500,000	2,825,000
Bonds Payable	-	6,000,000
Payments of:		
Loans Payable	(3,376,826)	(3,813,146)
Cash Dividend	(1,498,635)	(1,486,510)
Interest Paid	(2,115,981)	(2,149,031)
Decrease in amounts due to related parties	(36,306)	(78,533)
Dividends paid to noncontrolling interest	(120,000)	(66,000)
Net cash provided by (used in) financing activities	(1,647,748)	1,231,780
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(692,030)	2,484,073
CASH AND CASH EQUIVALENTS, BEGINNING	7,576,090	4,873,025
CASH AND CASH EQUIVALENTS, ENDING	6,884,060	7,357,098

ANNEX B

FILINVEST LAND, INC. AND SUBSIDIARIES

AGING OF RECEIVABLES

(Amounts in Thousands of Pesos)

As of September 30, 2018

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	813,828	486,032	443,709	324,075	274,307	9,312,499	11,654,450
2. Receivable from Financing Institutions	176,623	-	-	-	-	-	176,623
Sub-total	990,451	486,032	443,709	324,075	274,307	9,312,499	11,831,073
b) Other Receivables	1,723,545	-	-	-	-	327,074	2,050,619
Net Receivables	2,713,996	486,032	443,709	324,075	274,307	9,639,573	13,881,692

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. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES**

SUPPLEMENTARY SCHEDULES

Group Supplementary Information and Disclosures Required by SRC Rule 68, As Amended (2011)

Schedule of All Effective Standards and Interpretations under PFRS as of September 30, 2018

Schedule of Bond Issuances - Securities Offered to the Public

Group Unappropriated Retained Earnings Available for Dividend Declaration

Financial Soundness Indicators

Group Structure

FILINVEST LAND, INC. AND SUBSIDIARIES
GROUP SUPPLEMENTARY INFORMATION AND DISCLOSURES
REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED
SEPTEMBER 30, 2018

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 prescribes 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 the Group's financial assets in equity securities as of September 30, 2018:

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)				
Financial assets at FVTOCI				
Quoted:				
The Palms Country Club, Inc.	1,000	₱3,060	₱3,060	₱-
Philippine Long Distance Telephone Company	26,100	348	348	-
Cebu Country Club	1	6,065	6,065	-
		9,473	9,473	-
Unquoted:				
Manila Electric Company (MERALCO)	1,153,694	6,197	6,197	-
		6,197	6,197	-
		₱15,670	₱15,670	₱-

The Group's 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 September 30, 2018:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
		(In Thousands)		
Jo Ann Paña	₱-	₱112	(₱46)	₱66
Santiago, Rochiel Macaladlad	-	275	(37)	238
	₱-	₱387	(₱83)	₱304

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 September 30, 2018 (amounts in thousands):

	Relationship	Nature	Balance as of September 30, 2018
Filinvest Alabang, Inc.	Associate	C, D	₱44,000
East West Banking Corporation	Affiliate	A	36,043
Filinvest Mimosa, Inc.	Associate	A, C	33,391
Countrywide Water Services, Inc.	Affiliate	A	16,046
Quest Restaurant, Inc.	Affiliate	A	9,172
Davao Sugar Central Corp.	Affiliate	A	5,790
Mactan Seascapes Services, Inc.	Affiliate	A	5,043
FDC (Beaufort)	Parent Company	A	2,677
GCK Realty Corp.	Affiliate	B, C	235
Entrata Hotel Services, Inc.	Affiliate	A	195
Filinvest Hospitality Corporation	Affiliate	A	157
Mimosa Cityscapes, Inc.	Affiliate	A	35
Filinvest Corporate City	Affiliate	A	13
The Palms Country Club, Inc.	Affiliate	A	9
FDC Forex Corp.	Affiliate	A	9
FDC Misamis Power Corp.	Affiliate	A	8
Andrew Gotianun Foundation	Affiliate	A	8
FDC Utilities, Inc.	Affiliate	A	6
			₱152,837

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 related parties in various common selling and marketing and general and administrative expenses.
- Management and marketing fee
- Reimbursable commission expense
- Dividends

Schedule C. Amounts Receivables (Payables) 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 September 30, 2018. All are noninterest-bearing and to be settled within the year (amounts in thousands):

		Volume of Transactions	Receivable (Payable)
Filinvest Lifemalls Tagaytay, Inc.	Share in expenses	₱2,212,200	₱2,213,211
Filinvest Cyberzone Mimosa, Inc.	Share in expenses	443,397	1,214,188
Homepro Realty Marketing, Inc.	Share in expenses	(297,527)	434,181
Property Maximizer Professional Corporation	Share in Expenses	(70,321)	142,726
Filinvest All Philippines, Inc.	Share in expenses	22,471	74,331
Cyberzone Properties, Inc.	Share in Expenses	40,995	58,441
	Rental Income	175,500	
	Marketing Fee Expenses	(22,000)	
Pro Excel Property Managers, Inc.	Share in expenses,	44,048	42,666
	Management Fee	3,416	
Filinvest Clark Green City Corporation	Share in expenses	7,564	17,990
Property Specialist Resources, Inc.	Share in expenses	—	11,338
Dreambuilders Pro, Inc.	Share in expenses	(5,510)	10,334
Timberland Sports and Nature Club	Share in expenses	1,877	7,477
Leisurepro, Inc.	Share in expenses	46	6,371
Proleads Philippines, Inc.	Share in expenses	2,536	5,760
Realpros Philippines, Inc.	Share in expenses	2,456	4,126
Filinvest BCDA Clark, Inc.	Share in expenses	2,979	3,007
Gintong Pariskat Realty & Devt Corp.	Share in expenses	1,412	1,412
Philippine DCS Development Corporation	Share in expenses	(81)	644
Filinvest Lifemalls Corporation	Share in expenses	598	644
Filinvest Lifemalls Mimosa, Inc.	Share in expenses	—	210
Property Leaders International, Ltd.	Share in expenses	—	111
FSM Cinemas, Inc.	Share in expenses	—	7
Filinvest Asia Corporation	Share in expenses	2	(17)
Festival Supermall, Inc. (Management)	Share in expenses	(6,441)	(6,441)
Filinvest Cyberparks, Inc.	Share in expenses	(554,493)	(547,266)
			₱3,695,451

The table below shows the movement of the receivables (payables) from related parties:

Name	Balance at beginning of year	Additions	Collections	Balance as of September 30, 2018
Filinvest Lifemalls Tagaytay, Inc.	₱1,011	₱2,213,211	(1,011)	₱2,213,211
Filinvest Cyberzone Mimosa, Inc.	770,791	443,397	—	1,214,188
Homepro Realty Marketing, Inc.	731,708	(297,527)	—	434,181
Property Maximizer Professional Corporation	290,746	(48,320)	(99,700)	142,726
Filinvest All Philippines, Inc.	51,860	22,471	—	74,331
Cyberzone Properties, Inc.	17,446	160,405	(119,410)	58,441
Pro Excel Property Managers, Inc.	(1,382)	44,074	(26)	42,666
Filinvest Clark Green City Corporation	10,426	7,564	—	17,990
Property Specialist Resources, Inc.	11,338	1	(1)	11,338
Dreambuilders Pro, Inc.	15,844	(4,824)	(686)	10,334
Timberland Sports and Nature Club	5,600	1,877	—	7,477
Leisurepro, Inc.	6,325	46	—	6,371
Proleads Philippines, Inc.	3,224	2,536	—	5,760
Realpros Philippines, Inc.	1,670	2,456	—	4,126
Filinvest BCDA Clark, Inc.	28	2,979	—	3,007
Gintong Pariskat Realty & Devt Corp.	—	1,412	—	1,412
Philippine DCS Development Corporation	725	1,112	(1,193)	644
Filinvest Lifemalls Corporation	46	599	(1)	644
(Forward)				

Name	Balance at beginning of year	Additions	Collections	Balance as of September 30, 2018
Filinvest Lifemalls Mimosa, Inc.	P210	P-	P-	P210
Property Leaders International, Ltd.	111	-	-	111
FSM Cinemas, Inc.	7	2	(2)	7
Filinvest Asia Corporation	(19)	2	-	(17)
Festival Supermall, Inc. (Management)	-	(6,441)	-	(6,441)
Filinvest Cyberparks, Inc.	7,227	(554,493)	-	(547,266)
	P1,924,942	P1,992,539	(P222,030)	P3,695,451

The intercompany transactions between FLI and the subsidiaries pertain to share in common 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 September 30, 2018, 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 (amounts in thousands):

Festival Supermall structure	P3,745,945
FAC	494,744
CPI	326,553
Gintong Parisukat	64,342
	P4,631,584

Schedule E. Long term debt

Below is the schedule of long-term debt of the Group:

Type of Obligation	Amount	Current	Noncurrent
Developmental loans			
Unsecured loan obtained in January 2015 with interest rate equal to 4.95% per annum (fixed rate for 3 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal quarterly amortizations to commence in January 2017 and 50% is payable at maturity in January 2020.	₱212,500	₱50,000	₱162,500
Unsecured loan obtained in June 2016 with interest rate equal 3.91% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal installments starting September 2018 and the remaining 50% balance is payable in June 2021.	479,167	83,333	395,834
Unsecured loan obtained in May 2015 with interest rate equal to 4.47% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal quarterly amortizations to commence in August 2017 and 50% is payable at maturity in May 2020.	237,500	50,000	187,500
Unsecured loan obtained in August 2013 with interest rate equal to 4.24% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% balance of principal is payable in 20 equal quarterly installments starting November 2015 and the remaining 50% balance is payable in August 2020.	350,000	50,000	300,000
Unsecured loan obtained in December 2013 with interest rate equal to 4.58% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in December 2015 and 50% is payable at maturity in December 2020.	490,000	70,000	420,000
Unsecured loan obtained in July 2016 with interest rate equal to 3.81% per annum (fixed for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal quarterly amortization to commence in October 2018 and 50% is payable at maturity in July 2021.	350,000	58,333	291,667
Unsecured loan obtained in March 2014 with interest rate equal to 4.50% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 11 equal quarterly amortizations to commence in June 2016 and 50% is payable at maturity in March 2019.	272,727	272,727	-
Unsecured loan obtained in July 2014 with interest rate equal to 4.88% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in October 2016 and 50% is payable at maturity in July 2021.	560,000	70,000	490,000
Unsecured loan obtained in November 2016 with interest rate equal to 4.75% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in February 2020 and 50% is payable at maturity in November 2023.	400,000	-	400,000
Unsecured loan obtained in April 2015 with interest rate equal to 4.32% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting July 2017 to January 2020.	275,758	157,576	118,182
Unsecured loan obtained in May 2015 with interest rate equal to 4.50% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal payable in 12 equal quarterly amortizations to commence in May 2017 and 50% is payable at maturity in May 2020.	71,250	15,833	55,417

(Forward)

Type of Obligation	Amount	Current	Noncurrent
Unsecured loan granted in November 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 20 quarterly amortizations commencing in February 2014 and 50% is payable at maturity.	P105,000	P105,000	P—
Unsecured loan obtained in July 2014 with interest rate equal to 4.88% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in October 2016 and 50% is payable at maturity in July 2021.	480,000	60,000	420,000
Unsecured loan obtained in February 2016 with interest rate equal to 5.10% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in May 2018 and 50% is payable at maturity in February 2021.	183,333	33,333	150,000
Unsecured loan obtained in March 2017 with interest rate equal to 5.00% per annum (fixed rate for 5 years). The 50% principal is payable in 12 equal amortization to commence in June 2019 and 50% is payable at maturity in March 2022.	490,848	41,667	449,181
Unsecured loan obtained in May 2016 with interest rate equal to 4.35% per annum (fixed rate for 5 years). The 50% of principal is payable in 12 equal amortization to commence in August 2018 and 50% is payable at maturity in May 2021.	383,333	66,667	316,666
Unsecured loan obtained in May 2015 with interest rate equal to 4.52% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal payable in 12 equal quarterly amortizations to commence in August 2017 and 50% is payable at maturity in May 2020.	395,833	83,333	312,500
Unsecured loan obtained in August 2015 with interest rate equal to 5.11% per annum (fixed rate for 5 years). The 50% of principal is payable in 12 equal quarterly amortizations to commence in November 2017 and 50% is payable at maturity in August 2020.	41,667	8,333	33,334
Unsecured loan obtained in September 2015 with interest rate equal to 4.67% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2020.	600,000	—	600,000
Unsecured loan obtained in December 2016 with interest rate equal to 5.45% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% principal is payable in 16 equal amortizations to commence in March 2020 and 50% is payable at maturity in December 2023.	200,000	—	200,000
Unsecured loan obtained in September 2015 with interest rate equal to 4.50% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in December 2017 and 50% is payable at maturity in September 2020.	416,667	83,334	333,333
Unsecured loan obtained in December 2017 with interest rate equal to 5.46% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in March 2020 and 50% is payable at maturity in December 2022.	400,000	—	400,000
Unsecured loan obtained in June 2018 with interest rate equal to 6.37% per annum (fixed rate for 5 years). 6% of the principal balance is payable at 12 equal quarterly amortization to commence on September 2020 and 94% is payable maturity on June 2023.	500,000	—	500,000
Unsecured loan obtained in October 2016 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in October 2021.	996,847	—	996,847

(Forward)

Type of Obligation	Amount	Current	Noncurrent
Unsecured loan obtained in October 2016 with interest rate equal to 4.47% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in January 2019 and 50% is payable at maturity in October 2023.	P699,219	P52,500	P646,719
Unsecured loan obtained in September 2016 with interest rate equal to 3.87% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal quarterly amortizations to commence in December 2018 and 50% is payable at maturity in September 2021.	797,817	133,334	664,483
Unsecured loan obtained in October 2016 with interest rate equal to 4.21% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in January 2019 and 50% is payable at maturity in October 2023.	1,298,391	97,500	1,200,891
Unsecured loan obtained in July 2018 with interest rate equal to 6.51% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 12 equal quarterly amortizations to commence in October 2020 and 50% is payable at maturity in July 2023.	1,489,482	—	1,489,482
Unsecured loan obtained in June 2016 with interest rate equal to 3.90% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in June 2021.	997,160	—	997,160
Unsecured loan obtained in December 2016 with interest rate equal to 4.94% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in December 2021.	149,496	—	149,496
Unsecured loan obtained in May 2016 with interest rate equal to 4.29% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in May 2021.	997,247	—	997,247
Unsecured loan obtained in December 2016 with interest rate equal to 4.94% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in December 2021.	498,309	—	498,309
Unsecured loan obtained in October 2013 with interest rate equal to 91-day PDS Treasury Reference Rate (PDST-R2) plus margins, plus GRT, payable quarterly in arrears. The 50% of principal is payable in 19 equal quarterly amortizations to commence in January 2016 and 50% is payable at maturity on October 2020.	390,257	57,895	332,362
Unsecured loan obtained in June 2017 with interest rate equal to 5.76% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 15 equal quarterly amortizations to commence in September 2020 and 50% is payable at maturity in June 2024.	497,972	—	497,972
Unsecured loan obtained in February 2015 with interest rate equal to 4.70% per annum (fixed rate for 5 years), payable quarterly in arrears. The 20% of principal is payable in 4 equal annual amortizations to commence in February 2016, and 80% is payable at maturity in January 2020.	398,683	25,000	373,683
Unsecured loan obtained in July 2018 with interest rate equal to 6.65% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in July 2023.	992,726	—	992,726
Unsecured loan obtained in November 2016 with interest rate equal to 5.20% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in February 2020 and 50% is payable at maturity in November 2023.	499,573	—	499,573
Unsecured loan obtained in June 2017 with interest rate equal to 5.07% per annum (fixed rate for 5 years), payable quarterly in arrears. The 3% principal is payable in three (3) annual amortizations to commence in June 2019 and 97% is payable at maturity in June 2022.	996,185	10,000	986,185

(Forward)

Type of Obligation	Amount	Current	Noncurrent
Unsecured loan obtained in June 2018 with interest rate equal to 6.20% per annum (fixed rate for 5 years). The principal is payable at maturity in June 2023.	₱1,489,325	₱-	₱1,489,325
Unsecured loan obtained in November 2016 with interest rate equal to 7.65% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in December 2020 and 50% is payable at maturity in September 2025.	992,500	-	992,500
Unsecured loan obtained in February 2015 with interest rate equal to 4.95% per annum (fixed rate for first 3 years), payable quarterly in arrears. The principal is payable at maturity in January 2020.	998,549	-	998,549
Unsecured loan obtained in April 2015 with interest rate equal to 4.13% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal quarterly amortizations to commence in July 2017 and 50% is payable at maturity in April 2020.	395,212	83,333	311,879
Unsecured loan obtained in August 2013 with interest rate equal to 4.24% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly installments starting November 2015 and the remaining 50% is payable in August 2020.	698,941	100,000	598,941
Unsecured loan obtained in February 2015 with interest rate equal to 4.70% per annum (fixed rate for 5 years), payable quarterly in arrears. The 20% of principal is payable in 4 equal annual amortizations to commence in February 2016, and 80% is payable at maturity in January 2020.	450,000	25,000	425,000
Unsecured loan obtained in March 2016 with interest rate equal to 5.74% per annum (fixed rate for 7 years). The 50% of principal balance is payable in 20 equal quarterly amortizations to commence in June 2018 and 50% is payable at maturity in March 2023.	189,369	19,857	169,512
Unsecured loan obtained in September 2016 with interest rate equal to 3.80% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in December 2018 and 50% is payable at maturity in September 2021.	74,780	12,425	62,355
Unsecured loan obtained in February 2017 with interest rate equal to 4.65% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in May 2019 and 50% is payable at maturity in February 2022.	99,667	8,234	91,433
Unsecured loan obtained in July 2017 with interest rate equal to 4.78% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in October 2019 and 50% is payable at maturity in July 2022.	174,344	-	174,344
Unsecured loan obtained in March 2017 with interest rate equal to 4.86% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in June 2019 and 50% is payable at maturity in March 2022.	249,146	20,583	228,563
	₱25,406,780	₱2,005,130	₱23,401,650

Type of Obligation	Amount	Current (In Thousands)	Noncurrent
Bonds			
Fixed rate bonds with aggregate principal amount of P8.00 billion issued by the Group on August 20, 2015. This comprised of P7.00 billion, 7-year fixed rate bonds due in August 2022 with a fixed interest rate of 5.36% per annum, and P1.00 billion, 10-year fixed rate bonds due in August 2025 with a fixed interest rate of 5.71% per annum.	₱7,946,010	₱—	₱7,946,010
Fixed rate bonds with principal amount of P7.00 billion and term of 7 years was issued by the Group on June 8, 2012 to mature in June 2019. The interest rate is fixed at 6.27% per annum.	6,989,938	6,989,938	—
Fixed rate bonds with aggregate principal amount of P7.0 billion issued by the Group on November 8, 2013. This comprised of P4.30 billion 7-year fixed rate bonds due in November 2020 with a fixed interest rate of 4.86% per annum, and P2.70 billion 10-year fixed rate bonds due in November 2023 with a fixed interest rate of 5.43% per annum.	6,972,250	—	6,972,250
Fixed rate bonds with aggregate principal amount of P7.0 billion issued by the Group on December 4, 2014. This comprised of P5.30 billion, 7-year fixed rate bonds due in December 2021 with a fixed interest rate of 5.40% per annum, and P1.70 billion, 10-year fixed rate bonds due in December 2024 with a fixed interest rate of 5.64% per annum.	6,965,529	—	6,965,529
Fixed rate bonds with principal amount of P6.00 billion and term of 5.5 years from the issue date was issued by the Company on July 7, 2017 to mature in January 2023 with fixed interest rate is 5.05% per annum.	5,945,746	—	5,945,746
	34,819,473	6,989,938	27,829,535
	₱60,226,253	₱8,995,068	₱51,231,185

Each loan balance is presented net of unamortized deferred costs. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.1x and minimum interest coverage ratio of 1.0x. The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock; sale or transfer and disposal of all or a substantial part of its capital assets; restrictions on use of funds; and entering into any partnership, merger, consolidation or reorganization.

The Group has complied with these contractual agreements. There was neither default nor breach noted for the year ended September 30, 2018.

Schedule F. Indebtedness to Related Parties

Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of September 30, 2018:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
			(In Thousands)	
Filinvest Alabang, Inc	Associate	A, C	₱59,609	₱121,937
Pacific Sugar Holdings, Corp.	Affiliate	A	27,007	27,007
Filinvest Development Corp.	Parent Company	A, C, E	88,516	5,581
Entrata Hotel Services, Inc.	Affiliate	A	—	2,105
East West Banking Corporation	Affiliate	A	128	2,074
Corporate Technologies, Inc.	Affiliate	A	20,429	1,787
Pro Plus, Inc.	Affiliate	A	—	1,009
The Palms Country Club	Affiliate	A	495	499
Boracay Seascapes, Inc.	Affiliate	A	—	433
Chroma Hospitality, Inc.	Affiliate	A	—	255
Countrywide Water Services, Inc.	Affiliate	A	—	200
Filarchipelago Hospitality Inc.	Affiliate	A	66	66
Crimson Hotel	Affiliate	A	47	47
Seascapes Resort, Inc.	Affiliate	A	73	5
ALG Holdings, Corp.	Ultimate Parent	A		4
			₱196,370	₱163,009

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 in various common selling and marketing and general and administrative expenses.
- Management and marketing fee
- Dividends

Schedule G. Guarantees of Securities of Other Issuers

The Group does not have guarantees of securities of other issuers as of September 30, 2018.

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	24,470,708	—	14,409,927	30,096	None
Preferred Shares	8,000,000	8,000,000	—	8,000,000	—	None

Standards adopted by the Group

Below is the list of all effective Philippines Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of September 30, 2018:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2018		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary		✓		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	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			✓
	Amendments to PFRS 1: Borrowing costs	✓		
	Amendments to PFRS 1: Meaning of 'Effective PFRSs'			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendments to PFRS 2: Definition of Vesting Condition			✓
	Amendments to PFRS 2: Share-based Payment, Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
	Amendments to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendments to PFRS 3: Scope Exceptions for Joint Arrangements			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2018		Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendments to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	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 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: Disclosures - Servicing Contracts			✓
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments: Classification and Measurement (2009 version)	✓		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10, Investment Entities: Applying the Consolidation Exception	✓		
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception			✓
PFRS 13	Fair Value Measurement	✓		
	Amendments to PFRS 13: Short-term receivable and payables	✓		
	Amendments to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2018		Adopted	Not Adopted	Not Applicable
Philippine Accounting Standards				
PAS 1 (Revised)	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	✓		
	Amendments to PAS 1: Clarification of the requirements for comparative information	✓		
	Presentation of Financial Statements - Disclosure Initiative	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12: Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12: Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of servicing equipment			✓
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization			✓
	Amendment to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendment to PAS 16: Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendments to PAS 19: Discount Rate: Regional Market Issue			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2018		Adopted	Not Adopted	Not Applicable
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27 (Amended)	Amendments to PAS 27: Separate Financial Statements	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓
	Amendments to PAS 28: Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
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: Tax effect of Distribution to Holders of Equity Instruments			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities	✓		
	Amendments to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report'	✓		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2018		Adopted	Not Adopted	Not Applicable
	Depreciation and Amortization			
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			✓
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
	Amendment to PAS 40: Interrelationship between PFRS 3 and PAS 40			✓
	Amendments to PAS 40: Investment Property, Transfers of Investment Property			✓
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture: Bearer Plants			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of September 30, 2018		Adopted	Not Adopted	Not Applicable
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
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 15	Agreements for the Construction of Real Estate	✓		
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			✓
IFRIC 21	Levies			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

Schedule of Bond Issuances – Securities Offered to the Public

	2009 P5 Billion Bond	2011 P3 Billion Bond	2012 P7 Billion Bond	2013 P7 Billion Bond	2014 P7 Billion Bond	2015 P8 Billion Bond	2017 P6 Billion Bond
Expected gross and net proceeds as disclosed in the prospectus							
Gross Proceeds	P5,000,000,000	P3,000,000,000	P7,000,000,000	P7,000,000,000	P7,000,000,000	P8,000,000,000	P6,000,000,000
Less: Expenses	63,850,625	34,290,625	97,225,625	67,594,379	82,327,087	85,330,750	68,308,996
Net Proceeds	P4,936,149,375	P2,965,709,375	P6,902,774,375	P6,932,405,621	P6,917,672,913	P7,914,669,250	P5,931,691,004
Actual gross and net proceeds							
Gross Proceeds	P5,000,000,000	P3,000,000,000	P7,000,000,000	P7,000,000,000	P7,000,000,000	P8,000,000,000	P6,000,000,000
Less: Expenses	65,936,000	21,165,000	84,023,040	82,906,997	77,906,937	86,811,468	70,166,033
Net Proceeds	P4,934,064,000	P2,978,835,000	P6,915,976,960	P6,917,093,003	P6,922,093,063	P7,913,188,532	P5,929,833,967
Expenditure items where the proceeds were used							
Land Acquisition	P2,960,438,400	P417,036,900	P249,938,096	P2,965,648,318	P—	P88,961,000	P—
Project Development	1,973,625,600	2,561,798,100	6,666,038,864	1,185,554,209	2,422,093,063	2,888,760,022	—
Investment Property	—	—	—	2,765,890,476	—	4,935,467,510	5,929,833,967
Debt refinancing	—	—	—	—	4,500,000,000	—	—
Net Proceeds	P4,934,064,000	P2,978,835,000	P6,915,976,960	P6,917,093,003	P6,922,093,063	P7,913,188,532	P5,929,833,967
Balance of the proceeds as of September 30, 2018:							
Net Proceeds	P4,934,064,000	P2,978,835,000	P6,915,976,960	P6,917,093,003	P6,922,093,063	P7,913,188,532	P5,929,833,967
Capital Expenses	4,934,064,000	2,978,835,000	6,915,976,960	6,917,093,003	2,422,093,063	7,913,188,532	5,929,833,967
Debt refinancing	—	—	—	—	4,500,000,000	—	—
Net Proceeds	P—	P—	P—	P—	P—	P—	P—

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for the period ended September 30, 2018 and 2017 and December 31, 2017:

Financial ratios		September 2018 (Unaudited)	September 2017 (Unaudited)	December 2017 (Audited)
Current ratio ⁽¹⁾	$\frac{\text{Current assets}}{\text{Current liabilities}}$	2.35	3.29	2.95
Long-term debt-to-equity ratio	$\frac{\text{Long-term debt}}{\text{Equity}}$	0.91	0.89	0.86
Debt ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	0.58	0.57	0.56
EBITDA to total interest paid	$\frac{\text{EBITDA}}{\text{Total interest paid}}$	3.09	2.77	3.09
Price Earnings Ratio	$\frac{\text{Closing price}^{(2)}}{\text{Earnings per share}}$	6.37	10.27	8.17
Quick asset ratio	$\frac{\text{Current assets - Inventories}}{\text{Current Liabilities}}$	0.75	1.23	1.11
Solvency ratio	$\frac{\text{Net income + Depreciation}}{\text{Total Liabilities}}$	0.06	0.06	0.08
Interest coverage ratio	$\frac{\text{EBIT}}{\text{Interest Expense}}$	5.51	5.52	7.86
Net profit margin	$\frac{\text{Net Income}}{\text{Revenue}}$	0.27	0.26	0.30
Return on equity	$\frac{\text{Net Income}}{\text{Shareholder's Equity}}$	0.09	0.08	0.09

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

⁽²⁾ Closing price at September 30, 2018 and 2017 and December 31, 2017 is 1.43, 2.03 and 1.88 respectively.

FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED UNAPPROPRIATED RETAINED EARNINGS
EARNINGS AVAILABLE FOR DIVIDEND DISTRIBUTION
(Amounts in Thousands of Pesos)

Retained Earnings, January 1, 2018	₱33,099,891
Adjustments:	
Equity in net earnings of subsidiaries and an associate	(7,564,156)
Prior-year adjustments	192,793
Unappropriated Retained Earnings, as adjusted, January 1, 2018	25,728,528
Net income based on the face of audited financial statements	4,082,334
Less: Non-actual/unrealized income net of tax	
Equity in net income of subsidiaries and an associate	(1,410,038)
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	8,738
Net income actual/realized	2,681,034
Less: Dividend declarations during the year	(1,498,635)
Unappropriated Retained Earnings, as adjusted, September 30, 2018	₱26,910,927

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate Group, subsidiaries, and associates as of September 30, 2018:

A.L. GOTIANUN, INC.
Group Structure
(As of September 30, 2018)

