

SEC Registration Number

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Company Name

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

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Form Type

SEC Form 17-Q

Department requiring the report

C R M D

Secondary License Type, If Applicable

Not Applicable

COMPANY INFORMATION

Company's Email Address

www.roxascompany.com.ph

Company's Telephone Number/s

(02) 810-8901

Mobile Number

-

No. of Stockholders

3,329

Annual Meeting
Month/Day

Last Wednesday of May

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Atty. Monica Isabelle I. Villanueva

Email Address

miv@roxascompany.com.ph

Telephone Number/s

(632) 751-9537

Mobile Number

-

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 September 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 September 2017	₱4,165,026,000

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

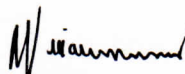
7. Financing through loans:
Outstanding short-term and long-term loans amounting to ₱1,287.3 million and ₱2,877.7 million, respectively, were used for the working capital requirements and real estate, hotel and coconut projects of the group.
8. Offering of rights, granting of Stock Options and corresponding 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: 10 November 2017



Roxas & Company, Inc.

ANNEX “A”

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**Third Quarter Ending September 30, 2017 and
2016**

**ROXAS AND COMPANY, INC.
AND SUBSIDIARIES**

Unaudited Interim Condensed
Consolidated Financial Statements
As of and for the nine months ended
September 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*

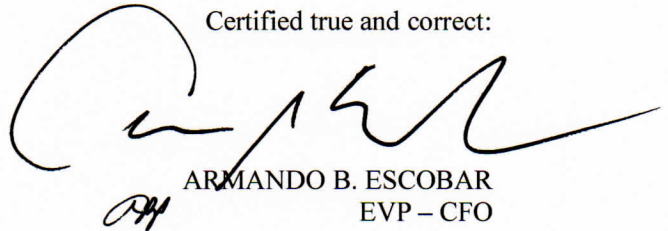
	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	₱241,673	₱63,875
Trade and other receivables (Notes 8 and 19)	529,260	606,526
Real estate for sale and development (Note 9)	605,180	664,948
Other current assets (Note 10)	315,721	235,999
Total Current Assets	1,691,834	1,571,348
Noncurrent Assets		
Receivables - net of current portion (Note 8)	87,366	66,579
Investments in associates and a joint venture and investment in subsidiary (Note 11)	2,301,855	2,233,224
Property and equipment (Note 12)		
At cost model	2,609,776	2,056,752
At revaluation model	551,252	551,240
Investment properties (Note 13)	4,570,834	4,570,834
Deferred income tax assets - net (Note 23)	29,802	32,671
Other noncurrent assets (Note 10)	244,373	178,051
Total Noncurrent Assets	10,395,258	9,689,351
TOTAL ASSETS	₱12,087,092	₱11,260,699
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings (Note 14)	₱1,287,301	₱1,410,226
Current portion of long-term borrowings (Note 15)	67,131	198,390
Trade and other payables (Notes 16 and 19)	597,540	513,697
Total Current Liabilities	1,951,972	2,122,313
Noncurrent Liabilities		
Long-term borrowings - net of current portion (Note 15)	2,810,595	1,728,000
Retirement liability (Note 17)	29,741	19,654
Deferred income tax liabilities - net (Note 23)	6,275	8,845
Total Noncurrent Liabilities	2,846,611	1,756,499
Total Liabilities	4,798,583	3,878,812

(Forward)

	September 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	1,629,036	1,627,911
Treasury stock	(1,590,851)	(1,594,631)
Other equity reserves	322,486	330,552
Retained earnings	3,658,650	3,725,264
	6,931,207	7,000,982
Non-controlling Interests (Note 6)	357,302	380,905
Total Equity	7,288,509	7,381,887
TOTAL LIABILITIES AND EQUITY	₱12,087,092	₱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 NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**

	Three Months		Nine months	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUES				
Real estate	₱56,060	₱82,653	₱231,103	₱145,105
Hotel	55,340	268	115,239	8,923
	111,400	82,921	346,342	154,028
COST OF SALES AND SERVICES				
Cost of real estate sales (Note 9)	(36,331)	(51,082)	(144,382)	(96,080)
Cost of hotel sales and services	(9,711)	–	(55,836)	–
	(46,042)	(51,082)	(200,218)	(96,080)
GROSS INCOME	65,358	31,839	146,124	57,948
OPERATING EXPENSES (Note 20)	(80,271)	(59,564)	(257,449)	(149,554)
OTHER INCOME (CHARGES)				
Equity in net earnings (loss) of associates and a joint venture (Note 11)	(3,793)	2,952	68,631	57,240
Interest expense (Notes 14 and 15)	(21,655)	(9,526)	(62,002)	(24,801)
Interest income (Notes 7, 8, and 19)	2,271	1,077	7,267	7,020
Others - net (Note 22)	(2,660)	4,069	13,547	13,293
	(25,837)	(1,428)	27,443	52,752
LOSS BEFORE INCOME TAX	(40,750)	(29,153)	(83,882)	(38,854)
INCOME TAX BENEFIT (EXPENSE) (Note 23)				
Current	612	(823)	(6,334)	(740)
Deferred	–	14,072	–	14,072
	612	13,249	(6,334)	13,332
NET LOSS	(₱40,138)	(₱15,904)	(₱90,216)	(₱25,522)

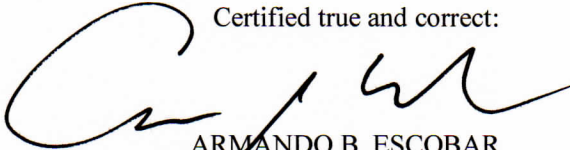
(Forward)

Net Loss attributable to:				
Equity holders of the Parent Company	(P47,797)	(P13,637)	(P66,614)	(P19,801)
Non-controlling interests	7,659	(2,267)	(23,602)	(5,721)
	(P40,138)	(P15,904)	(P90,216)	(P25,522)


BASIC/DILUTED LOSS PER SHARE				
ATTRIBUTABLE TO THE				
EQUITY HOLDERS OF THE				
PARENT COMPANY (Note 24)	(P0.02)	(P0.01)	(P0.03)	(P0.01)

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 THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016


	Three Months		Nine months	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
NET LOSS	(P40,138)	(P15,904)	(P90,216)	(P25,522)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE LOSS	(P40,138)	(P15,904)	(P90,216)	(P25,522)

**Total Comprehensive Loss
attributable to:**

Equity holders of the Parent Company	(P47,797)	(P13,637)	(P66,614)	(P19,801)
Non-controlling interests	7,659	(2,267)	(23,602)	(5,721)
	(P40,138)	(P15,904)	(P90,216)	(P25,522)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

Certified true and correct:

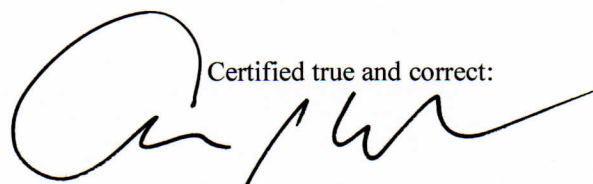

ARMANDO B. ESCOBAR
EVP – CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY***Amounts in Thousands***FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**

	2017 (Unaudited)	2016 (Unaudited)
CAPITAL STOCK (Note 18)	₱2,911,886	₱2,911,886
ADDITIONAL PAID-IN CAPITAL (Note 18)	1,629,036	1,627,905
TREASURY STOCK (Note 18)	(1,590,851)	(1,594,749)
OTHER EQUITY RESERVES (Note 18)	322,486	322,038
RETAINED EARNINGS (Note 18)		
Unappropriated		
Balance at beginning of period	1,644,013	1,753,472
Net loss	(66,614)	(19,801)
Reversal for treasury stock	3,780	114
Balance at end of period	1,581,179	1,733,785
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	6,931,207	7,082,330
NON-CONTROLLING INTERESTS		
Balance at beginning of period	380,904	(6,362)
Share in the acquisition of subsidiaries	-	370,626
Net loss	(23,602)	(5,721)
Balance at end of period	357,302	358,543
	₱7,288,509	₱7,440,873

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

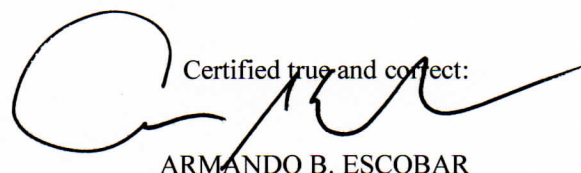
Certified true and correct:


ARMANDO B. ESCOBAR
EVP – CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

	2017 (Unaudited)	2016 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax:	(P83,882)	(P38,854)
Adjustments for:		
Equity in net loss of associates & a joint venture (Note 11)	(68,631)	(57,240)
Interest expense (Notes 14 and 15)	62,002	24,801
Provision for impairment losses on receivables (Note 20)	-	7,428
Interest income (Notes 7, 8 and 19)	(7,267)	(7,020)
Depreciation and amortization (Notes 12 and 20)	21,794	3,773
Operating loss before working capital changes	(75,984)	(67,112)
Decrease (increase) in:		
Trade and other receivables	56,479	(109,357)
Real estate for sale and development	59,768	(77,545)
Other current assets	(79,722)	(77,563)
Increase (decrease) in trade and other payables	69,731	102,948
Increase in retirement liability	10,086	6,376
Net cash from (used for) operations	40,358	(222,253)
Interest received	7,267	7,020
Income taxes paid including creditable withholding taxes	-	(13,736)
Net cash provided by (used in) operating activities	47,625	(228,969)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in:		
Property and equipment (Note 12)	(574,818)	(659,742)
Other noncurrent assets	(66,321)	65,439
Net cash used in investing activities	(641,139)	(594,303)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments (payments) of short-term borrowings (Note 14)	(122,927)	276,868
Payment of interest including capitalized borrowing costs	(62,002)	(24,801)
Payment of dividends (Note 18)	-	(19,617)
Proceeds from (payment of) long-term borrowings (Note 15)	951,335	578,502
Proceeds from issuances of treasury shares (Note 18)	4,906	-
Net cash provided by financing activities	771,312	810,952
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	177,798	(12,320)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	63,875	116,435
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	P241,673	P104,115

See accompanying Notes to Interim Condensed Consolidated Financial Statements.


 Certified true and correct:
ARMANDO B. ESCOBAR
 EVP – CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except When Otherwise Indicated)

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 September 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 diluted from 31% to 25%, as a result of the exercise of Stock Rights Option (SRO) by other stockholders of RHI. It was further diluted into 23% in July 2017 as a result of the converted debt securities into 125 million common shares of RHI (see Note 11).

As at September 30, 2017, the Parent Company has 23% 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.

Change in Accounting Period

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

Changes in Accounting Policies

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 September 30, 2017 and December 31, 2016:

	Percentage of Ownership		Description of Business
	2017	2016	
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 (AIHRC)	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 (RGECE)	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 P101.0 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 September 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.

On September 25, 2017, RCI made an additional capital contribution of ₱21.5 million for 215,000 shares of stocks to maintain equity ownership at 81%.

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 September 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:

	September 30, 2017	December 31, 2016
Cash on hand	₱1,818	₱393
Cash in banks	239,808	59,540
Cash equivalents	47	3,942
	₱241,673	₱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 ₱0.07 million and ₱1.68 million for the nine months ended September 30, 2017 and 2016, respectively.

8. Trade and Other Receivables

This account consists of:

	September 30, 2017	December 31, 2016
Trade	₱180,538	₱264,995
Advances to:		
Contractors	320,902	334,563
Supplier	9,388	12,742
Due from:		
Related parties (Note 19)	134,629	60,774
Employees	3,884	6,234
Dividends (Note 19)	4,624	4,624
Others	8,525	35,037
	₱662,490	718,969
Allowance for impairment losses	(45,864)	(45,864)
	₱616,626	₱673,105

Breakdown as to current and noncurrent portion follows:

	September 30, 2017	December 31, 2016
Current	₱529,260	₱606,526
Noncurrent	87,366	66,579
	₱616,626	₱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:

	September 30, 2017	December 31, 2016
Current	₱74,807	₱186,163
Noncurrent	87,366	66,579
	₱162,173	₱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:

	September 30, 2017	December 31, 2016
Raw land and land improvements	₱236,488	₱236,488
Real estate properties for sale	368,692	428,460
	₱605,180	₱664,948

Cost of real estate sales amounted to ₱144.4 million and ₱96.1 million for the nine months ended September 30, 2017 and 2016, respectively.

Borrowing costs incurred to finance the development of the Group's real estate projects amounting to ₱1.8 million and ₱10.4 million in the nine months ended September 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 September 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:

	September 30, 2017	December 31, 2016
Input VAT	₱178,935	₱149,697
Creditable withholding taxes - net	71,804	55,755
Inventories	35,798	–
AFS financial assets - net of allowance for impairment loss	7,534	7,534
Prepaid expenses	8,197	15,990
Others	13,453	7,023
	₱315,721	₱235,999

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

As at September 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 nine months ended September 30, 2017 and 2016.

Prepaid expenses pertain to prepaid rent, insurance and taxes.

Other noncurrent assets account consists of:

	September 30, 2017	December 31, 2016
Input VAT	₱222,107	₱161,799
Franchise fee	13,616	11,542
Utility deposits	8,650	4,710
	₱244,373	₱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 nine months ended September 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:

	September 2017 (Nine months)	December 2016 (Three Months)
Associates		
Acquisition cost:		
Balance at beginning of period	P2,167,054	P2,167,054
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	P105,533	P132,065
Equity in net earnings (loss)	68,631	(26,532)
Balance at end of period	174,164	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
	2,317,088	2,248,457
Allowance for impairment loss	(15,233)	(15,233)
	P2,301,855	P2,233,224

The following are the associates of the Group:

	Percentage of Ownership		Description of Business
	September 30, 2017	December 31, 2016	
RHI and subsidiaries	23.00	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		Description of Business
	September 30, 2017	December 31, 2016	
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		Description of Business
	September 30, 2017	December 31, 2016	
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:

	September 30, 2017	December 31, 2016
Associates		
RHI and subsidiaries	₱2,172,481	₱2,100,423
FLC	87,543	91,729
CPFI	18,501	17,709
FDC	14,903	14,935
RADC	8,427	8,428
	₱2,301,855	₱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 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. It was further diluted into 23% in July 2017 as a result of the converted debt securities into 125 million common shares of RHI.

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 September 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 September 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.

GoHotel Manila Airport Road, North EDSA, Cubao, Malate, and Timog started its commercial operations in October 2016, February 2017, April 2017, June 2017, and October 2017, respectively.

The accumulated equity in net earnings of associates and a joint venture amounting to ₱174.2 million and ₱105.5 million as at September 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:

	September 30, 2017 (Nine months)					Total
	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	
Cost						
Balance at beginning of period	₱164,078	₱234,509	₱13,170	₱1,053,048	₱630,728	₱2,095,533
Additions	2,559	5,879	3,204	75,259	487,917	574,818
Reclassifications	1,118,645	–	–	–	(1,118,645)	–
Balance at end of period	1,285,282	240,388	16,374	1,128,307	–	2,670,351
Accumulated Depreciation and Amortization						
Balance at beginning of period	14,076	–	9,239	15,466	–	38,781
Depreciation and amortization	11,556	102	963	9,173	–	21,794
Balance at end of period	25,632	102	10,202	24,639	–	60,575
Net Book Value	₱1,259,650	₱240,286	₱6,172	₱1,103,668	₱–	₱2,609,776

	December 31, 2016 (Three Months)					Total
	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	
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, 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 September 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:

	September 30, 2017	December 31, 2016
At appraised values:		
Balance at beginning of year	₱551,240	₱527,361
Appraisal increase	12	23,879
Balance at end of year	₱551,252	₱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 September 30, 2017 and December 31, 2016 (see Note 15).

In 2017, the Group's review indicated that the estimated useful lives of building should be at 40 years, effective beginning January 1, 2017. This is based on management's reassessment of the period over which the Group will benefit from the use of these assets. Estimated impact during the current period decrease in depreciation expense by P6 million.

13. Investment Properties

Movements on investment properties are as follows:

	September 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 September 30, 2017 and December 31, 2016 (see Note 25).

As at September 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 September 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 amounting to ₱1.3 billion. These short-term borrowings are payable within 30 to 180 days for the nine months ended September 30, 2017 and December 31, 2016 and bear annual interest ranging from 3.25% to 4.50% for the nine months ended September 30, 2017 and 2016.

15. Long-term Borrowings

Long-term borrowings consist of loans from:

	September 30, 2017	December 31, 2016
Bank of the Philippine Islands (BPI)	₱1,655,500	₱1,355,000
United Coconut Planters Bank (UCPB)	500,000	–
Banco de Oro Unibank, Inc. (BDO)	392,226	571,390
Robinsons Bank Corporation	330,000	–
	2,877,726	1,926,390
Current portion	(67,131)	(198,390)
Noncurrent portion	₱2,810,595	₱1,728,000

	September 30, 2017	December 31, 2016
Parent	₱67,500	₱90,000
RLC	507,226	531,390
RVHC	1,803,000	1,305,000
RSAI	500,000	–
	₱2,877,726	₱1,926,390

Loan of the Parent Company

The bank loan is classified as follows:

	September 30, 2017	December 31, 2016
Current portion	₱30,000	₱30,000
Noncurrent portion	37,500	60,000
	₱67,500	₱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 September 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	₱7,226	₱31,390
Noncurrent portion	500,000	500,000
	₱507,226	₱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 September 30, 2017 and December 31, 2016 (see Note 9).

On September 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 September 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:

	September 30, 2017	December 31, 2016
Current portion	₱29,905	₱137,000
Noncurrent portion	1,773,095	1,168,000
	₱1,803,000	₱1,305,000

As at September 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 September 30, 2017 and December 31, 2016; respectively (see Note 12).

In September 2017, RVHC obtained a new term loan facility from Robinsons Bank Corporation amounting to ₱330.0 million. The loan bears fixed interest of 3.75% for the first two years and indicative interest of 6% for the succeeding years. Principal amount is payable quarterly after the two-year grace period for eight years until 2027.

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 September 30, 2017 (see Note 12).

Interest Expense

Total interest expense recognized from short-term and long-term loans amounted to ₱62.0 million and ₱24.8 million for the nine months ended September 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:

	September 30, 2017	December 31, 2016
Less than one year	₱81,226	₱198,390
Between one and two years	299,905	107,000
Between two and five years	2,306,119	1,621,000
Over five years	190,476	–
	₱2,877,726	₱1,926,390

16. Trade and Other Payables

This account consists of:

	September 30, 2017	December 31, 2016
Trade	₱74,954	₱180,281
Retention payable	129,263	83,154
Accrued expenses:		
Outside services	23,044	72,615
Interest	19,141	6,053
Payroll and other benefits	9,393	4,588
Others	111,375	13,930
Due to related parties (Note 19)	42,301	63,196
Payables to contractors	37,868	8,630
Customers' deposits	26,141	30,959
Payables to government agencies for taxes and statutory contributions	18,153	21,793
Deferred income	7,023	10,242
Dividends (Note 18)	1,202	1,202
Others	97,682	17,054
	₱597,540	₱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 September 30, 2017 and December 31, 2016.

Retirement Liability

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

	September 30, 2017	December 31, 2016
Present value of obligation	₱40,484	₱30,397
Fair value of plan assets	(10,743)	(10,743)
Retirement liability	₱29,741	₱19,654

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

	September 30, 2017	December 31, 2016
Balance at beginning of period	₱30,397	₱28,766
Current service cost	10,087	1,435
Interest cost	–	196
Actuarial gain	–	–
Balance at end of period	₱40,484	₱30,397

Movements in the fair value of plan assets as at September 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 September 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 September 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:

	September 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 September 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 September 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

	September 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 beginning 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
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:

	September 30, 2017	December 31, 2016
Revaluation Increment on Land		
Balance at end of year	₱272,025	₱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)
	₱322,486	₱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 September 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 September 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:

	September 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	(66,614)	(89,987)
Cash dividends	-	-
Appropriation for treasury stock	3,780	118
Balance at end of period	1,581,179	1,644,013
	₱3,658,650	₱3,725,264

Restricted and/or Appropriated Retained Earnings

Retained earnings that are not available for dividend declaration are as follows:

	September 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:

Date Approved	Dividend		Stockholders of	
	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 September 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
Third	2.34	1.92
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	September 30, 2017	₱–	₱40,362	₱2,388
		December 31, 2016	–	40,362	2,388
	Interest-bearing advances	September 30, 2017	–	–	10,822
		December 31, 2016	–	–	10,822
FLC	Dividends receivable	September 30, 2017	–	4,624	–
		December 31, 2016	–	4,624	–
RADC	Noninterest-bearing advances	September 30, 2017	–	–	10,966
		December 31, 2016	–	–	10,966
CACI	Interest-bearing advances	September 30, 2017	(3,600)	–	–
		December 31, 2016	(3,600)	–	3,944
Joint Ventures					
JVPI	Noninterest-bearing advances	September 30, 2017	–	1,021	119
		December 31, 2016	–	1,021	119
Marilo Realty Development Corporation	Noninterest-bearing advances	September 30, 2017	520	784	337
		December 31, 2016	94	1,272	305
LPC	Defrayment of cost and expenses for restructuring	September 30, 2017	354	3,112	10,413
		December 31, 2016	2,948	3,112	23,573
Others	Noninterest-bearing advances	September 30, 2017	148	89,350	7,256
		December 31, 2016	–	15,007	11,079
		September 30, 2017		₱139,253	₱42,301
		December 31, 2016		₱65,398	₱63,196

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

- 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.
- 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 September 30, 2017 and December 31, 2016, allowance for impairment loss amounting to ₱3.1 million pertains to due from LPC.

- Compensation of key management personnel is as follows:

	September 30, 2017	September 30, 2016
Salaries and short-term benefits	₱31,474	₱20,932
Retirement benefits	2,814	1,867
	₱34,288	₱22,799

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 nine months ended September 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:

	September 30, 2017	September 30, 2016
General and administrative expenses	₱210,907	₱127,203
Selling expenses	46,542	22,351
	₱257,449	₱149,554

General and administrative expenses from consist of:

	September 30, 2017	September 30, 2016
Salaries, wages and other employee benefits (Notes 17 and 21)	₱111,301	54,112
Communication, light and water	18,060	2,805
Outside services	16,684	9,784
Taxes and licenses	13,062	10,840
Depreciation and amortization (Note 12)	7,313	3,773
Materials and consumables	4,699	934
Travel and transportation	4,299	4,309
Rent	3,319	2,385
Representation and entertainment	2,487	2,410
Insurance	1,985	178
Repairs and maintenance	1,489	1,050
Provision for impairment losses on receivables	-	7,428
Others	26,209	27,195
	₱210,907	₱127,203

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:

	September 30, 2017	September 30, 2016
Salaries and wages	P89,985	P40,098
Allowances and other employee benefits	16,257	8,686
Retirement benefits (Note 17)	5,059	5,328
	P111,301	P54,112

22. Other Income

Other income consists of:

	September 30, 2017	September 30, 2016
Rent income	P896	P893
Interment income	104	439
Others	12,547	11,961
	P13,547	P13,293

23. Income Taxes

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

	September 30, 2017	September 30, 2016
Current	P6,334	P740
Deferred	–	(14,072)
	P6,334	(P13,332)

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

	September 30, 2017		December 31, 2016	
	Net Deferred Income Tax Assets ⁽¹⁾	Net Deferred Income Tax Liabilities ⁽¹⁾	Net Deferred Income Tax Assets ⁽¹⁾	Net Deferred Income Tax Liabilities ⁽¹⁾
Deferred tax assets on:				
NOLCO	P16,844	P14,009	P17,736	P11,439
Customers' deposit	13,436	–	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	–
	44,283	14,170	47,152	11,600

(Forward)

	September 30, 2017		December 31, 2016	
	Net Deferred Income Tax Assets ⁽¹⁾	Net Deferred Income Tax Liabilities ⁽¹⁾	Net Deferred Income Tax Assets ⁽¹⁾	Net Deferred Income Tax Liabilities ⁽¹⁾
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)
Prepaid commissions	(P153)	P–	P(153)	P–
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)	P29,802	(P6,275)	P32,671	(P8,845)

⁽¹⁾ Pertained to RCI, RLC and AHRC.

24. Earnings (Loss) Per Share

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

	September 30, 2017	September 30, 2016
Net loss attributable to the equity holders of the Parent Company:	(P66,614)	(P19,801)
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:	(P0.03)	(P0.01)

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

25. Contingencies and Commitments

Contingencies

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 nine months ended September 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 September 30, 2017 and December 31, 2016, the Project is fully sold. Outstanding balance due from VJPI amounted to ₱1.0 as at September 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 AIHRC, 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 nine months ended September 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 September 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 September 30, 2017 and 2016.

Unused Credit Lines

As at September 30, 2017 and December 31, 2016, the Group has unused lines of credit with local banks amounting to ₱868.0 million and ₱978.4 million, respectively (see Notes 14 and 15).

26. Financial Instruments

Risk Management, Objectives and Policies

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 nine months ended September 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 3:1 and minimum DSCR of 1:1 by its creditor banks. The Group has the following debt-to-equity ratio:

	September 2017	December 2016
Total liabilities	₱4,798,583	₱3,878,812
Total equity	7,288,509	7,381,887
Total liabilities and equity	₱12,087,092	₱11,260,699
Debt-to-equity ratio	0.66:1.0	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 September 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 September 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, Malate, and Timog started its commercial operations in October 2016, February 2017, April 2017, June 2017, and October 2017; respectively. RVHC offers 24/7 hotel services to all customers of its budget hotel brand "GoHotels".
- 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:

September 30, 2017 (Unaudited)					
	Real Estate	Hotel	Others	Eliminations	Consolidated Balances
Sale	₱231,103	₱115,239	₱-	₱-	₱346,342
Cost of services	(144,382)	(55,836)	-	-	(200,218)
Interest income	7,142	-	125	-	7,267
Interest expense	(13,091)	(32,056)	(16,855)	-	(62,002)
Others	(62,912)	(110,998)	(69,992)	-	(243,902)
Loss before income tax	17,860	(83,651)	(86,722)	-	(152,513)
Income tax expense	(6,110)	(224)	-	-	(6,334)
Segment Loss	11,750	(83,875)	(86,722)	-	(158,847)
Equity in net earnings of associates and a joint venture	(3,427)	-	-	72,058	68,631
Consolidated Net Loss	₱8,323	(₱83,875)	(₱86,722)	₱72,058	(₱90,216)
Assets and Liabilities					
Current assets	₱1,290,656	₱377,122	₱538,130	(₱514,074)	₱1,691,834
Noncurrent assets	656,028	2,814,123	7,312,484	(387,377)	10,395,258
Total Assets	1,946,684	3,191,245	7,850,614	(901,451)	12,087,092
Current liabilities	752,626	799,667	894,257	(494,578)	1,951,972
Noncurrent liabilities	520,484	2,296,179	38,202	(8,254)	2,846,611
Total Liabilities	₱1,273,110	₱3,095,846	₱932,459	(₱502,832)	₱4,798,583

September 30, 2016 (Unaudited)					
	Real Estate	Hotel	Others	Eliminations	Consolidated Balances
Sale	₱145,105	₱8,923	₱-	₱-	₱154,028
Costs of services	(96,080)	-	-	-	(96,080)
Interest income	5,947	67	1,006	-	7,020
Interest expense	(10,128)	(21)	(14,652)	-	(24,801)
Others	(71,484)	(28,882)	37,785	(73,680)	(136,261)
Loss before income tax	(26,640)	(19,913)	24,139	(73,680)	(96,094)
Income tax benefit	10,306	2,394	632	-	13,332
Segment Loss	(16,334)	(17,519)	24,771	(73,680)	(82,762)
Equity in net earnings (loss) of associates & a JV	(8,265)	-	-	65,505	57,240
Consolidated Net Income (Loss)	(₱24,599)	(₱17,519)	₱24,771	(₱8,175)	(₱25,522)
Assets and Liabilities					
Current assets	₱1,716,057	₱-	₱387,164	(₱494,570)	₱1,608,651
Noncurrent assets	2,270,716	-	7,221,914	(403,504)	9,089,126
Total Assets	₱3,986,773	-	₱7,609,078	(₱898,074)	₱10,697,777
Current liabilities	1,089,253	-	1,095,352	(494,305)	1,690,300
Noncurrent liabilities	1,489,833	-	55,914	-	1,545,747
Total Liabilities	₱2,579,086	₱-	₱1,151,266	(₱494,305)	₱3,236,047

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

**Third Quarter Ending September 30, 2017 and
2016**

MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

INTERIM RESULTS – 3RD 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.

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. On September 25, 2017, RCI made an additional capital contribution of ₱21.5 million for 215,000 shares of stocks to maintain equity ownership at 81%. Plant commissioning and testing started on the 3rd 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 September 30, 2017, four (4) Go hotels sites located in Manila Airport Road, North EDSA, Cubao and Ermita were operational. The fifth site in Timog was subsequently opened in October 2017.

On July 17, 2017, RLC's high-end Anya Hotel & Resorts in Tagaytay was opened with 80 suite rooms available.

Results of Operation

Consolidated revenue as of the third quarter of the calendar year amounted to ₱346.3 million, an increase of 125% against last year's ₱154.0 million due to higher real estate sales and additional revenue contributions from 4 Go Hotel sites and Anya Hotel & Resorts.

Gross profit as of the third quarter amounted to ₱146.1 million, higher by P88.2 million than last year due to higher revenues. The Gross profit rate was at 42% or higher than last year's 38% due to higher margins generated by the Hotel operations.

Operating expenses of ₱257.4 million was 72% higher than last year's ₱149.6 million due to pre-opening and operating expenses of P113.7 million incurred by the new businesses (Anya Hotel & Resorts, Coconut processing plant in Tupi, South Cotabato and Go Hotels).

Equity in net earnings of ₱68.6 million represents mainly the 23% share in the net income of RHI and RLC's associates.

Financing cost of ₱62.0 million was 150% higher than last year's ₱24.8 million due to increase in bank debts to fund investment projects.

Other income amounting to ₱13.5 million represents sale of furniture and fixtures in Anya Tagaytay, realty fees and forfeited reservation deposits.

Consolidated net loss for the nine months period ended September 30, 2017 amounted ₱90.2 million or an increase of 253% compared to last year's ₱25.5 million. The increase in losses was mainly due to higher operating expenses, interest and taxes, despite higher revenues and equity earnings from associates.

Financial Position

Consolidated total assets amounting to ₱12,087.1 million as at September 30, 2017 is 7.3% or ₱826.4 million higher than ₱11,260.7 million as at December 31, 2016 due to the increase in the development of Go Hotels, Coconut processing plant and Anya Tagaytay Resort and Residences Phase 2.

Current ratio improved from 0.74:1 as at December 31, 2016 to 0.87:1 as at September 30, 2017 as a result of conversion of the short term debts to term loans of both RSAI and RVHC totalling ₱960 million and increase in inventories and input VAT.

Debt to equity (D/E) ratio increased from 0.53:1 to 0.66:1 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 ₱3.69 as at September 30, 2017.

Trade and other receivables of ₱616.6 million decreased by 8% from December 31, 2016 balance of ₱673.1 million due to decrease in advances to contractors on development projects.

Total liabilities increased by 24% from ₱3,878.8 million to ₱4,798.6 million due to the increase in bank loans to fund the group's investment projects.

Total equity amounting to ₱7,288.5 million as at September 30, 2017 decreased by ₱93.4 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. *Gross profit.* This is recognized in full when the collection of the total contract price reached 10% on real estate sales. At this stage, it is reasonably assured that the risks and benefits over the developed assets have been transferred to the lot buyer. In manufacturing, this is the margin on the revenue net of cost of sales.
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		
	September 30, 2017 (Nine Months)	December 31, 2016 (Three Months)	September 30, 2016 (One Year)
Gross profit	₱86.7 million	₱5.9 million	₱67.9 million
Number of lots sold / reserved	271 units residential/ 76 memorial	4 units residential/ 14 memorial	35 units residential/ 86 memorial
Hotel occupancy and average daily room rate	37% / ₱1,512	-	-
EBITDA	(₱0.1 million)	(₱96.9 million)	(₱54.5 million)
Return on equity	(1.24%)	(1.31%)	(1.04%)

Key Variable and Other Qualitative and Quantitative Factors

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 ₱314.3M 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 end of 2017.
- Start development of Anya Resort and Residences Phase 3 by 3rd quarter of 2018.
- Reorganization of RLC and subsidiaries to improve operation within 2017.
- Full operation of all 5 Go Hotel sites by 4th quarter of 2017.
- Phased development of the 30MW Solar Power Project in Nasugbu, Batangas by 2018.
- Commence commercial operations of RSAI's coconut processing facility in Tupi, South Cotabato by 4th quarter of 2017.

ROXAS AND COMPANY, INC AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS

	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>December 31, 2016</u>
1. LIQUIDITY RATIO			
Current Ratio	0.87 : 1.00	0.95 : 1.00	0.74 : 1.00
2. SOLVENCY RATIO			
Debt to Equity ratio	0.66 : 1.00	0.43 : 1.00	0.53 : 1.00
3. Asset to Equity Ratio	1.66	1.43	1.53
4. PROFITABILITY RATIOS			
Return on Assets	-0.75%	-0.24%	-0.86%
Return on Equity	-1.24%	-0.34%	-1.31%
Book Value per share	3.69	3.78	3.74

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

IN P'000	Total	Not yet due	Current	Past due			
				30 days	60 days	90 days	Over 90 days
TRADE RECEIVABLES							
Management	8,463	-	2,684	537	-	-	5,242
Real Estate Installment Buyers	-	-	-	-	-	-	-
Palm Estates	10,722	10,126	55	57	44	23	418
Punta Fuego	1,756	1,744	12	-	-	-	-
Role Subdivision	1,154	519	5	5	5	5	617
Landing Townhomes	68,148	54,585	848	2,311	1,628	3,166	5,609
Anya Resort & Residences	55,195	4,403	4,382	6,383	10,186	29,441	400
Orchards at Balayan	13,180	7,987	230	2,828	149	99	1,886
San Antonio Memorial Gardens	3,091	2,809	100	69	39	15	59
Palico	8,927	8,603	200	101	23	1	-
Hotel	9,902	-	3,473	2,887	1,637	579	1,326
TOTAL	180,538	90,775	11,988	15,177	13,710	33,329	15,558
Less Allowance for doubtful accounts	(5,242)	-	-	-	-	-	(5,242)
Balance	175,296	90,775	11,988	15,177	13,710	33,329	10,316

NON TRADE	Total	Not yet due	Current	Past due			
				30 days	60 days	90 days	Over 90 days
Officers and Employees	3,884	463	2,064	360	266	15	716
Suppliers/Contractors	330,290	22,324	283,085	-	-	-	24,881
Related Parties	139,252	96,008	4,626	63	34	88	38,432
Others	8,526	1,016	(3,723)	30	31	984	10,188
Total	481,952	119,812	286,052	453	331	1,087	74,217
Less : Allowance for doubtful accounts	(40,622)	-	-	-	-	-	(40,622)
	441,330	119,812	286,052	453	331	1,087	33,595

TOTAL SUMMARY

Trade	180,538	90,775	11,988	15,177	13,710	33,329	15,558
Non-Trade	481,952	119,812	286,052	453	331	1,087	74,217
Total	662,490	210,587	298,040	15,630	14,040	34,416	89,776
Less : allowance for doubtful accounts	(45,864)	-	-	-	-	-	(45,864)
	616,626	210,587	298,040	15,630	14,040	34,416	43,912