SEC Registration Number

PW-834

Company Name

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town) Province)

7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
SEC Form 17-Q	**CRMD**	**Not Applicable**

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
www.roxascompany.com.ph	**(02) 810-8901**	**-**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
3,340	**Last Wednesday of May**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Monica Isabelle I. Villanueva	**miv@roxascompany.com.ph**	**(632) 751-9537**	**-**

Contact Person's Address

7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City

Note: 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.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF
THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended: **30 June 2017.**

2. SEC Identification Number: **PW-834**.

3. BIR Tax Identification No. : **000-269-435-000**.

4. Exact name of issuer as specified in its charter: **ROXAS AND COMPANY, INC.**

5. **Philippines**
   Province, Country or other jurisdiction of
   Incorporation or Organization

6. (SEC Use Only)
   Industry Classification Code

7. **7F Cacho-Gonzales Building, 101 Aguirre Street**
   Legaspi Village, Makati City 1229
   Address of Principal Office

8. **(632) 810-89-01 to 06**
   Registrant's telephone number, including area code

9. **September 30**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding and Amount of Debt Outstanding
Authorized Capital Stock	
Common	**₱3,375,000,000**
No. of shares subscribed & outstanding:	
Common	**1,976,091,209**
Amount of loans outstanding as of 30 June 2017	**₱3,935,651,000**

Of the 1,976,091,209 subscribed and outstanding common shares, 1,365,990,294 shares were exempt securities under Section 10.1 of the SRC.

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

    Yes [√]   No [ ]

1,976,091,209 common shares are registered with the Philippine Stock Exchange (PSE).

12. Check whether the issuer:

(a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and Rule 17 (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 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 [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please see Annex "A".

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

Please see Annex "B".

PART II – OTHER INFORMATION

1. New Projects or Investments in Another Project, Line of Business or Corporation
None for the period

2. Composition of the Board of Directors:

PEDRO E. ROXAS	-	Chairman
FERNANDO L. GASPAR	-	President & CEO
FRANCISCO JOSE R. ELIZALDE		
CARLOS ANTONIO R. ELIZALDE		
AURELIO MONTINOLA III	-	Independent Director
CORAZON S. DE LA PAZ-BERNARDO		Independent Director
GUILLERMO D. LUCHANGCO	-	Independent Director

3. Performance of the Corporation or result or progress of operations:
Required information is contained in Annexes "A" and "B".

4. Suspension of operations:
None for the period

5. Declaration of dividends:
None for the period

6. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements:
None for the period

7. Financing through loans:
Outstanding short-term and long-term loans amounting to ₱1,152.3 million and ₱2,783.4 million, respectively, were used for the working capital requirements and real estate, hotel and coconut projects of the group.

8. Offering of rights, granting of Stock Options and corresponding plans therefor:
None for the period.

9. Acquisition of other capital assets or patents, formula or real estates:
None for the period.

10. Any other information, event or happening that may affect the market price of the Company's shares:
None for the period.

11. Transferring of assets, except in the normal course of business:
None for the period.

SIGNATURE

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 hereunto duly authorized.

ROXAS AND COMPANY, INC.
Issuer

By:

MONICA ISABELLE I. VILLANUEVA
Assistant Corporate Secretary/Compliance Officer

Date: 14 August 2017

Roxas & Company, Inc.

ANNEX "A"

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Second Quarter Ending June 30, 2017 and 2016

ROXAS AND COMPANY, INC.
AND SUBSIDIARIES

Unaudited Interim Condensed
Consolidated Financial Statements
As of and for the six months ended
June 30, 2017 and 2016
(*with comparative audited figures as of December 31, 2016*)

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in Thousands

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	**₱168,659**	₱63,875
Trade and other receivables (Notes 8 and 19)	**520,149**	606,526
Real estate for sale and development (Note 9)	**611,400**	664,948
Other current assets (Note 10)	**258,046**	235,999
Total Current Assets	**1,558,254**	1,571,348
Noncurrent Assets		
Receivables - net of current portion (Note 8)	**87,095**	66,579
Investments in associates and a joint venture and Investment in Subsidiary with material NCI (Note 11)	**2,305,648**	2,233,224
Property and equipment (Note 12)		
At cost model	**2,398,164**	2,056,752
At revaluation model	**551,240**	551,240
Investment properties (Note 13)	**4,570,834**	4,570,834
Deferred income tax assets - net (Note 23)	**27,469**	32,671
Other noncurrent assets (Note 10)	**239,544**	178,051
Total Noncurrent Assets	**10,179,994**	9,689,351
TOTAL ASSETS	**₱11,738,248**	₱11,260,699
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings (Note 14)	**₱1,152,300**	₱1,410,226
Current portion of long-term borrowings (Note 15)	**89,351**	198,390
Trade and other payables (Notes 16 and 19)	**440,279**	513,697
Total Current Liabilities	**1,681,930**	2,122,313
Noncurrent Liabilities		
Long-term borrowings - net of current portion (Note 15)	**2,694,000**	1,728,000
Retirement liability (Note 17)	**27,860**	19,654
Deferred income tax liabilities - net (Note 23)	**6,275**	8,845
Total Noncurrent Liabilities	**2,728,135**	1,756,499
Total Liabilities	**4,410,065**	3,878,812

(Forward)

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Equity attributable to the Equity Holders of the Parent Company (Note 18)		
Capital stock	**₱2,911,886**	₱2,911,886
Additional paid-in capital	**1,628,937**	1,627,911
Treasury stock	**(1,590,851)**	(1,594,631)
Other equity reserves	**322,122**	330,552
Retained earnings	**3,706,446**	3,725,264
	6,978,540	7,000,982
Non-controlling Interests (Note 6)	**349,643**	380,905
Total Equity	**7,328,183**	7,381,887
TOTAL LIABILITIES AND EQUITY	**₱11,738,248**	₱11,260,699

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ARMANDO B. ESCOBAR
EVP – CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF INCOME

Amounts in Thousands, except Basic/Diluted Earnings (Loss) per Share Data

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

	Three Months		Six Months	
	2017 (Unaudited)	2016 (Unaudited)	**2017 (Unaudited)**	2016 (Unaudited)
REVENUES				
Real estate	**₱92,337**	₱25,745	**₱175,044**	₱71,108
Hotel	**41,292**	–	**59,899**	–
	133,629	25,745	**234,943**	71,108
COST OF SALES AND SERVICES				
Cost of real estate sales (Note 9)	**(56,532)**	(14,365)	**(108,051)**	(44,998)
Cost of hotel sales and services	**(39,438)**	–	**(46,126)**	–
	(95,970)	(14,365)	**(154,177)**	(44,998)
GROSS INCOME	**37,659**	11,380	**80,766**	26,110
OPERATING EXPENSES (Note 20)	**(99,815)**	(58,077)	**(177,178)**	(89,990)
OTHER INCOME (CHARGES)				
Equity in net earnings (loss) of associates and a joint venture (Note 11	**28,546**	(1,914)	**72,424**	54,288
Interest expense (Notes 14 and 15)	**(25,505)**	(9,457)	**(40,347)**	(15,275)
Interest income (Notes 7, 8, and 19)	**2,654**	1,650	**4,996**	5,943
Others - net (Note 22)	**3,511**	5,951	**16,206**	9,223
	9,206	(3,770)	**53,279**	54,179
LOSS BEFORE INCOME TAX	**(52,950)**	(50,467)	**(43,133)**	(9,701)
INCOME TAX BENEFIT (EXPENSE) (Note 23)				
Current	**(972)**	649	**(1,742)**	83
Deferred	**(1,942)**	–	**(5,204)**	–
	(2,914)	649	**(6,946)**	83
NET LOSS	**(₱55,864)**	(₱49,818)	**(₱50,079)**	(₱9,618)

(Forward)

Net Loss attributable to:				
Equity holders of the Parent Company	**(₱34,285)**	(₱45,720)	**(₱18,818)**	(₱6,164)
Non-controlling interests	**(21,579)**	(4,098)	**(31,261)**	(3,454)
	(₱55,864)	(₱49,818)	**(₱50,079)**	(₱9,618)
BASIC/DILUTED LOSS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY (Note 24)	**(₱0.02)**	(₱0.02)	**(₱0.01)**	(₱0.00)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ARMANDO B. ESCOBAR
EVP – CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in Thousands

FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

	Three Months		Six Months	
	2017 (Unaudited)	2016 (Unaudited)	**2017 (Unaudited)**	2016 (Unaudited)
NET LOSS	**(₱55,864)**	(₱49,818)	**(₱50,079)**	(₱9,618)
OTHER COMPREHENSIVE INCOME	**–**	–	**–**	–
TOTAL COMPREHENSIVE LOSS	**(₱55,864)**	(₱49,818)	**(₱50,079)**	(₱9,618)
Total Comprehensive Loss attributable to:				
Equity holders of the Parent Company	**(₱34,285)**	(₱45,720)	**(₱18,818)**	(₱6,164)
Non-controlling interests	**(21,579)**	(4,098)	**(31,261)**	(3,454)
	(₱55,864)	(₱49,818)	**(₱50,079)**	(₱9,618)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ARMANDO B. ESCOBAR
EVP – CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Amounts in Thousands

FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

	2017 (Unaudited)	2016 (Unaudited)
CAPITAL STOCK (Note 18)	**₱2,911,886**	₱2,911,886
ADDITIONAL PAID-IN CAPITAL (Note 18)	**1,628,937**	1,627,853
TREASURY STOCK (Note 18)	**(1,590,851)**	(1,594,845)
OTHER EQUITY RESERVES (Note 18)	**322,122**	283,914
RETAINED EARNINGS (Note 18)		
Unappropriated		
Balance at beginning of period	**1,644,013**	1,753,472
Net loss	**(18,818)**	(6,164)
Reversal for treasury stock	**3,780**	114
Balance at end of period	**1,628,975**	1,747,422
Appropriated		
Balance at beginning of period	**2,081,251**	2,081,579
Reversal for treasury stock	**(3,780)**	(114)
Balance at end of period	**2,077,471**	2,081,465
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**6,978,540**	7,057,695
NON-CONTROLLING INTERESTS		
Balance at beginning of period	**380,904**	(6,362)
Share in the acquisition of subsidiaries	**–**	370,626
Net loss	**(31,261)**	(3,454)
Balance at end of period	**349,643**	360,810
	₱7,328,183	₱7,418,505

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ARMANDO B. ESCOBAR
EVP – CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in Thousands)

FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

	2017 (Unaudited)	2016 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax:	(₱43,133)	(₱9,701)
Adjustments for:		
Equity in net loss of associates & a joint venture (Note 11)	(72,424)	(54,288)
Interest expense (Notes 14 and 15)	40,347	15,275
Gain from step up acquisition of RVHC (Note 6)	–	(6,950)
Interest income (Notes 7, 8 and 19)	(4,996)	(5,943)
Depreciation and amortization (Notes 12 and 20)	28,795	2,523
Operating loss before working capital changes	(51,411)	(59,084)
Decrease (increase) in:		
Trade and other receivables	65,862	10,891
Real estate for sale and development	65,119	(49,725)
Other current assets	(22,048)	(46,177)
Other noncurrent assets	(57,922)	–
Increase (decrease) in trade and other payables	(86,162)	5,100
Increase in retirement liability	8,206	–
Net cash used for operations	(78,356)	(138,995)
Interest received	4,996	5,943
Income taxes paid including creditable withholding taxes	–	(524)
Net cash used in operating activities	(73,360)	(133,576)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in:		
Property and equipment (Note 12)	(370,207)	(279,151)
Other noncurrent assets	(3,571)	74,615
Acquisition of subsidiaries, net of cash acquired (Note 6)	–	(157,009)
Dividends received (Note 11)	–	4,624
Net cash used in investing activities	(373,778)	(356,921)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments of short-term borrowings (Note 14)	(257,926)	773,372
Payment of interest including capitalized borrowing costs	(51,918)	(18,875)
Payment of dividends (Note 18)	–	(19,658)
Proceeds from (payment of) long-term borrowings (Note 15)	856,960	(183,376)
Proceeds from issuances of treasury shares (Note 18)	4,806	5,269
Net cash provided by financing activities	551,922	606,732
NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	104,784	116,235
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	63,875	116,435
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	₱168,659	₱232,670

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ARMANDO B. ESCOBAR
EVP – CFO

1. Corporate Information

Roxas and Company, Inc. (the Parent Company), formerly CADP Group Corporation (CADPGC), was organized in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 7, 1918, primarily to acquire, own, develop, sell and hold investment in real estate and sugar business. The corporate life of the Parent Company was extended for another 50 years until October 7, 2018.

On November 29, 1948, the shares of stock of the Parent Company were listed in the Philippine Stock Exchange (PSE) with a stock symbol RCI.

The Parent Company is owned by various individual shareholders and domestic corporations, namely: SPCI Holdings, Inc. and Pesan Holdings, Inc., among others. As at June 30, 2017 and 2016, the Parent Company has 3,350 and 3,364 shareholders, respectively.

On November 29, 2013, the Parent Company sold its 31% equity interest in Roxas Holdings, Inc. (RHI) to First Pacific Company, Ltd. (First Pacific), a Hong Kong-based company. The Parent Company remained the major shareholder with 35% equity interest in RHI as at September 30, 2014. On October 1, 2014, the Parent Company acquired additional 5.0 million shares of RHI increasing its equity interest in RHI to 36%.

On February 27, 2015, the equity interest of the Parent Company in RHI was diluted from 36% to 28% as a result of the issuance by RHI of 241.8 million treasury shares to First Agri Holdings Corporation, a subsidiary of First Pacific (see Note 11). Also, on the same date, the Parent Company acquired additional 33.1 million shares of RHI from various shareholders (see Note 11).

On May 31, 2016, the equity interest of the Parent Company was further diluted from 31% to 25%, as a result of the exercise of Stock Rights Option (SRO) by other stockholders of RHI (see Note 11).

As at June 30, 2016, the Parent Company has 25% equity interest in RHI.

The corporate office of the Parent Company is located at 7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City.

<u>Change in Accounting Period</u>
On December 18, 2015, the Board of Directors (BOD) approved the amendment of the by-laws of the Parent Company and Roxaco Land Corporation (RLC), changing the accounting period of the Parent Company and RLC from fiscal year ending September 30 to calendar year ending December 31 of each year. The change in accounting period of the Parent Company and RLC was approved by the SEC on May 26, 2016 and March 15, 2016, respectively.

2. Basis of Preparation and Statement of Compliance

The unaudited interim condensed consolidated financial statements of the Group have been prepared on a historical cost basis, except for land properties under property and equipment and investment properties that are stated at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine Peso, which is the functional and presentation currency of the Group. All amounts are rounded to the nearest thousands, unless otherwise indicated.

The unaudited interim condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements, which have been prepared by the Group to be filed with the SEC for its quarterly reporting to comply with the amended Securities Regulation Code Rule 68, do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2016.

3. Summary of Changes in Accounting Policies

<u>Changes in Accounting Policies</u>
The accounting policies adopted are consistent with those of the previous financial periods. The adoption of the foregoing new and revised Philippine Financial Reporting Standards (PFRS) did not have any material effect on the unaudited interim condensed consolidated financial statements of the Group. Additional disclosures have been included in the notes to unaudited interim consolidated financial statements, as applicable.

- Amendments to PAS 7, *Statement of Cash Flows*, *Disclosure Initiative* require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted. The Group is not required to provide additional disclosures in its condensed interim consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended December 31, 2017.

- Amendments to PAS 12, *Income Taxes*, *Recognition of Deferred Tax Assets for Unrealized Losses* clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on 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. Entities are required to apply amendments retrospectively. Early application of the amendments is permitted.

- Amendment to PFRS 12, *Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle) clarifies 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.

4. Basis of Consolidation

The unaudited interim consolidated financial statements of the Group include the financial statements of the Parent Company and following subsidiaries (all incorporated and domiciled in the Philippines) as at June 30, 2017 and December 31, 2016:

	Percentage of Ownership		
	2017	2016	Description of Business
RLC	**100.00**	100.00	Real estate
Anya Hospitality Corporation (AHC)	**75.33**	75.33	Hotel and resort management
Anya Hotels and Resorts Corporation (AHRC)	**100.00**	100.00	Real Estate
AHR1 Hotels & Resorts Corporation (A1HRC)	**100.00**	100.00	Real estate
Roxaco-Vanguard Hotel Corporation (RVHC) (see Note 11)	**51.00**	51.00	Hotel and leisure
United Ventures Corporation (UVC)	**100.00**	100.00	Warehouse leasing
Nasugbu Feeds Corporation (NAFECOR) *	**100.00**	100.00	Manufacturing
SAMG Memorial Management & Services Inc. (SMMSI)	**100.00**	100.00	Funeral and related services
Roxas Green Energy Corporation (RGEC)	**100.00**	100.00	Generation and distribution of energy
Roxas Sigma Agriventures, Inc. (RSAI)	**81.13**	81.13	Manufacturing

** On April 10, 2008, its BOD approved the cessation of operations, closure of business and dissolution of NAFECOR. The application for dissolution is still pending with the SEC.*

5. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the unaudited interim consolidated financial statements requires the Group to exercise judgment, make estimates and use assumptions that affect the reported amounts of assets, liabilities, income and expenses and related disclosures. The Group makes estimates and uses assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as these become reasonably determinable.

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

6. Acquisition of Subsidiaries

Acquisition of RSAI

On April 8, 2016, the Parent Company subscribed to 2,150,000 shares of RSAI representing 81.13% ownership interest from RSAI’s increase in capital stock and paid a total consideration of ₱101.0 million. As a result, the Parent Company gained control over RSAI.

RSAI is an existing entity incorporated on February 16, 2015, which has not yet started commercial operations as at June 30, 2017.

The fair value of assets acquired and liabilities assumed at the date of acquisition are as follows:

Cash	₱22,832
Trade and other receivables	91,001
Other current assets	522
Property and equipment:	
At appraised values	10,000
At cost	4,266
Trade and other payables	(5,684)
	₱122,937

The non-controlling interest in RSAI amounted to ₱21.9 million, which was measured based on proportionate value of net assets of RSAI as at the date of acquisition.

Subsequently, in May 2016, RSAI collected subscriptions to the capital stock of the non-controlling interest amounting to ₱9.8 million.

Step Up Acquisition of RVHC

On April 13, 2016 (date of acquisition), RLC made an additional investment of ₱61.0 million that increased the equity interest of the Group in RVHC from 50% to 51%. On the same date, certain provisions of the Shareholder's Agreements were amended, particularly increasing RLC's BOD representation in RVHC from two to three directors out of the five directors to obtain control over RVHC. Consequently, RVHC became a subsidiary from said date, resulting to a gain from step up acquisition amounting to ₱6.9 million.

The fair values of the identified assets and liabilities of RVHC as at the date of acquisition are as follows:

Cash	₱96,160
Trade and other receivables	133,176
Other current assets	164,485
Property and equipment:	
At cost	847,504
At appraised values	512,707
Other noncurrent assets	17,641
Trade and other payables	(40,545)
Short-term borrowings	(750,000)
Long-term borrowings	(410,000)
Deferred tax liability	(19,720)
Net assets	551,408
Percentage share of net assets acquired	51%
Net assets acquired	281,218
Total consideration	(274,269)
Gain from up step acquisition	₱6,949

The non-controlling interest in RVHC amounted to ₱270.9 million, which was measured based on proportionate fair value of net assets of RVHC as at the date of acquisition.

Subsequently, RLC and the non-controlling interest made additional investments amounting to ₱92.0 million and ₱88.0 million, respectively, maintaining the same equity interest in RVHC (see Note 11).

Incorporation of RGEC

On February 16, 2015, RGEC, an entity that will be engaged in the generation and distribution of solar power, was incorporated with authorized capital stock of 500.0 million at ₱1.00 par value a share, of which ₱125.0 million was subscribed and paid by the Parent Company in December 2015.

As at June 30, 2017, RGEC is still in construction phase. In May 2016, RGEC received a Cease and Desist Order (CDO) issued by the Department of Agrarian Reform (DAR) not to undertake further development on the land used for the construction of solar power. As at April 6, 2017, RGEC filed a request to lift the CDO and is now awaiting the response from the DAR.

7. Cash and Cash Equivalents

This account consists of:

	June 30, 2017	December 31, 2016
Cash on hand	**₱1,145**	₱393
Cash in banks	**92,467**	59,540
Cash equivalents	**75,047**	3,942
	₱168,659	₱63,875

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made at varying periods of up to 90 days, depending on the immediate cash requirements of the Group. Cash equivalents earn interest ranging from 0.4% to 1.25% in 2017 and 2016.

Total interest income earned from cash in banks and cash equivalents amounted to ₱0.39 million and ₱1.00 million for the six months ended June 30, 2017 and 2016, respectively.

8. Trade and Other Receivables

This account consists of:

	June 30, 2017	December 31, 2016
Trade	**₱221,495**	₱264,995
Advances to:		
Contractors	**331,666**	334,563
Supplier	**5,376**	12,742
Due from:		
Related parties (Note 19)	**81,964**	60,774
Employees	**5,061**	6,234
Dividends (Note 19)	**4,624**	4,624
Others	**2,922**	35,037
	653,108	718,969
Allowance for impairment losses	**(45,864)**	(45,864)
	₱607,244	₱673,105

Breakdown as to current and noncurrent portion follows:

	June 30, 2017	December 31, 2016
Current	**₱520,149**	₱606,526
Noncurrent	**87,095**	66,579
	₱607,244	₱673,105

Trade receivables mainly represent customers' accounts arising from the sale of real estate properties collectible in monthly installments over a period of 18 to 84 months and bear annual interest ranging from 14% to 18% depending on the terms of the sales contract.

Cash received from the sale of real estate properties, that does not meet the revenue recognition criteria are recognized as "Customers' deposits," which is presented as part of "Trade and other payables" account in the unaudited interim consolidated statements of financial position.

Breakdown as to current and noncurrent portion of the installment contract receivables recorded under "Trade receivables" account follows:

	June 30, 2017	December 31, 2016
Current	**₱186,163**	₱186,163
Noncurrent	**66,579**	66,579
	₱252,742	₱252,742

Advances to contractors pertain to advances made for services to be rendered.

Advances to supplier pertain to advances made for services to be rendered, which are refundable upon noncompliance of the agreed terms.

Due from employees pertains to the salary, housing and educational loans that are collected from the employees through salary deduction, and advances for business purposes subject to liquidation.

Other receivables, which are normally settled within one year, pertains to nontrade receivables.

9. Real Estate for Sale and Development

This account consists of:

	June 30, 2017	December 31, 2016
Raw land and land improvements	**₱236,488**	₱236,488
Real estate properties for sale	**374,912**	428,460
	₱611,400	₱664,948

Cost of real estate sales amounted to ₱108.1 million and ₱45.0 million for the six months ended June 30, 2017 and 2016, respectively.

Borrowing costs incurred to finance the development of the Group's real estate projects amounting to ₱11.6 million and ₱3.6 million in the six months ended June 30, 2017 and 2016, respectively, were capitalized using a weighted average rate of 3.63%.

Certain properties for sale and development owned by RLC amounting to ₱180.9 million as at June 30, 2017 and December 31, 2016 are being used as collateral for the loans availed by the Parent Company and RLC (see Note 15).

10. **Other Assets**

Other current assets account consists of:

	June 30, 2017	December 31, 2016
Input VAT	**₱170,395**	₱149,697
Creditable withholding taxes - net	**66,727**	55,755
AFS financial assets - net of allowance for impairment loss	**7,534**	7,534
Inventories	**6,207**	–
Prepaid expenses	**5,230**	15,990
Others	**1,953**	7,023
	₱258,046	₱235,999

Input VAT mainly arises from construction of real estate for sale and purchases of goods and services for operations.

As at June 30, 2017 and December 31, 2016, allowance for impairment loss on creditable withholding taxes and AFS financial assets amounted to ₱5.6 million. No provision for impairment losses was recognized for the six months ended June 30, 2017 and 2016.

Prepaid expenses pertain to prepaid rent, insurance and taxes.

Other noncurrent assets account consists of:

	June 30, 2017	December 31, 2016
Input VAT	**₱219,721**	₱161,799
Franchise fee	**13,616**	11,542
Utility deposits	**6,207**	4,710
	₱239,544	₱178,051

Franchise fee pertains to RVHC's franchise fee to a third-party hotel chain company for the non-exclusive, non-assignable right to use the proprietary marks and system in connection with the establishment and operation of GoHotels. The agreement is for 10 years beginning the opening day of the hotels. There is no amortization recognized for the six months ended June 30, 2017 and 2016.

11. **Investments in Associates and a Joint Venture and Investment in a Subsidiary with Material Non-controlling interest**

Movements in this account follow:

	June 2017 (Six Months)	December 2016 (Three Months)
Associates		
Acquisition cost:		
Balance at beginning of period	**₱2,167,054**	₱2,167,054
Loss on deemed disposal of RHI	**–**	–
Balance at end of period	**2,167,054**	2,167,054
Accumulated equity in net earnings (loss):		
Balance at beginning of period	**₱105,533**	₱132,065
Equity in net earnings (loss)	**72,424**	(26,532)
Balance at end of period	**177,957**	105,533
Unrealized loss on transfer of land - Balance at beginning and end of period	**(59,030)**	(59,030)
Other comprehensive income:		
Balance at beginning of period	**34,900**	34,900
Share in appraisal increase in land, net of tax	**–**	–
Share in remeasurement loss on retirement liability, net of tax	**–**	–
Balance at end of period	**34,900**	34,900
	2,320,881	2,248,457
Allowance for impairment loss	**(15,233)**	(15,233)
	₱2,305,648	₱2,233,224

The following are the associates of the Group:

	Percentage of Ownership		
	June 30, 2017	December 31, 2016	Description of Business
RHI and subsidiaries	**25.07**	25.07	Production and selling of sugar and related products
Roxaco-ACM Development Corporation (RADC)*	**50.00**	50.00	Real estate
Fuego Land Corporation (FLC)*	**30.00**	30.00	Real estate
Fuego Development Corporation (FDC)*	**30.00**	30.00	Real estate
Club Punta Fuego, Inc. (CPFI)*	**25.00**	25.00	Social recreational and athletic activities

* *Effective ownership through RLC.*

The following are the subsidiaries of RHI:

	Percentage of Ownership		
	June 30, 2017	December 31, 2016	Description of Business
Central Azucarera Don Pedro, Inc. (CADPI)	**100.00**	100.00	Production and selling of raw and refined sugar, molasses and related products
Central Azucarera de la Carlota, Inc. (CACI)	**100.00**	100.00	Production and selling of raw sugar and molasses
CADP Insurance Agency, Inc. (CIAI)	**100.00**	100.00	Insurance agency

(Forward)

	Percentage of Ownership		
	June 30, 2017	December 31, 2016	Description of Business
Roxol Bioenergy Corp. (RBC)	**100.00**	100.00	Production and selling of bioethanol fuel and trading of goods such as sugar and related products
CADP Port Services, Inc. (CPSI)	**100.00**	100.00	Providing ancillary services
RHI Agri-Business Development Corporation (RABDC)	**100.00**	100.00	Agricultural business
Roxas Pacific Bioenergy Corporation (RPBC)	**100.00**	100.00	Holding company for bioethanol investments
RHI Pacific Commercial Corp. (RHIPCC)	**100.00**	100.00	Selling arm of products of RHI Group
San Carlos Bioenergy, Inc. (SCBI)	**93.35**	93.35	Production and selling of bioethanol fuel
Najalin Agri Ventures, Inc. (NAVI)	**86.91**	86.91	Agricultural and industrial development
Roxas Power Corporation (RPC)	**50.00**	50.00	Sale of electricity

The carrying amounts of investments in associates are as follow:

	June 30, 2017	December 31, 2016
Associates		
RHI and subsidiaries	**₱2,173,428**	₱2,100,423
FLC	**89,818**	91,729
CPFI	**19,071**	17,709
FDC	**14,903**	14,935
RADC	**8,428**	8,428
	₱2,305,648	₱2,233,224

Associates

As discussed in Note 6, the remaining 35% investment in RHI amounting to ₱1,023.0 million was classified and accounted for as an investment in an associate beginning November 29, 2013.

On October 1, 2014, the Parent Company bought 5.0 million shares of stock of RHI for ₱34.5 million increasing its equity interest to 36%.

On February 27, 2015, the equity interest of the Parent Company in RHI was further diluted from 36% to 28% as a result of the issuance by RHI of 241.8 million treasury shares at ₱7.00 a share amounting to ₱1,692.6 million to First Agri Holdings Corporation, a subsidiary of First Pacific (see Note 1). As a result, the Parent Company recognized a gain on deemed disposal amounting to ₱84.8 million in 2015. Also, on the same date, the Parent Company purchased 33.1 million shares of RHI from various stockholders for a total purchase price of ₱231.8 million, increasing the Parent Company's equity interest from 28% to 31%.

On May 31, 2016, the equity interest of the Parent Company was further diluted from 31% to 25%, as a result of the exercise of SRO by other stockholders of RHI. Consequently, the Parent Company recognized a loss on deemed disposal amounting to ₱73.7 million for the year ended September 30, 2016.

Shares of stock of RHI totaling 99.6 million are used as security for long-term loan of the Parent Company and RLC amounting to ₱590.0 million as at June 30, 2017 and December 31, 2016 (see Note 15).

Investments in CPFI, RADC and FLC were provided with allowance for impairment loss amounting to ₱7.9 million, ₱3.7 million and ₱3.6 million, respectively, as at June 30, 2017 and December 31, 2016.

Joint Venture (accounted for as a subsidiary effective April 13, 2016)
On December 3, 2013, RLC entered into a Joint Venture Agreement with VH Select Investments (Phil) Pte Ltd to form a joint venture company, namely - RVHC [formerly Vanguard Hospitality Assets (Phils.), Inc.] duly registered and incorporated with the SEC on December 8, 2010, primarily to build and own a minimum of five "Go Hotels" (the Projects) in Metro Manila and in selected provincial destinations over the next two to three years.

On May 15, 2014, the SEC approved RVHC's increase in authorized capital stock from ₱4.0 million or 40,000 common shares to 800.0 million common shares with a reduction of par value from ₱100.0 to ₱1.0 a share and additional 200.0 million preferred shares at ₱0.01 par value a share aggregating ₱802.0 million.

On October 23, 2015, RLC made additional investment amounting to ₱25.0 million maintaining the same equity interest of 50% in RVHC.

On April 13, 2016, RLC made an additional investment of ₱61.0 million which increased the equity interest in RVHC from 50% to 51%. On the same date, certain provisions of the Shareholder's Agreements were amended, particularly increasing RLC's BOD representation in RVHC from two to three directors out of the five directors, representing increase from 50% to 60%, to obtain control over RVHC. Consequently, RVHC became a subsidiary from that date.

On May 25, 2016, and August 18, 2016, RLC made additional investment amounting to ₱51.0 million and ₱41.0 million, respectively. On May 24, 2016 and September 8, 2016, VH Select Investments (Phil) Pte Ltd made additional investments amounting to ₱50.0 million and ₱38.0 million, respectively. The said investments from RLC and VH Select Investments (Phil) Pte Ltd maintain the same equity interest in RVHC.

As at June 30, 2017, RVHC is still in the construction phase for the remaining GoHotel site located at Timog. GoHotel Manila Airport Road, North EDSA, Cubao, and Malate started its commercial operations in October 2016, January 2017, April 2017, and June 2017; respectively.

The accumulated equity in net earnings of associates and a joint venture amounting to ₱178.0 million and ₱105.5 million as at June 30, 2017 and December 31, 2016, respectively, is not available for dividend distribution to shareholders, unless received as cash dividends from the associates.

12. **Property and Equipment**

Details and movements of the property and equipment carried at cost follows:

	June 30, 2017 (Six Months)					
	Buildings and Improvements	**Machinery and Equipment**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction in Progress**	**Total**
Cost						
Balance at beginning of period	**₱164,078**	**₱234,509**	**₱13,170**	**₱1,053,048**	**₱630,728**	**₱2,095,533**
Additions	**790**	**39,389**	**2,704**	**27,700**	**299,624**	**370,207**
Reclassifications	**430,989**	**–**	**–**	**–**	**(430,989)**	**–**
Balance at end of period	**595,857**	**273,898**	**15,874**	**1,080,748**	**499,363**	**2,465,740**
Accumulated Depreciation and Amortization						
Balance at beginning of period	**14,076**	**–**	**9,239**	**15,466**	**–**	**38,781**
Depreciation and amortization	**24,121**	**2**	**882**	**3,790**	**–**	**28,795**
Balance at end of period	**38,197**	**2**	**10,121**	**19,256**	**–**	**67,576**
Net Book Value	**₱557,660**	**₱273,896**	**₱5,753**	**₱1,061,492**	**₱499,363**	**2,398,164**

	December 31, 2016 (Three Months)					
	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	Total
Cost						
Balance at beginning of period	₱164,027	₱44,371	₱13,170	₱1,033,661	₱339,151	₱1,594,380
Additions	51	190,138	–	19,387	291,577	501,153
Balance at end of period	164,078	234,509	13,170	1,053,048	630,728	2,095,533
Accumulated Depreciation and Amortization						
Balance at beginning of period	13,037	–	8,955	14,939	–	36,931
Depreciation and amortization	1,039	–	284	527	–	1,850
Balance at end of period	14,076	–	9,239	15,466	–	38,781
Net Book Value	₱150,002	₱234,509	₱3,931	₱1,037,582	₱630,728	₱2,056,752

Construction in progress pertains to the units to be used as RLC's office in Nasugbu, Batangas, which was completed in 2016, construction of RVHC's Go Hotels, RGEC's solar power project, AHRC's building, and RSAI coconut processing plant. The foregoing projects are expected to be completed in 2017.

Fully depreciated property and equipment with an aggregate cost of ₱14.5 million as at June 30, 2017 and December 31, 2016, respectively, are still being used in the operations.

Land at appraised values and had it been carried at cost are as follows:

	June 30, 2017	December 31, 2016
At appraised values:		
Balance at beginning of year	**₱551,240**	₱527,361
Appraisal increase	**–**	23,879
Balance at end of year	**₱551,240**	₱551,240
At cost	**₱504,202**	₱504,202

Certain assets were mortgaged and used as collateral to secure the loan obligations of the Parent Company, RLC and RVHC with the local banks as at June 30, 2017 and December 31, 2016 (see Note 15).

13. **Investment Properties**

Movements on investment properties are as follows:

	June 30, 2017	December 31, 2016
Balance at beginning of year	**₱4,570,834**	₱4,570,834
Unrealized fair value gain	**–**	–
Balance at end of year	**₱4,570,834**	₱4,570,834

The Parent Company

This account consists of land properties located in Nasugbu, Batangas, which are held either to earn rentals and/or for capital appreciation.

The total carrying amount of the Parent Company's investment properties includes land properties that are subjected to the CARL with total land area of 2,300.6 hectares and total value of ₱4,316.3 million as at June 30, 2017 and December 31, 2016 (see Note 25).

As at June 30, 2017 and December 31, 2016, the fair value of investment properties, including land properties subjected to the CARL, are based on the appraised values of the properties as at September 15, 2016 as determined by a professional qualified independent and SEC-accredited appraiser. The fair value measurement for investment properties has been categorized under Level 3, which was determined by using the Sales Comparison Approach that disregards all existing liens and encumbrances, and appraises the properties as though free and with clean titles. Such approach is a comparative approach that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison and adjustments to sales price which pertain to factors affecting value such size, location, time and shape.

The SEC, in its letter dated January 26, 2011 to the Parent Company, approved the change in the accounting measurement of investment properties of the Parent Company, including land properties subjected to the CARL, from cost to fair value method and the transfer of the debit balance in the "Other equity reserve" to deficit. The debit balance in the "Other equity reserve" amounting to ₱4.0 billion in 2009 resulted from the excess of the considerations received over the net assets acquired arising from the merger of CADPGC and Roxas & Company, Inc., the parent company of CADPGC, which was absorbed and liquidated (see Note 18). The Philippine SEC approved the foregoing accounting treatment on the basis of the facts and circumstances provided by the Parent Company.

Investment properties with carrying value of ₱6.8 million as at June 30, 2017 and December 31, 2016 are used as collateral for the long-term borrowings of the Parent Company and RLC (see Note 15).

14. **Short-term Borrowings**

This account represents unsecured short-term loans obtained from various local banks for its working capital requirements. These short-term borrowings are payable within 30 to 180 days for the six months ended June 30, 2017 and December 31, 2016 and bear annual interest ranging from 3.25% to 4.50% for the six months ended June 30, 2017 and 2016.

15. **Long-term Borrowings**

Long-term borrowings consist of loans from:

	June 30, 2017	December 31, 2016
Bank of the Philippine Islands (BPI)	**₱1,663,000**	₱1,355,000
Banco de Oro Unibank, Inc. (BDO)	**620,351**	571,390
United Coconut Planters Bank (UCPB)	**500,000**	–
	2,783,351	1,926,390
Current portion	**(89,351)**	(198,390)
Noncurrent portion	**₱2,694,000**	₱1,728,000

	June 30, 2017	December 31, 2016
Parent	**₱75,000**	₱90,000
RLC	**515,351**	531,390
RVHC	**1,693,000**	1,305,000
RSAI	**500,000**	–
	₱2,783,351	₱1,926,390

Loan of the Parent Company
The bank loan is classified as follows:

	June 30, 2017	December 31, 2016
Current portion	**₱30,000**	₱30,000
Noncurrent portion	**45,000**	60,000
	₱75,000	₱90,000

On September 20, 2012, the Parent Company obtained a short-term loan from BPI amounting to ₱400.0 million, which bore interest at prevailing market rate (initially at 4.50%) with a maturity period of 30 days.

On January 21, 2013, BPI approved the modified principal repayment schedule of the short-term loan into a long-term loan, which bears interest ranging from 4.50% to 5.50% and is payable quarterly in arrears. The principal is payable in 20 equal amortization starting January 20, 2015 until December 20, 2019.

As at June 30, 2017 and December 31, 2016, the said loan is secured by real estate mortgages and pledge over shares of stock owned by the Parent Company as follows:

	2017	2016
Shares of stock of RHI (99.6 million shares)	**₱322,265**	₱322,265
Real estate for sale and development of RLC (Note 9)	**178,821**	178,821
Investment properties (Note 13)	**6,838**	6,838
Property and equipment (Note 12)	**797**	32
	₱508,721	₱507,956

Loan of RLC

The bank loan is classified as follows:

	2017	2016
Current portion	**₱15,351**	₱31,390
Noncurrent portion	**500,000**	500,000
	₱515,351	₱531,390

In 2013, RLC obtained a new term loan facility from BDO amounting to ₱130.0 million. The loans bear fixed interest of 4.25%, which is being repriced every 30 to 180 days. Principal amounts are payable quarterly after the one-year grace period for five years until 2018.

The loan facility is secured by RLC's real estate for sale and development amounting to ₱2.1 million as at June 30, 2017 and December 31, 2016 (see Note 9).

On June 30, 2016, RLC obtained a new loan from BPI, with RCI as the co-mortgagor, amounting to ₱500.0 million. The loan bears variable interest rate and is repriced every quarter. Principal amount is payable quarterly for five years until 2023 with the first payment payable after two years from the release of the loan. As at June 30, 2017 and December 31, 2016, the loan from BPI is secured by RLC's real estate for sale and development amounting to ₱178.8 million and certain properties of the Parent Company (see Note 9).

Loan of RVHC

The bank loan is classified as follows:

	June 30, 2017	December 31, 2016
Current portion	**₱44,000**	₱137,000
Noncurrent portion	**1,649,000**	1,168,000
	₱1,693,000	₱1,305,000

As at June 30, 2017, RVHC had drawn total loan of ₱1,088.00 million from BPI and ₱605.00 million from BDO to fund the construction and development of the five Go Hotel sites.

The loan facilities are secured by RVHC's Projects amounting to ₱2,148.0 million and ₱1,574.2 million as at June 30, 2017 and December 31, 2016; respectively (see Note 12).

Loan of RSAI

On June 1, 2017, RSAI converted its short term loan facility from UCPB amounting to ₱500.0 million into term loan facility that bears fixed interest of 4.79%. Principal amounts are payable quarterly after the two-year grace period for seven years until 2024.

The loan facility is secured by RSAI's coconut processing plant amounting to ₱458.5 million as at June 30, 2017 (see Note 12).

Interest Expense
Total interest expense recognized from short-term and long-term loans amounted to ₱40.3 million and ₱15.3 million for the six months ended June 30, 2017 and in 2016, respectively.

Loan Covenants
The long-term borrowings of the Parent Company and RLC are subject to certain covenants, such as but not limited to:

- maintenance of debt service coverage ratio (DSCR) of at least 1:1 and debt to equity ratio of not more than 0.75:1.00;
- prohibition on sale, lease, transfer, or otherwise disposal of any of its properties and assets, or its existing investments therein;
- prohibition on any material change in ownership or control of its business or capital stock or in the composition of its top level management and;
- prohibition on declaration or payment of dividends or any other capital or other asset distribution to its stockholders.

The Parent Company obtained a letter from the creditor bank approving the suspension of the DSCR requirement effective for the periods starting of October 1, 2016 and ending of December 31, 2017.

Maturities
The maturities of the long-term borrowings are as follow:

	June 30, 2017	December 31, 2016
Less than one year	**₱89,351**	₱198,390
Between one and two years	**299,905**	107,000
Between two and five years	**2,203,619**	1,621,000
Over five years	**190,476**	–
	₱2,783,351	₱1,926,390

16. **Trade and Other Payables**

This account consists of:

	June 30, 2017	December 31, 2016
Trade	**₱67,665**	₱180,281
Retention payable	**131,422**	83,154
Accrued expenses:		
Outside services	**30,886**	72,615
Interest	**15,257**	6,053
Payroll and other benefits	**4,371**	4,588
Others	**45,884**	13,930
Payables to contractors	**43,679**	8,630
Due to related parties (Note 19)	**36,975**	63,196
Customers’ deposits	**21,350**	30,959
Payables to government agencies for taxes and statutory contributions	**17,764**	21,793
Deferred income	**5,967**	10,242
Dividends (Note 18)	**1,202**	1,202
Others	**17,857**	17,054
	₱440,279	₱513,697

17. **Retirement Benefits**

The Parent Company, RLC and AHC maintain individual and separate funded non-contributory defined benefit plans covering all eligible employees.

The cumulative remeasurement gain on retirement liability (shown as part of other equity reserve) recognized as other comprehensive income amounted to ₱3.3 million, net of tax, as at June 30, 2017 and December 31, 2016.

Retirement Liability
Retirement liability recognized in the consolidated statements of financial position as at June 30, 2017 and December 31, 2016 follows:

	June 30, 2017	December 31, 2017
Present value of obligation	**₱38,603**	₱30,397
Fair value of plan assets	**(10,743)**	(10,743)
Retirement liability	**₱27,860**	₱19,654

Movements in the defined benefit obligation as at June 30, 2017 and December 31, 2016 follow:

	June 30, 2017	December 31, 2017
Balance at beginning of period	**₱30,397**	₱28,766
Current service cost	**8,206**	1,435
Interest cost	**–**	196
Actuarial gain	**–**	–
Balance at end of period	**₱38,603**	₱30,397

Movements in the fair value of plan assets as at June 30, 2017 and December 31, 2016 follow:

Balance at beginning of period	₱10,743
Actuarial loss	–
Balance at end of period	₱10,743

Plan assets of the Parent Company and RLC as at June 30, 2017 and December 31, 2016 consist of:

Cash in banks and cash equivalents	25%
Government securities and other assets	75%
	100%

The Parent Company and RLC are expected to contribute a total of ₱4.1 million to its respective plans in 2017.

The latest actuarial valuation of the plan is as of September 30, 2016, which was also used for the estimation of the retirement benefits as at June 30, 2017 and December 31, 2016.

The principal actuarial assumptions used in determining retirement benefits and gratuities cost as at beginning of each period follows:

	June 30. 2017	December 31. 2016
Discount rate	**4.34% to 4.42%**	4.34% to 4.42%
Future salary increases	**5.00%**	5.00%

The sensitivity analysis based on reasonably possible changes of the assumptions as at June 30, 2017 are as follows:

	Change in Assumption	Effect on Retirement Liability
Discount Rate	+0.5%	(₱1,412)
	-0.5%	1,525
Salary Rate	+1%	3,042
	-1%	(2,664)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the retirement liability at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The corresponding change in the retirement liability was expressed as a percentage change from the base retirement liability.

The maturity analysis of the undiscounted payments as of June 30, 2017 are as follows:

	Amount
One year and less	₱2,200
More than one year to five years	6,400
More than five years to 10 years	38,400
More than 10 years to 15 years	33,100
More than 15 years to 20 years	29,900
More than 20 years	139,300

Weighted average duration of the defined benefit liability is 21 years.

The expected return of plan assets were determined based on a reputable fund trustee's yield rate for risk portfolio similar to that of the fund with consideration to the fund's past performance.

18. **Equity**

a. Capital Stock

	June 30, 2017		December 31, 2016	
	Number of Shares	**Amount**	Number of Shares	Amount
"Class A" common stock - ₱1 par value				
Authorized	**3,375,000,000**	**₱3,375,000**	3,375,000,000	₱3,375,000
Issued -				
Balance at begining and end of year	**2,911,885,869**	**2,911,886**	2,911,885,869	2,911,886
Treasury stock:				
Balance at beginning of year	**(938,018,483)**	**(1,594,631)**	(938,087,667)	(1,594,749)
Issuances	**2,223,822**	**3,780**	69,184	118
Balance at end of year	**(935,794,661)**	**(1,590,851)**	(938,018,483)	(1,594,631)
Issued and outstanding	**1,976,091,208**	**1,321,035**	1,973,867,386	₱1,317,255

On December 3, 2013, the Company implemented the buyback of 990,384,775 shares from four of its stockholders at the price of ₱1.70 a share in a private sale, amounting to ₱1,683.7 million and representing 34% of the issued and outstanding capital stock of the Company. The BOD approved the plan to buy back shares on November 13, 2013.

Consequently, the BOD approved the appropriation of a portion of retained earnings amounting to ₱1,683.7 million for the cost of treasury shares acquired.

On May 18, 2015, the Company has issued 50.0 million treasury shares for ₱2.00 a share aggregating ₱100.0 million, resulting to an increase in additional paid-in capital amounting to ₱15.0 million.

For the fiscal year ended September 30, 2016, the Parent Company has issued 2.3 million treasury shares, on various dates, ranging from ₱2.21 to ₱2.47 a share aggregating ₱3.9 million, resulting to an increase in additional paid-in capital amounting to ₱1.5 million.

For the year ended December 31, 2016, the Parent Company issued 69,184 treasury shares based on the market rate of ₱2.19 per share aggregating ₱0.2 million, resulting to an increase in additional paid-in capital amounting to ₱5,996, net of transaction costs of ₱27,904.

For the quarter ended June 30, 2017, the Parent Company issued 2,223,822 treasury shares based on the market rate of ₱2.18 per share aggregating ₱4.8 million, resulting to an increase in additional paid-in capital amounting to ₱1.0 million, net of transaction costs of ₱27,018.

b. Track Record of Registration

Date	Number of Shares Licensed	Issue/Offer Price
October 7, 1918	15,000	₱100.00
February 15, 1963	2,500,000	10.00
September 30, 1969	3,000,000	10.00
January 13, 1977	5,000,000	10.00
May 21, 1990	12,500,000	10.00*
December 3, 1996	200,000,000	1.00

(Forward)

Date	Number of Shares Licensed	Issue/Offer Price
October 26, 1999	400,000,000	1.00
April 2, 2002	2,000,000,000	1.00
February 7, 2005	1,962,500,000	1.00
June 23, 2009	3,375,000,000	1.00

** Par value was subsequently reduced to ₱1.00*

c. Other equity reserves

Details of other equity reserves follow:

	June 30,2017	December 31,2016
Revaluation Increment on Land		
Balance at end of year	**₱271,661**	₱280,091
Share in Revaluation Increment on Land of an Associate		
Balance at beginning of period	**45,497**	45,497
Share in revaluation increment on land, net of tax	**–**	–
Balance at end of period	**45,497**	45,497
Cumulative Share in Changes in Fair Value of AFS Financial Assets of an Associate		
Balance at beginning and end of period	**5,129**	5,129
Revaluation Increment on Land of a Subsidiary		
Balance at beginning of period	**12,280**	3,766
Share in appraisal increase, net of tax	**–**	8,514
Balance at end of period	**12,280**	12,280
Cumulative Remeasurement Gain on Retirement Liability		
Balance at beginning of period	**3,281**	3,281
Remeasurement gain, net of tax	**–**	–
Balance at end of period	**3,281**	3,281
Cumulative Share in Remeasurement Loss on Retirement Liability of Associates		
Balance at beginning of period	**(15,726)**	(15,726)
Share in remeasurement loss, net of tax	**–**	–
Balance at end of period	**(15,726)**	(15,726)
	₱322,122	₱330,552

Restructuring on equity and revaluation increment on land

In 2002, RHI undertook the Reorganization Program. As part of the Reorganization Program, the sugar milling and refinery business in Nasugbu, Batangas was spun-off to CADPI. The assets and liabilities, excluding the land in Nasugbu, were transferred by RHI as capital contribution to CADPI. Such properties transferred include revaluation increment on depreciable property, plant and equipment amounting to ₱150.6 million. Thus, the carrying value of the net assets transferred to CADPI, including the revaluation increment, was deemed as the historical cost of such assets for CADPI.

On December 1, 2002, RHI exchanged its shareholdings in CADPI, CADPI Consultancy Services, Inc. (CCSI) and CADPI Farm Services, Inc. (CFSI) for ₱1.3 billion of common shares of CADP Group Corporation (CADPGC) with a par value of ₱1 a share for ₱2.0 billion, the cost of investments of RHI immediately before transfer. CADPGC recognized a premium of ₱596.8 million and share in revaluation increment in property of subsidiary amounting to ₱150.6 million. Consequently, RHI's equity interest in CADPGC increased and CADPI, CCSI and CFSI became wholly owned subsidiaries of CADPGC. CCSI and CFSI were subsequently merged with CADPI, as the surviving entity, in 2014.

On July 1, 2004, CADPGC's Negros sugar milling business was spun-off, which was the last phase of the Reorganization Program. The said spin-off, as approved by the SEC on February 10, 2004, involved the transfer of CADPGC's net assets aggregating to ₱1.4 billion in exchange for CACI's 200 million common shares at ₱1 per share. The basis of valuation of the CACI shares received by CADPGC was the carrying value of the transferred net assets, which included the land at appraised values.

CADPGC and Roxas & Company, Inc. have undertaken a merger effective June 29, 2009, with CADPGC, as the surviving entity. On the same date, the SEC approved the change in corporate name of CADPGC to Roxas and Company, Inc. The transaction was accounted for under pooling of interest and as such, comparative balances were presented as if the combining entities have always been combined. As a result, the investment of Roxas & Company, Inc. in CADPGC amounting to ₱119.0 million in 2008 prior to the merger was accounted for as treasury stock and revaluation increment on land of CADPGC increased to ₱280.0 million from ₱150.6 million. Further, the excess between the consideration received and equity acquired arising from the merger was recognized by the combined entities as a component of equity under "Other equity reserve," which amounted to ₱4.0 billion in 2009.

In fiscal year ended June 30, 2011, the Group opted to transfer the debit balance in the "Other equity reserve" arising from the merger between CADPGC and Roxas & Company, Inc. as discussed in the preceding paragraph, to deficit. Management believes that such transfer of the debit balance in the "Other equity reserve" arising from the merger will result to a more useful and relevant financial statements. The transfer of the debit balance in the "Other equity reserve," consequently, resulted to retained earnings as at June 30, 2011. In January 2011, the SEC had concurred with the adjustments made by the Parent Company (see Note 13).

d. Retained Earnings

Details of retained earnings follow:

	June 30, 2017	December 31, 2016
Appropriated/Restricted		
Balance at beginning of period	**₱2,081,251**	₱2,081,369
Reversal for treasury stock	**(3,780)**	(118)
Balance at end of period	**₱2,077,471**	₱2,081,251
Unappropriated		
Balance at beginning of period	**₱1,644,013**	₱1,733,882
Net loss	**(18,818)**	(89,987)
Cash dividends	**–**	–
Appropriation for treasury stock	**3,780**	118
Balance at end of period	**1,628,975**	1,644,013
	₱3,706,446	₱3,725,264

Restricted and/or Appropriated Retained Earnings
Retained earnings that are not available for dividend declaration are as follows:

	June 30, 2017	December 31, 2016
Appropriation for treasury stock	**₱1,590,851**	₱1,594,631
Net unrealized fair value gains on investment properties included in the retained earnings	**283,545**	283,545
Application of revaluation increment against deficit	**203,075**	203,075
	₱2,077,471	₱2,081,251

On October 14, 1999, the SEC approved the Parent Company's quasi-reorganization, which involved the elimination of deficit amounting to ₱203.1 million as at July 31, 1999 by offsetting the entire amount against the revaluation increment on land.

For purposes of dividend declaration, the retained earnings of the Parent Company should be restricted to the extent of the deficit wiped out by the appraisal increment and the gain on changes in fair value on investment properties that was closed to retained earnings, net of the debit balance of "Other equity reserves" (see Note 13).

On November 13, 2014, the Parent Company appropriated a portion of its retained earnings amounting to ₱1,683.6 million for the cost of treasury shares acquired.

Dividend Declaration
Cash dividends declared by the Parent Company against the unappropriated retained earnings are as follows:

	Dividend		Stockholders of	
Date Approved	Per Share	Total Amount	Record Date	Payment Date
December 18, 2015	₱0.01	₱19,734	January 15, 2016	February 5, 2016
December 12, 2014	0.02	38,430	January 15, 2015	January 30, 2015
December 13, 2013	0.02	38,430	January 6, 2014	January 30, 2014

Dividends payable amounted to ₱1.2 million as at June 30, 2017 and December 31, 2016 (see Note 16).

e. Share Prices

The principal market for the Parent Company's share of stock is the PSE. The high and low trading prices of the Parent Company's share for each quarter within the last three periods are as follows:

Quarter	High	Low
January through December 2017		
First	₱2.37	₱2.00
Second	2.40	1.85
October 2016 through December 2016	2.34	2.20
October 2015 through September 2016		
First	3.20	2.85
Second	2.88	2.78
Third	3.60	2.60
Fourth	2.53	2.31
October 2014 through September 2015		
First	2.80	2.80
Second	2.95	2.57
Third	2.89	1.70
Fourth	2.80	1.57

19. **Related Party Transactions and Balances**

The transactions and related balances of the Group with other related parties are as follows:

Related Party	Nature of Transaction	Period	Transactions during the Period*	Trade and Other Receivables (see Note 8)	Amount Due to Related Parties (see Note 16)
Associates					
FDC	Interest-bearing advances	**June 30, 2017**	**₱–**	**₱40,362**	**₱2,388**
		December 31, 2016	–	40,362	2,388
	Interest-bearing advances	**June 30, 2017**	**–**	**–**	**10,822**
		December 31, 2016	–	–	10,822
FLC	Dividends receivable	**June 30, 2017**	**–**	**4,624**	**–**
		December 31, 2016	–	4,624	–
RADC	Noninterest-bearing advances	**June 30, 2017**	**–**	**–**	**10,966**
		December 31, 2016	–	–	10,966
CACI	Interest-bearing advances	**June 30, 2017**	**(3,600)**	**–**	**–**
		December 31, 2016	(3,600)	–	3,944
Joint Ventures					
JVPI	Noninterest-bearing advances	**June 30, 2017**	**–**	**1,021**	**119**
		December 31, 2016	–	1,021	119
Marilo Realty Development Corporation	Noninterest-bearing advances	**June 30, 2017**	**520**	**784**	**337**
		December 31, 2016	94	1,272	305
LPC	Defrayment of cost and expenses for restructuring	**June 30, 2017**	**354**	**3,112**	**10,413**
		December 31, 2016	2,948	3,112	23,573
Others	Noninterest-bearing advances	**June 30, 2017**	**148**	**36,685**	**1,930**
		December 31, 2016	–	15,007	11,079
		June 30, 2017		**₱86,588**	**₱36,975**
		December 31, 2016		₱65,398	₱63,196

**Amounts represent transactions for the six months ended June 30, 2017 and December 31, 2016.*

a. In the normal course of business, the Parent Company extends/avails of advances to/from its related parties, with no definite repayment terms. The advances to and from related parties are noninterest-bearing, except for the 10% interest-bearing advances to FDC.

b. In 2004, RLC and LPC by way of a Deed of Assignment of Rights, assigned to Punta Fuego Holdings Corporation (PFHC) the rights and privileges to their 105 and 245 club shares in CPFI, respectively. In consideration of the assignment of rights and privileges, PFHC pays RLC and LPC an amount equivalent to 85% of the net income earned from the club shares to be remitted on or before May 5 of each year beginning 2005. The respective shares of RLC and LPC were computed in proportion to the number of club shares they have each assigned. In 2005, PFHC and FDC merged with FDC, as the surviving entity. As a result, FDC assumed the said liability of PFHC to RLC. RLC did not recognize assignment fee in 2017 and 2016.

   Outstanding balances at year end are unsecured and settlement normally occurs in cash, unless otherwise indicated above. No guarantees have been provided or received for these balances. Advances to and from related parties are noninterest-bearing and have no fixed repayment terms unless otherwise indicated above. Impairment review is undertaken each reporting date. As at June 30, 2017 and December 31, 2016, allowance for impairment loss amounting to ₱3.1 million pertains to due from LPC.

c. Compensation of key management personnel is as follows:

	June 30, 2017	June 30, 2016
Salaries and short-term benefits	**₱21,462**	₱8,090
Retirement benefits	**2,253**	627
	₱23,715	₱4,783

Directors' Remuneration
The Parent Company settled director's remuneration through issuance of treasury shares for the regular board meetings held as follows:

Date of Meeting	Number of shares	Market Value per Share	Amount
May 19, 2016	67,266	2.28	153,366
August 12, 2016	56,305	2.21	124,434
December 16, 2016	68,184	2.19	149,323
April 06, 2017	75,000	2.02	151,375
May 12, 2017	62,190	2.01	125,002

The expense recognized on the foregoing amounted to ₱0.3 million and ₱0.2 million for the six months ended June 30, 2017 and 2016, respectively, presented as part of "Salaries and employee benefits" account in the unaudited interim consolidated statements of comprehensive income.

20. **Operating Expenses**

Operating expenses consist of:

	June 30, 2017	June 30, 2016
General and administrative expenses	**₱145,558**	₱74,566
Selling expenses	**31,620**	15,424
	₱177,178	₱89,990

General and administrative expenses from consist of:

	June 30, 2017	June 30, 2016
Salaries, wages and other employee benefits (Notes 17 and 21)	**₱85,169**	₱34,961
Outside services	**15,811**	8,819
Communication, light and water	**14,329**	1,276
Depreciation and amortization (Note 12)	**6,090**	2,523
Taxes and licenses	**5,435**	11,128
Rent	**2,426**	1,395
Travel and transportation	**2,379**	2,669
Representation and entertainment	**1,878**	2,314
Materials and consumables	**1,402**	738
Repairs and maintenance	**940**	714
Insurance	**487**	142
Others	**9,212**	7,887
	₱145,558	₱74,566

Others include professional fees, training and development and other miscellaneous charges.

Selling Expenses
This account mainly pertains to marketing, commission on real estate sales and advertising and promotion expenses.

21. **Personnel Costs**

The components of employee benefits from continuing operations presented under "General and administrative expenses" account (see Note 20) in the consolidated statements of income are as follows:

	June 30, 2017	June 30, 2016
Salaries and wages	**₱70,600**	₱29,411
Allowances and other employee benefits	**10,807**	2,667
Retirement benefits (Note 17)	**3,762**	2,884
	₱85,169	₱34,962

22. **Other Income**

Other income consists of:

	June 30, 2017	June 30, 2016
Interment income	**₱320**	₱127
Others	**15,886**	9,096
	₱16,206	₱9,223

23. **Income Taxes**

a. Provision for (benefit from) income taxes comprise the following:

	June 30, 2017	June 30, 2016
Current	**₱1,742**	(₱83)
Deferred	**5,204**	–
	₱6,946	(₱83)

b. The components of the recognized deferred tax assets and liabilities represent the tax effects of the following temporary differences:

	June 30, 2017		December 31, 2016	
	Net Deferred Income Tax Asset [(1)]	**Net Deferred Income Tax Liabilities [(1)]**	Net Deferred Income Tax Asset [(1)]	Net Deferred Income Tax Liabilities [(1)]
Deferred tax assets on:				
NOLCO	**₱16,844**	**₱14,009**	₱17,736	₱11,439
Customers' deposit	**11,103**	–	11,995	–
Allowance for:				
Impairment losses of receivables	**8,418**	–	8,418	–
Impairment losses on investments in associates	**1,384**	–	1,384	–
Retirement liability	**2,893**	–	5,846	–
Excess MCIT	**1,308**	**161**	1,308	161
Various accruals	–	–	465	–
	41,950	**14,170**	47,152	11,600
Deferred tax liabilities on:				
Taxable temporary difference arising from use of installment method of revenue recognition for tax reporting	**(14,290)**	–	(14,290)	–
Appraisal increase of land	–	**(20,444)**	–	(20,444)

(Forward)

	June 30, 2017		December 31, 2016	
	Net Deferred Income Tax Asset [(1)]	**Net Deferred Income Tax Liabilities [(1)]**	Net Deferred Income Tax Asset [(1)]	Net Deferred Income Tax Liabilities [(1)]
Prepaid commissions	**₱(153)**	**₱–**	₱(153)	₱–
Borrowing costs	**(32)**	**–**	(32)	–
Net unrealized foreign exchange gain	**(6)**	**(1)**	(6)	(1)
	(14,481)	**(20,445)**	(14,481)	(20,445)
Net deferred tax assets (liabilities)	**₱27,469**	**(₱6,275)**	₱32,671	(₱8,845)

[(1)] *Pertained to RCI, RLC and AHRC.*

24. **Earnings (Loss) Per Share**

Basic/diluted earnings (loss) per share are computed as follows:

	June 30, 2017	June 30, 2016
Net loss attributable to the equity holders of the Parent Company:	**(₱18,818)**	(₱6,164)
Weighted average number of shares issued and outstanding:		
Issued and outstanding ordinary shares	**1,975,979,298**	1,973,674,632
Basic/diluted loss per share:	**(₱0.01)**	(₱0.00)

There are no potential dilutive common shares as at June 30, 2017 and 2016.

25. **Contingencies and Commitments**

<u>Contingencies</u>

Land Properties Subjected to the CARL

The CARL provides, among others, the redistribution of all private and agricultural lands regardless of tenurial arrangements and commodity produced, subject to certain terms and conditions.

Prior to the effectivity of the CARL, the Parent Company was the registered owner of around 2,900 hectares of land located in Nasugbu, Batangas. In 1993, the Department of Agrarian Reform (DAR) issued Notices of Coverage, and subsequently, Certificates of Land Ownership Awards (CLOA) covering 2,676 hectares of the Parent Company's three *haciendas*, namely: Palico, Banilad and Carmen/Caylaway.

Sometime in 1993, the Parent Company filed a case questioning the DAR's acquisition proceedings and asking for the cancellation of the CLOA. On December 17, 1999, the Supreme Court promulgated its Decision in GR No. 127876 nullifying the DAR acquisition proceedings over the three haciendas. The High Tribunal ruled that the Parent Company's right to due process was violated by the DAR. However, the Supreme Court did not nullify the CLOA that were issued by the DAR despite its declaration that the acquisition proceedings were null and void.

In May 2000, the Parent Company filed with the DAR an application for the exemption with the CARL of its three haciendas in Nasugbu, Batangas. The application for exemption was based on Presidential Proclamation (PP) No. 1520, which declared the entire municipality of Nasugbu, Batangas as a Tourist Zone. The Parent Company likewise filed applications for exemption for certain smaller land areas based on the 1982 Zoning Ordinance of Nasugbu, Batangas.

In December 2009, the Supreme Court ruled that the PP No. 1520 did not automatically reclassify the agricultural land in Nasugbu, Batangas to non-agricultural land. However, the Supreme Court noted that the Parent Company "can only look to the provisions of the Tourism Act and not to the PP No. 1520, for possible exemption."
On February 8, 2011, the Supreme Court denied the Parent Company's Second MR and affirmed with finality its December 2009 decision.

Consequently, in April 2010, the Parent Company filed with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) an application to declare 14 specific geographical areas within the landholdings of the Parent Company as tourism zones. To date, this application has remained unacted upon by the TIEZA.

In September 2011, the Supreme Court affirmed the exemption of the 21.1236-hectare property from the coverage of the Comprehensive Agrarian Reform Program (CARP).

In October 2012, the Parent Company disclosed that the DAR published the Notice of Coverage (NOC) on several RCI properties aggregating 2,514.76 hectares. The Parent Company filed a protest in the office of the DAR against the wrongful coverage (failure to observe the proper rules before publishing the said Notice of Coverage and the applicable law (Republic Act - RA No. 6657 vs. RA No. 9700). On June 17, 2014, the DAR issued a revised NOC covering RCI properties aggregating 2,300.60 hectares.

On October 16, 2013, the DAR ordered the denial of the Protest. On December 9, 2013, the Parent Company filed a Motion for Reconsideration (MR) with the DAR. On April 15, 2014, the DAR denied the MR of the Parent Company. On June 27, 2014, the Parent Company filed a Petition for Certiorari to the Court of Appeals (CA). As at the date of the report, the petition is still pending before the CA.

On May 7, 2016, the DAR denied the application for exemption filed by the Parent Company for the 285.9 hectares of land located in Nasugbu, Batangas. On June 27, 2016, the Parent Company filed an MR and is now pending resolution by the DAR.

The Parent Company shall account for any legal and financial liabilities arising from the land properties subject to the CARL upon the resolution of ownership by the Court.

In total, there are about 222 hectares of land that were declared by the courts or the DAR as exempt from the coverage of the CARL, including the 21 hectare property declared exempt by the Supreme Court in its Decision dated September 5, 2011 in GRN 169331.

On May 14, 2013, the BOD approved to authorize management to begin negotiations with the DAR for possible voluntary offer to sell (VOS) of 76 hectares in Hacienda Palico and 26 hectares in Hacienda Caylaway. However, the said negotiations have not yet commenced as the possible VOS is merely an option that the Company will consider after exhausting all means possible. The intention by management of whether to push through with the VOS is dependent on the outcome of the applications for exemption, exclusion or conversion of land covered by the CARP/CARL.

On December 13, 2013, the BOD of the Parent Company approved management's request for reconfirmation of management's plan to explore the government's VOS program using 76 hectares in Hacienda Palico and 26 hectares in Hacienda Caylaway under certain conditions. This supersedes all previous proposals relating to the government's VOS program. As at the date of the report, there is no agreement yet with the DAR on the properties approved for possible VOS.

In the opinion of management and legal counsel, there are no other pending labor or other legal cases and claims in the ordinary course of business that will have a material effect on the financial position and performance of the Group, except for the disputed claims for which the Group did not recognize a provision for losses for the six months ended June 30, 2017 and 2016.

Joint Operations
On December 2, 2009, RLC entered into a joint arrangement with VJPI for the development of Anya Resorts and Residences in Tagaytay, Cavite. RLC agreed to contribute the business and conceptual development plan, land development costs and management expertise and manpower for the full and effective implementation of the development plan. In addition, RLC also advanced ₱10.0 million to VJPI as an indication of its commitment to the project. In return for their respective contributions, the parties agreed to distribute and allocate between them the developed saleable lots and villas.

As at June 30, 2017 and December 31, 2016, the Project is fully sold. Outstanding balance due from VJPI amounted to ₱1.0 as at June 30, 2017 and December 31, 2016 is included as part of due from related parties and presented in the consolidated statements of financial position (see Note 19).

Lease-back Guarantee
During the year ended September 30, 2014, RLC entered into a lease-back guarantee with buyers of Anya Resort Suites. The said buyers will be entitled to a guaranteed lease along with the usage allowance for the first five years, equivalent to a 37% of the purchase price, inclusive of fixtures, furniture and equipment and VAT. The hotel operator will be A1HRC, wholly owned subsidiary of the RLC.

Lease Commitments
The Parent Company has an existing lease agreement for a portion of its investment property with a third party for a period of three cropyears until December 20, 2016. Rent income recognized amounted to nil and ₱0.2 million for the six months ended June 30, 2017 and 2016, respectively (see Note 13).

Future minimum lease receivable for less than one year amounted to nil and ₱0.9 million as at June 30, 2017 and December 31, 2016 respectively. Future minimum lease receivable after one year but not more than five years amounted to nil as at June 30, 2017 and 2016.

Unused Credit Lines
As at June 30, 2017 and December 31, 2016, the Group has unused lines of credit with local banks amounting to ₱817.3 million and ₱978.4 million, respectively (see Notes 14 and 15).

26. **Financial Instruments**

Risk Management, Objectives and Polices
The principal financial instruments comprise of cash in banks and cash equivalents, receivables and payables, which arise directly from its operations, and short and long-term borrowings. The Group has other financial instruments such as restricted cash and dividends payable.

The main risks arising from the financial instruments are liquidity risk, interest rate risk and credit risk. Risk management is carried out by senior management under the guidance and direction of the BOD of the Parent Company.

Liquidity risk
Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations.

The Group's objective is to maintain sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Group aims to maintain flexibility in funding by keeping track of daily cash flows and maintaining committed credit lines available (see Notes 14 and 15).

Credit risk
Credit risk is the risk that the Group will incur financial loss through default by counterparties in performing their obligations.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base and their dispersion across different geographic areas. It has policies in place to ensure that sales of goods are made to customers with an appropriate credit history. There is no concentration of credit risk with respect to receivables relating to real estate sales.

Credit risks for contract receivables is mitigated as the Group has the right to cancel the sales contract without risk for any court action and can take possession of the subject property in case of refusal by the buyer to pay on time the contracts receivables due. This risk is further mitigated because of the corresponding title to the party sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a qualitative risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Collaterals and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Credit quality per class of financial assets
The credit quality of receivables is managed by the Group through its Marketing Department.

High grade accounts are those receivables from counterparties with whom collections are made without much collection effort. Standard grade accounts consist of receivables from its distributors with good financial condition and with relatively low defaults. Substandard grade accounts on the other hand, are receivables from other counterparties with history of defaulted payments.

Impairment assessment
The main consideration for impairment assessment includes whether there are known difficulties in the cash flow of the counterparties. The Group assesses impairment in two ways: individually and collectively.

First, the Group determines allowance for each significant receivable on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable and other accounts of defaulted counterparties.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect their collectability.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

The Group has interest-bearing loans which bear floating interest rate and expose the Group to interest rate risk.

The quantitative disclosures on risks associated with the Group's financial instruments and the related risk management processes and procedures are disclosed in the annual consolidated financial statements as at and for the year ended December 31, 2016.

Capital Management
The primary objective of the capital management is to ensure that it maintains strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The dividend declaration is dependent on availability of retained earnings and operating requirements. The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the six months ended June 30, 2017 and 2016.

Management considers the total consolidated equity reflected in the consolidated balance sheets as its capital. The Group monitors its use of capital using leverage ratios, specifically, DSCR and debt-to-equity ratio. It also monitors its DSCR to ensure that there would be sufficient amount of cash flow available to meet annual interest and principal payments on debt.

The Group is required to maintain a maximum debt-to-equity ratio of 2.33:1 and minimum DSCR of 1.25:1 by its creditor banks. The Group has the following debt-to-equity ratio:

	June 2017	December 2016
Total liabilities	**₱4,410,065**	₱3,878,812
Total equity	**7,328,183**	7,381,887
Total liabilities and equity	**₱11,738,248**	₱11,260,699
Debt-to-equity ratio	**0.60:1.0**	0.53:1.0

On December 8, 2016, the Parent Company obtained a letter from BPI approving the suspension of the DSCR requirement until end of 2017.

27. **Fair Value Measurement**

The Group has assets and liabilities that are measured at fair value on a recurring and no-recurring basis in the consolidated statements of financial position after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized in the consolidated statements of financial position at the end of each reporting period. These include AFS financial assets. Non-recurring fair value measurements are those that another PFRS requires or permits to be recognized in the consolidated statements of financial position in particular circumstance. These include investment properties and land under property and equipment at revalued amount.

The Group's management determines the policies and procedures for both recurring and non-recurring fair value measurement.

External valuers are involved for valuation of significant assets which are investment properties and land under property and equipment. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussion with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash in banks and short-term placements, receivables, short-term borrowings, current portion of long-term borrowings, accounts payable and accrued expenses, dividends payable and due to related parties
The carrying amounts of these instruments approximate their fair values due to their short-term maturities.

Long-term borrowings
Fair values of long-term borrowings as at June 30, 2017 and December 31, 2016 were determined based on Level 2 in which the inputs are based on the discounted interest rate of the prevailing comparable instrument in the market.

The Group has no financial instruments carried at fair value in the consolidated financial statements as at June 30, 2017 and December 31, 2016.

Investment Properties
The valuation technique used for the investment properties and land under property and equipment is Sales Comparison Approach which is a process to value based on sales of similar or substitute properties and related market data and establishes a value estimated by processes involving comparison.

There are no transfers to Level 1 and Level 2 fair value measurement.

28. **Segment Reporting**

The Group's identified operating segments, which are consistent with the segments reported to the BOD, are as follows:

a. Real Estate
RLC is the real estate arm of the Group. RLC acquires, develops, improves, subdivides, leases and sells agricultural, industrial, commercial, residential and other real properties. The Group, through RLC, has subsidiaries, namely: AHC, SMMSI, RVHC, AHRC and A1HRC.

b. Hotel
RVHC is incorporated primarily to build and own a minimum of five "GoHotels" (the Projects) in Metro Manila and in selected provincial destinations over the next two to three years. GoHotel Manila Airport Road, North EDSA, Cubao, and Malate started its commercial operations in October 2016, January 2017, April 2017, and June 2017; respectively. RVHC offers 24/7 hotel services to all customers of its budget hotel brand "GoHotels". The first five hotels are located in Manila Airport Road, North EDSA, Cubao, Malate, and Timog -Quezon City.

c. Others
Other segments of the Group include the Parent Company, which owns various tracts of lands in Nasugbu, Batangas and RGEC, an entity established primarily for renewable energy and RSAI, an entity established primarily for the manufacture of coconut products and UVC, a leasing company.

The Group has only one geographical segment as all of its assets are located in the Philippines. The Group operates and derives principally all of its revenue from domestic operations. Thus, geographical business information is not required.

The Parent Company's BOD regularly reviews the operating results of the business units to make decisions on resource allocation and assess performance. Segment revenue and segment expenses are measured in accordance with PFRS. The presentation and classification of segment revenues and segment expenses are consistent with the consolidated statements of income.

Financing costs (including interest expense) and income taxes are managed on a per company basis and are not allocated to operating segments. Further, the measurement of the segments is the same as those described in the summary of significant accounting and financial reporting policies.

a. Segment revenue and expenses
The Group's main revenue stream comes from the real estate. The real estate segment's customers are mainly direct.

b. Segment assets and liabilities
Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, real estate for sale and development, prepaid expenses and property and equipment, net of related accumulated depreciation. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals and customers' deposits. Segments assets and liabilities do not include deferred income taxes.

c. Inter-segment transfers
Segment revenue, expenses and results include transfers between business segments. Such transfers are accounted for at competitive market prices charged to unrelated customers or by suppliers for similar goods or services.

The following tables present information about the Group's operating segments:

	June 30, 2017 (Unaudited)				
	Real Estate	**Hotel**	**Others**	**Eliminations**	**Consolidated Balances**
Sale	**₱175,044**	**₱59,899**	**₱–**	**₱–**	**₱234,943**
Cost of services	**(108,051)**	**(46,126)**	**–**	**–**	**(154,177)**
Interest income	**4,883**	**–**	**113**	**–**	**4,996**
Interest expense	**(8,376)**	**(19,443)**	**(12,528)**	**–**	**(40,347)**
Others	**(58,061)**	**(55,983)**	**(46,928)**	**–**	**(160,972)**
Loss before income tax	**5,439**	**(61,653)**	**(59,343)**	**–**	**(115,557)**
Income tax expense	**(6,814)**	**(132)**	**–**	**–**	**(6,946)**
Segment Loss	**(1,375)**	**(61,785)**	**(59,343)**	**–**	**(122,503)**
Equity in net earnings of associates and a joint venture	**(581)**	**–**	**–**	**73,005**	**72,424**
Consolidated Net Loss	**(₱1,956)**	**(₱61,785)**	**(₱59,343)**	**₱73,005**	**(₱50,079)**
Assets and Liabilities					
Current assets	**₱1,312,105**	**₱288,192**	**₱479,153**	**(₱521,196)**	**₱1,558,254**
Noncurrent assets	**627,977**	**2,675,134**	**7,241,813**	**(364,930)**	**10,179,994**
Total Assets	**1,940,082**	**2,963,326**	**7,720,966**	**(886,126)**	**11,738,248**
Current liabilities	**743,349**	**691,438**	**753,367**	**(506,224)**	**1,681,930**
Noncurrent liabilities	**519,437**	**2,171,833**	**45,119**	**(8,254)**	**2,728,135**
Total Liabilities	**₱1,262,786**	**₱ 2,863,271**	**₱798,486**	**(₱514,478)**	**₱4,410,065**

	June 30, 2016 (Unaudited)				
	Real Estate	Hotel	Others	Eliminations	Consolidated Balances
Sale	₱73,036	₱–	₱11,840	(₱13,768)	₱71,108
Costs of services	(44,998)	–	–	–	(44,998)
Interest income	5,063	–	880	–	5,943
Interest expense	(5,770)	–	(9,505)	–	(15,275)
Others	(62,979)	–	(31,556)	13,768	(80,767)
Loss before income tax	(35,648)	–	(28,341)	–	(63,989)
Income tax benefit	83	–	–	–	83
Segment Loss	(35,565)	–	(28,341)	–	(63,906)
Equity in net earnings (loss) of associates & a JV	(4,575)	–	–	58,863	54,288
Consolidated Net Income (Loss)	(₱40,140)	–	(₱28,341)	₱58,863	(₱9,618)
Assets and Liabilities					
Current assets	₱1,776,052	–	₱555,176	(₱549,086)	₱1,782,142
Noncurrent assets	1,891,227	–	7,085,547	(374,138)	8,602,636
Total Assets	3,667,279	–	7,640,723	(923,224)	10,384,778
Current liabilities	1,836,383	–	1,144,137	(548,940)	2,431,580
Noncurrent liabilities	457,622	–	77,071	–	534,693
Total Liabilities	₱2,294,005	₱–	₱1,221,208	(₱548,940)	₱2,966,273

29. The Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income, or Cash Flows that are Unusual Because of their Nature, Size or Incidence

Other than those disclosed in the notes to the unaudited interim consolidated financial statements, there are no assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidents.

30. The Nature and Amount of Changes in Estimates of Amounts Reported in Prior Interim Period of the Current Year or Changes in Estimates of Amounts Reported in Prior Years, if those Changes Have a Material Effect in the Current Interim Period

There are no significant changes in estimates reported in prior interim periods of the current year or changes in estimates reported in prior years, which are considered to have material effect on the unaudited interim consolidated financial statement

Roxas & Company, Inc.

ANNEX "B"

MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

Second Quarter Ending June 30, 2017 and 2016

MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

INTERIM RESULTS – 2ND QUARTER CY 2017

On May 14, 2015, Roxas Green Energy Corporation (RGEC), a wholly owned subsidiary of RCI, was incorporated to venture in solar power generation. RGEC is in the process of developing a 50 megawatt (MW) solar power plant within the properties owned by RCI in Nasugbu, Batangas. RGEC and RCI executed a 25-year lease agreement covering the land where the power plant will be constructed. The first phase for 30MW is under development and expected to be operational by 2018.

On October 8, 2015, RCI entered into a Shareholders Agreement with Sigma Xynergies Corporation (SXC), a Filipino owned company, to invest in Roxas Sigma Agriventures, Inc. (RSAI) (formerly Sigma Coco Xynergies, Inc.), a company duly registered and incorporated with the Securities and Exchange Commission (SEC), for the purpose of constructing a 300 tons-per-day coconut processing facility in Tupi, South Cotabato to produce coconut milk, coconut cream, virgin coconut oil and coconut water concentrate primarily for export. On April 8, 2016, RCI acquired 2,150,000 shares of stocks of RSAI at ₱100 par value for ₱215.0 million representing 81% equity to become a subsidiary of the Group. The plant will be operational by3rd quarter of 2017.

On April 13, 2016, Roxaco Land Corporation (RLC) made an additional investment of ₱61.0 million in Roxaco Vanguard Hotel Corporation (RVHC) to increase its equity interest from 50% to 51% to become a subsidiary of the Group. In May and September 2016, RLC made an additional ₱51.0 million and ₱41.0 million, respectively, investment in RVHC to increase its total investment to ₱368.0 million. As of June 30, 2017, four (4) Go hotels sites located in Manila Airport Road, North EDSA, Cubao and Ermita were operational. The fifth site in Timog will be opened by 3rd quarter of 2017.

Results of Operation

Consolidated sales as of the second quarter of the calendar year amounted to ₱234.9 million or 230% higher than last year's ₱71.1 million due to higher real estate sales and additional revenue contributions from its 4 newly opened Go Hotels.

Gross profit as of the second quarter amounted to ₱80.8 million or an increase of P54.65 million compared to last year due to higher revenues. The Gross profit rate was at 34% of sales or slightly lower than last year's 37% due to discounts granted to real estate cash buyers.

Operating expenses of ₱177.2 million was 97% higher than last year's ₱90.0 million due to pre-opening and operating expenses of P82.0 million on new businesses (Anya Hotel & Resorts in Tagaytay, Coconut processing plant in Tupi, South Cotabato and Go Hotels).

Equity in net earnings of ₱72.4 million represents mainly the 25% share in the net income of RHI and RLC's associates.

Financing cost of ₱40.3 million was 164% higher than last year's ₱15.3 million due to increase in bank debts to fund investment projects.

Other income amounting to ₱16.2 million represents sale of furniture and fixtures in Anya Tagaytay, realty fees and forfeited reservation deposits.

Consolidated net loss for the six months period ended June 30, 2017 was ₱50.1 million, an increase of 421% from last year's ₱9.6 million. The increase in losses was mainly due to higher operating expenses, interest and taxes, despite higher equity earnings from associates.

Financial Position

Consolidated total assets amounting to ₱11,738.2 million as at June 30, 2017 is 4.2% or ₱477.5 million higher than ₱11,260.7 million as at December 31, 2016 due to the increase in the development of RVHC's Go Hotels, RSAI's coconut processing plant, and Roxaco's Phase 2 of Anya Tagaytay Resort and Residences.

Current ratio improved from 0.74:1 as at December 31, 2016 to 0.93:1 as at June 30, 2017 due to the conversion of the short term debts to term loans of both RSAI and RVHC totalling ₱960 million.

Debt to equity (D/E) ratio increased from 0.53:1 to 0.60:1 for the same period but within the allowable 0.75:1 DE ratio required by banks for term loans.

Book value per share is at ₱3.71 as at June 30, 2017.

Trade and other receivables of ₱607.2 million declined by 10% from December 31, 2016 balance of ₱673.1 million due to decrease in advances to contractors on development projects.

Total liabilities increased by 14% from ₱3,878.8 million to ₱4,410.1 million due to the increase in bank loans to fund the property group's various investment projects.

Total equity amounting to ₱7,328.2 million as at June 30, 2017 decreased by ₱53.7 Million from December 31, 2016 due to the net loss incurred for the period and after reissuance of 2.2 million treasury shares.

Other than the matters discussed above, there are no:

- Known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's material liquidity problem;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations;
- Significant elements of income or loss that arose from continuing operations; and
- Seasonal aspects that had a material effect on the financial condition or results of operations.

Top Five Performance Indicators

The Group's financial performance is determined to a large extent by the following key results:

1. *Realized gross profit (RGP) on sale of developed real estate (lots only).* This is recognized in full when the collection of the total contract price reached 10%. At this stage, it is reasonably assured that the risks and benefits over the developed assets have been transferred to the lot buyer.

2. *Number of lots sold*. The lot sold and the terms of the sale will determine when income would be recognized and how much is the potential income to the Group.

3. *Hotel occupancy and average daily room rate (ADR)*. The number represents the average rental income per paid occupied room in a given time period. ADR along with the property's occupancy are the foundations for the property's financial performance.

4. *Earnings before interest, taxes and depreciation (EBITDA)* - This is the measure of cash income from operations.

5. *Return on Equity* - denotes the capability of the Group to generate returns for the shareholders.

The table below presents the top five performance indicators of the Group:

Performance Indicator	**For the Period Ended June 30, 2017 (Six Months)**	**December 31, 2016 (Three Months)**	**September 30, 2016 (One Year)**
Realized gross profit on real estate sales	₱67.0 million	₱5.9 million	₱67.9 million
Number of lots sold / reserved	194 units residential/ 68 memorial	4 units residential/ 14 memorial	35 units residential/ 86 memorial
Hotel occupancy and average daily room rate	38% / ₱1,609	-	-
EBITDA	₱26.0 million	(₱96.9 million)	(₱54.5 million)
Return on equity	(0.68%)	(1.31%)	(1.04%)

<u>Key Variable and Other Qualitative and Quantitative Factors</u>

1. The Group is not aware of any known trends, events or uncertainties that will result in or that are reasonably likely to result in any material cash flow or liquidity problem.
2. The Group is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
3. The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
4. Description of material commitments for real estate and development.
   For CY 2017, RLC has programmed about ₱500.3M for various project developments costs of which include the Anya Tagaytay Resort and Residences Phase 2; Hacienda Palico, Nasugbu housing development; Sananda Bay Project, Busuanga and Landing Townhomes and Shophouses, Nasugbu.
5. The Group is not aware of any known trend, events or uncertainties that will have material

impact on sales.

6. Other than matters previously discussed, the Group is not aware of causes for any material changes from period to period in the financial statements.

Plan of Operations

To establish the property operation's continued growth and to ensure its viability, management intends to push through with the following plans and projects:

- Completion of land development of Hacienda Palico residential project in Nasugbu,Batangas by 4th quarter of 2017.

- Complete the development of phase two of Anya Resort and Residences Tagaytay and commence hotel operations by July 2017.

- Start development of Anya Resort and Residences phase three by 1st quarter of 2018.

- Complete construction of the 5th Go Hotel site (Timog) by 3rd quarter of 2017.

- Complete the development of the 30MW Solar Power Project in Nasugbu, Batangas by 2018.

- Complete construction of RSAI's coconut processing facility in Tupi, South Cotabato and commence commercial operations by 3rd quarter of 2017

ROXAS AND COMPANY, INC AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS

	June 30, 2017	June 30, 2016	December 31, 2016
1. LIQUIDITY RATIO			
Current Ratio	0.93 : 1.00	0.91 : 1.00	0.74 : 1.00
2. SOLVENCY RATIO			
Debt to Equity ratio	0.60 : 1.00	0.25 : 1.00	0.53 : 1.00
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3. Asset to Equity Ratio	1.60	1.25	1.53
4. PROFITABILITY RATIOS			
Return on Assets	-0.43%	-0.09%	-0.86%
Return on Equity	-0.68%	-0.13%	-1.31%
Book Value per share	3.71	3.60	3.74

ROXAS AND COMPANY, INC AND SUBSIDIARIES
AGING OF RECEIVABLES
As of June 30, 2017

				Past due			
IN P'000	**Total**	**Not yet due**	**Current**	**30 days**	**60 days**	**90 days**	**Over 90 days**
TRADE RECEIVABLES							
Management	6,992	-	1,750	-	-	-	5,242
Real Estate Installment Buyers	-	-	-	-	-	-	-
Palm Estates	10,924	10,306	62	55	31	19	451
Punta Fuego	1,768	1,755	13	-	-	-	-
Role Subdivision	1,154	533	5	5	5	5	603
Landing Townhomes	67,090	53,124	832	4,724	2,808	233	5,369
Anya Resort & Residences	105,623	19,329	85,809	84	-	-	400
Orchards at Balayan	15,253	14,924	329	-	-	-	-
San Antonio Memorial Gardens	2,624	1,941	67	84	72	88	372
Palico	2,147	2,102	23	23	-	-	-
Hotel	7,920	-	3,459	2,228	1,044	281	908
TOTAL	221,495	104,013	92,349	7,203	3,959	625	13,346
Less Allowance for doubtful accounts	(5,242)	-	-	-	-	-	(5,242)
Balance	**216,253**	**104,013**	**92,349**	**7,203**	**3,959**	**625**	**8,104**

				Past due			
	Total	**Not yet due**	**Current**	**30 days**	**60 days**	**90 days**	**Over 90 days**
NON TRADE							
Officers and Employees	5,061	782	3,279	384	43	3	570
Suppliers/Contractors	337,043	23,025	289,980	-	-	-	24,037
Related Parties	81,963	20,534	13,663	-	-	-	47,765
Others	7,545	1,668	3,293	2,423	4	100	57
Total	431,613	46,010	310,215	2,807	47	104	72,429
Less : Allowance for doubtful accounts	(40,622)	-	(3,531)	-	-	-	(37,091)
	390,991	**46,010**	**306,684**	**2,807**	**47**	**104**	**35,338**

TOTAL SUMMARY							
Trade	221,495	104,013	92,349	7,203	3,959	625	13,346
Non-Trade	431,613	46,010	310,215	2,807	47	104	72,429
Total	653,108	150,023	402,564	10,010	4,006	729	85,775
Less : allowance for doubtful accounts	(45,864)		(3,531)	-	-	-	(42,333)
	607,244	**150,023**	**399,033**	**10,010**	**4,006**	**729**	**43,443**