SEC Registration Number

P W - 0 0 0 0 0 8 3 4

Company Name

R O X A S A N D C O M P A N Y , I N C . A N D S U B S I
D I A R I E S

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

7 t h F l o o r , C a c h o - G o n z a l e s B u i l d i n
g , 1 0 1 A g u i r r e S t r e e t , L e g a s p i V i
l l a g e , M a k a t i C i t y

Form Type	Department requiring the report	Secondary License Type, If Applicable
SEC Form 17-Q	**C R M D**	**Not Applicable**

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
www.roxascompany.com.ph	**(02) 8810-8901**	**-**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
3,301	**Last Wednesday of May**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Monica Isabelle I. Villanueva	**miv@roxascompany.com.ph**	**(02) 8751-9537**	**-**

Contact Person's Address

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

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

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

1. For the quarterly period ended: **31 March 2020**.

2. SEC Identification Number: **PW- 00000834**.

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

8. **(632) 8810-89-01 to 06**
   Registrant's telephone number, including area code

9. Former name, former address and former fiscal year, if changed since last report
   Not Applicable

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**
Preferred	**1,000,000,000**
No. of shares subscribed & outstanding:	
Common	**2,911,885,870**
Preferred	**500,000,000**
Amount of loans outstanding as of 31 March 2020	**₱3,588,846,043**

Of the 2,911,885,870 subscribed and outstanding common shares, 1,791,542,534 common shares and 500,000,000 preferred 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 [ ]

2,911,885,870 common shares are listed 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	-	Director
CARLOS ANTONIO R. ELIZALDE	-	Director
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:
   On November 13, 2019, the BOD approved and authorized the declaration of dividends to the preferred shareholders for the year 2020 as follows:

Description	1st Tranche	2nd Tranche	3nd Tranche	4th Tranche
Record date	Feb. 6, 2020	May 7, 2020	August 6, 2020	Nov. 6, 2020
Payment date	Feb. 13, 2020	May 13, 2020	August 13, 2020	Nov. 13, 2020
Dividend rate	₱0.02 per share	₱0.02 per share	₱0.02 per share	₱0.02 per share

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 ₱1,191.0 million and ₱2,397.8 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: 26 June 2020

Roxas & Company, Inc.

ANNEX "A"

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

First Quarter Ended March 31, 2020 and 2019

ROXAS AND COMPANY, INC.
AND SUBSIDIARIES

Unaudited Interim Condensed
Consolidated Financial Statements
As of and for the three months ended
March 31, 2020 and 2019

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in Thousands

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS		
Current Assets		
Cash (Note 5)	**₱36,694**	₱75,395
Trade and other receivables (Notes 6 and 19)	**225,657**	284,758
Contract assets - current portion (Note 20)	**52,313**	47,025
Real estate for sale and development (Note 7)	**501,350**	503,892
Inventories (Note 8)	**87,829**	70,541
Other current assets (Note 9)	**250,953**	259,218
Total Current Assets	**1,154,796**	1,240,829
Assets held for sale	**–**	373,679
Noncurrent Assets		
Contract assets - net of current portion (Note 20)	**86,674**	91,854
Investments in associates (Note 10)	**1,974,953**	1,997,069
Property and equipment (Note 11):		
At cost model	**2,613,025**	2,647,407
At revaluation model	**816,394**	816,394
Right-of-use assets (Note 12)	**117,243**	117,243
Investment properties (Note 13)	**6,010,836**	6,010,836
Deferred income tax assets - net (Note 24)	**85,296**	85,296
Other noncurrent assets (Note 9)	**187,776**	183,359
Total Noncurrent Assets	**11,892,197**	11,949,458
TOTAL ASSETS	**₱13,046,993**	₱13,563,966
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings (Note 14)	**₱1,191,000**	₱1,265,634
Trade and other payables (Notes 16 and 19)	**639,410**	605,832
Current portion of long-term borrowings (Note 15)	**429,020**	429,597
Contract liabilities (Note	**171,017**	167,972
Current portion of lease liability (Note 12)	**41,592**	40,136
Total Current Liabilities	**2,472,039**	2,509,171
Liabilities directly associated with the assets held for sale (Note 25)	**–**	231,502
Noncurrent Liabilities		
Long-term borrowings - net of current portion (Note 14)	**1,968,826**	2,039,247
Deferred income tax liabilities - net (Note 24)	**93,395**	94,053
Lease liability (Note 12)	**75,609**	86,582
Retirement liability (Note 17)	**61,212**	60,539
Total Noncurrent Liabilities	**2,199,042**	2,280,421
Total Liabilities	**4,671,081**	5,021,094

(Forward)

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Equity attributable to the Equity Holders of the Parent Company (Note 18)		
Capital stock	**₱3,411,886**	₱3,411,886
Additional paid-in capital	**1,669,751**	1,669,061
Other equity reserves	**597,550**	597,550
Retained earnings	**3,859,949**	4,017,126
Treasury stock	**(1,453,630)**	(1,463,825)
	8,085,506	8,231,798
Non-controlling Interests (Note 4)	**290,406**	311,074
Total Equity	**8,375,912**	8,542,872
TOTAL LIABILITIES AND EQUITY	**₱13,046,993**	₱13,563,966

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 MONTHS ENDED MARCH 31, 2020 AND 2019

	2020 (Unaudited)	2019 (Unaudited)
REVENUES (Note 20)		
Hotel	**₱73,434**	₱103,175
Sale of goods	**18,966**	29,334
Real estate	**4,386**	105,635
	96,786	238,144
COST OF SALES AND SERVICES		
Cost of hotel sales and services (Note 21)	**(55,521)**	(66,531)
Cost of goods sold (Note 21)	**(25,293)**	(39,482)
Cost of real estate sales (Note 7)	**(2,572)**	(19,486)
	(83,386)	(125,499)
GROSS INCOME	**13,400**	112,645
OPERATING EXPENSES (Note 21)	**(98,811)**	(101,845)
OTHER INCOME (CHARGES)		
Equity in net earnings of associates and a joint venture (Note 10)	**(22,116)**	(38,410)
Interest expense (Notes 14 and 15)	**(68,495)**	(79,114)
Interest income (Notes 5 and 6)	**3,023**	3,608
Others - net (Note 23)	**6,081**	8,139
	(81,507)	(105,777)
LOSS BEFORE INCOME TAX	**(166,918)**	(94,977)
INCOME TAX EXPENSE (BENEFIT) (Note 24)		
Current	**545**	687
Deferred	**–**	–
	545	687
NET LOSS	**(₱167,463)**	(₱95,664)
Net Loss attributable to:		
Equity holders of the Parent Company	**(₱146,795)**	(₱79,002)
Non-controlling interests	**(20,668)**	(16,662)
	(₱167,463)	(₱95,664)
BASIC/DILUTED LOSS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY (Note 25)	**(₱0.07)**	(₱0.04)

See accompanying Notes to Unaudited 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 MONTHS ENDED MARCH 31, 2020 AND 2019

	2020 (Unaudited)	2019 (Unaudited)
NET LOSS	**(₱167,463)**	(₱95,664)
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS	**(₱167,463)**	(₱95,664)
Total Comprehensive Loss attributable to:		
Equity holders of the Parent Company	**(₱146,795)**	(₱79,002)
Non-controlling interests	**(20,668)**	(16,662)
	(₱167,463)	(₱95,664)

See accompanying Notes to Unaudited 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 THREE MONTHS ENDED MARCH 31, 2020 AND 2019

	2020 (Unaudited)	2019 (Audited)
CAPITAL STOCK (Note 18)	**₱3,411,886**	₱3,411,886
ADDITIONAL PAID-IN CAPITAL (Note 18)	**1,669,751**	1,656,516
TREASURY STOCK (Note 18)	**(1,453,630)**	(1,538,171)
OTHER EQUITY RESERVES (Note 18)	**597,550**	477,904
RETAINED EARNINGS (Note 18)		
Unappropriated		
Balance at beginning of period	**2,066,681**	1,785,885
Net loss	**(146,795)**	(79,002)
Cash dividends	**(10,382)**	–
Reversal for treasury stock	**10,195**	5,629
Balance at end of period	**1,919,699**	1,712,512
Appropriated		
Balance at beginning of period	**1,950,445**	2,029,877
Adjustment (reversal) for treasury stock	**(10,195)**	(5,629)
Balance at end of period	**1,940,250**	2,024,248
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**8,085,506**	7,744,895
NON-CONTROLLING INTERESTS		
Balance at beginning of period	**311,074**	330,914
Net loss	**(20,668)**	(16,662)
Balance at end of period	**290,406**	314,252
	₱8,375,912	₱8,059,147

See accompanying Notes to Unaudited 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 THREE MONTHS ENDED MARCH 31, 2020 AND 2019

	2019 (Unaudited)	2018 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax:	**(₱166,918)**	(₱94,977)
Adjustments for:		
Equity in net loss of associates (Note 10)	**22,116**	38,410
Interest expense (Notes 14 and 15)	**68,495**	79,114
Interest income (Notes 5, 6 and 19)	**(3,023)**	(3,608)
Depreciation and amortization (Notes 11 and 21)	**29,827**	29,315
Increase in retirement liability	**673**	831
Operating income (loss) before working capital changes	**(48,830)**	49,085
Decrease (increase) in:		
Trade and other receivables	**59,101**	(88,737)
Inventories	**(17,288)**	(3,965)
Real estate for sale and development	**2,542**	16,647
Other current assets	**8,265**	(20,493)
Other noncurrent assets	**(4,417)**	10,377
Increase in trade and other payables	**178,033**	31,087
Net cash generated from (used in) operations	**177,406**	(5,999)
Interest received	**3,023**	3,608
Income taxes paid including creditable withholding taxes	**(545)**	(713)
Net cash generated from (used in) operating activities	**179,884**	(3,104)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease in property and equipment (Note 11)	**4,555**	48,940
Net cash provided by investing activities	**4,555**	48,940
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments (payment) of short-term borrowings (Note 15)	**(74,634)**	(180,237)
Payment of interest (Note 15)	**(68,495)**	(79,114)
Net availments (payments) of long-term borrowings (Note 15)	**(70,998)**	127,333
Payment of dividends (Note 18)	**(10,381)**	–
Lease liability	**(9,517)**	–
Proceeds from issuances of treasury shares (Note 18)	**10,885**	5,629
Net cash used in financing activities	**(223,140)**	(126,390)
NET DECREASE IN CASH FOR THE PERIOD	**(38,701)**	(80,554)
CASH AT BEGINNING OF THE PERIOD	**75,395**	215,888
CASH AT END OF THE PERIOD	**₱36,694**	₱135,334

See accompanying Notes to Unaudited 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 or RCI), formerly CADP Group Corporation (CADPGC), was organized in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on October 7, 1918.

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.

On September 24, 2018, the SEC approved the extension of the corporate term of RCI by another 50 years and the corresponding amendments in the Articles of Incorporation.

RCI is the holding company for a group of companies with interests in (i) the real estate, hotels and resorts development and management business thru its wholly-owned subsidiary, Roxaco Land Corporation (RLC), (ii) sugar milling and ethanol manufacturing businesses of Roxas Holdings, Inc (RHI) , (iii) coconut processing and exports thru its subsidiary, Roxas Sigma Agriventures, Inc. (RSAI) and (iv) renewable energy development. RCI is owned by various individual shareholders and domestic corporations, namely: SPCI Holdings, Inc. and Pesan Holdings, Inc., among others. As at March 31, 2020 and 2019; RCI has 3,301 and 3,310 shareholders, respectively.

The principal and registered office of RCI is located at 7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City.

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

The unaudited interim 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 consolidated 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, 2019.

3. Summary of Changes in Accounting Policies

<u>Changes in Accounting Policies</u>
The accounting policies adopted are consistent with those of the previous financial periods. The adoption of the following 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, unless otherwise indicated. Additional disclosures have been included in the notes to unaudited interim consolidated financial statements, as applicable.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  These amendments will apply on future business combinations of the Company.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, *Definition of Material*

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgments.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

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 March 31, 2020 and December 31, 2019:

	Percentage of Ownership		Noncontrolling Interests		
	2020	2019	**2020**	2019	Description of Business
RLC*	**100.00**	100.00	**–**	–	Real estate
Roxaco-Asia Hospitality Corporation (RAHC)**	**51.00**	51.00	**49.00**	49.00	Hotel and leisure
SAMG Memorial Management & Services Inc. (SMMSI)	**100.00**	100.00	**–**	–	Funeral and related services
Roxas Green Energy Corporation (RGEC)	**100.00**	100.00	**–**	–	Generation and distribution of energy
Roxas Sigma Agriventures, Inc. (RSAI)	**88.81**	88.81	**11.19**	11.19	Coconut processing
United Ventures Corporation (UVC)***	**100.00**	100.00	**–**	–	Warehouse leasing

** On April 16, 2018, its BOD and stockholders authorized the Company to merge with Anya Hotels and Resorts Corporation (AHRC), with RLC as the surviving entity. On December 6, 2018, the Philippines SEC approved the merger of RLC and AHRC.*
On July 23, 2018, the Company's BOD and stockholders authorized RLC to merge with Anya Hospitality Corporation (AHC), with RLC as the surviving entity. On February 18, 2019, the Philippine SEC approved the merger of AHC into RLC with RLC being the surviving corporation.
*** On May 21, 2018, its BOD approved to change its corporate name from Roxaco-Vanguard Hotels Corporation (RVHC) to Roxaco-Asia Hospitality Corporation (RAHC) and amended the Articles of Incorporation. The Philippine SEC approved the amendment on October 19, 2018.*

**** The application for dissolution is still pending with the SEC and BIR as at March 31, 2020.*

5. Cash

This account consists of:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Cash on hand	**₱3,700**	₱2,316
Cash in banks	**32,994**	73,079
	₱36,694	₱75,395

Cash in banks earn interest at the respective bank deposit rates.

Total interest income earned from cash in banks amounted to ₱0.70 million and ₱0.23 million for the three months ended March 31, 2020 and 2019, respectively.

6. Trade and Other Receivables

This account consists of:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Trade	**₱139,742**	₱179,745
Due from:		
Related parties (Note 18)	**87,105**	89,129
Employees	**9,567**	7,403
Contractors and suppliers	**–**	12,595
Others	**3,853**	10,496
	240,267	299,368
Allowance for impairment losses	**(14,610)**	(14,610)
	₱225,657	₱284,758

Trade receivables represent the following:

a. 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 amounting to ₱35.1 million as of both March 31, 2020 and December 31, 2019.

b. Outstanding individual, corporate and travel agency accounts earned from the hotel operation amounting to ₱25.9 million and ₱26.0 million as of as of March 31, 2020 and December 31, 2019, respectively, which generally have a 30-day term.

c. Sales arising from the premium coconut products amounting to ₱6.9 million and ₱4.2 million as of March 31, 2020 and December 31, 2019, respectively.

d. Fees earned from hotel management amounting to ₱2.4 million as of both March 31, 2020 and December 31, 2019.

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.

7. Real Estate for Sale and Development

This account consists of:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Real estate properties for sale	**₱314,311**	₱316,853
Raw land and land improvements for development	**187,039**	187,039
	₱501,350	₱503,892

Cost of real estate sales amounted to ₱2.6 million and ₱19.5 million for the three months ended March 31, 2020 and 2019, respectively.

Borrowing costs incurred to finance the development of the Group's real estate projects amounting to nil in the three months ended March 31, 2020 and 2019, respectively, were capitalized using a weighted average rate of 6.75%.

Certain real estate properties for sale and development owned by RLC amounting to ₱196.0 million as at March 31, 2020 and December 31, 2019 are being used as collateral for the loans availed by the Parent Company and RLC (see Note 15).

8. Inventories

Inventories account consists of:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
At cost:		
Finished goods	**₱52,316**	₱42,295
Work in process	**12,322**	–
Packaging materials	**6,605**	7,519
Supplies	**1,744**	1,931
Raw materials	**970**	–
	73,957	51,745
At NRV - finished goods, net of provision for inventory write-down amounting to ₱11.2 million as of March 31, 2020 (₱6.3 million as of December 31, 2019)	**13,872**	18,796
	₱87,829	₱70,541

9. Other Current and Noncurrent Assets

Other current assets account consists of:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Current and deferred input VAT	**₱101,542**	₱114,712
Creditable withholding taxes	**104,611**	102,449
Prepaid expenses	**33,932**	29,990
Refundable deposits	**4,655**	3,926
Others	**6,213**	8,141
	₱250,953	₱259,218

Current input VAT mainly arises from construction of real estate for sale, construction of the hotel and plant buildings and purchases of goods and services for operations. Deferred input VAT pertains to input VAT on outstanding payable on purchase of services.

Prepaid expenses pertain to prepaid rent, insurance and taxes.

Others consist of advance payments for outside services and other expenses which are normally utilized within one year.

Other noncurrent assets account consists of:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Deferred input VAT	**₱177,114**	₱160,856
Franchise fee	**7,461**	7,713
Utility deposits	**3,201**	3,433
Others	**–**	11,357
	₱187,776	₱183,359

Franchise fee pertains to RAHC'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. Amortization expense amounted to ₱0.03 million both three months ended March 31, 2020 and 2019.

Deferred input VAT includes unamortized input VAT from purchases or importation of capital goods, which are depreciable assets for income tax purposes, whose aggregate acquisition in a calendar month exceeds ₱1.0 million and input VAT on unpaid purchase of services.

10. **Investments in Associates**

Movements in investment in associates follow:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Associates		
Acquisition cost:		
Balance at beginning of period	**₱2,167,054**	₱2,167,054
Accumulated equity in net earnings (loss):		
Balance at beginning of period	**(267,025)**	121,180
Equity in net loss	**(22,116)**	(388,205)
Balance at end of period	**(289,141)**	(267,025)
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	**171,303**	₱101,468
Share in appraisal increase in land, net of tax	**–**	89,808
Share in remeasurement loss on retirement liability, net of tax	**–**	(19,973)
Balance at end of period	**171,303**	171,303
	1,990,186	2,012,302
Allowance for impairment loss	**(15,233)**	(15,233)
	₱1,974,953	₱1,997,069

The accumulated equity in net loss of associates amounting to ₱289.1 million and ₱267.0 million as at March 31, 2020 and December 31, 2019, respectively, is not available for dividend distribution to shareholders, unless received as cash dividends from the associates.

11. **Property and Equipment**

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

	March 31, 2020 (Three months, Unaudited)						
	Buildings and Improvements	**Machinery and Equipment**	**Land Improvement**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction in Progress**	**Total**
Cost							
Balance at beginning of period	**₱1,959,544**	**₱588,122**	**₱104,175**	**₱21,127**	**₱260,555**	**₱10,511**	**₱2,944,034**
Additions	–	–	–	–	–	–	
Disposal	**(4,555)**	–	–	–	–	–	**(4,555)**
Balance at end of period	**1,954,989**	**588,122**	**104,175**	**21,127**	**260,555**	**10,511**	**2,939,479**
Accumulated Depreciation and Amortization							
Balance at beginning of period	**129,415**	**27,671**	**3,470**	**15,901**	**120,170**	–	**296,627**
Depreciation and amortization	**11,397**	**3,457**	**838**	**638**	**13,496**	–	**29,827**
Balance at end of period	**140,812**	**31,128**	**4,308**	**16,539**	**133,666**	–	**326,454**
Net Book Value	**₱1,814,177**	**₱556,994**	**₱99,867**	**₱4,588**	**₱126,889**	**₱10,511**	**₱2,613,025**

	December 31, 2019 (Audited)						
	Buildings and Improvements	Machinery and Equipment	Land Improvement	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	Total
Cost							
Balance at beginning of year	₱2,230,551	₱587,438	₱205	₱19,534	₱266,378	₱112,656	₱3,216,762
Additions	9,800	–	–	1,593	22,357	2,648	36,398
Reclassifications	–	684	103,970	–	139	(104,793)	–
Disposals	(169,696)	–	–	–	–	–	(6,209)
Assets held for sale	(274,598)	–	–	–	(28,319)	–	(302,917)
Balance at end of year	1,959,544	588,122	104,175	21,127	260,555	10,511	2,944,034
Accumulated Depreciation and Amortization							
Balance at beginning of year	104,859	14,207	205	13,415	82,513	–	215,199
Depreciation & amortization	44,388	13,464	3,265	2,486	52,560	–	116,163
Reclassifications	–	–	–	–	–	–	–
Disposals	(6,209)	–	–	–	–	–	(6,209)
Assets held for sale	(13,623)	–	–	–	(14,903)	–	(28,526)
Balance at end of year	129,415	27,671	3,470	15,901	120,170	–	296,627
Net Book Value	₱1,830,129	₱560,451	₱100,705	₱5,226	₱140,385	₱10,511	₱2,647,407

During 2019, construction in progress reclassifications pertain to RGEC’s solar power project and RSAI’s ongoing construction of the machinery and equipment in the processing plant and in Tupi, South Cotabato.

In February 2020, RAHC sold its GoHotel Cubao for ₱411 million to reduce debt and improve profitability.

Certain assets were mortgaged and used as collateral to secure the loan obligations of RSAI and RAHC with the local banks as at March 31, 2020 and December 31, 2019 (see Note 15).

12. **Leases**

Group as a lessee

The Group has lease contracts for sales office, herb garden and hotel suites used in its operations. Leases of sales office generally have lease terms between 1 and 3 years, while herb garden and hotel suites generally have lease terms of 5 and 25 years, respectively. The Group’s obligations under its leases are secured by the lessor’s title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of office space for hospitality group with lease terms of 12 months or less and leases of dishwashing machine and house for an expatriate with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group’s business needs. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

13. **Investment Properties**

The Parent Company

This account consists of land properties of the Parent Company located in Nasugbu, Batangas, which are held either to earn rentals and/or for capital appreciation amounting to ₱6,010.1 million as of both March 31, 2020 and December 31, 2019.

The Parent Company's investment properties include land properties that are subjected to CARL with total land area of 2,495 hectares. Unrealized fair value gain recognized on these investment properties amounted to nil for both three months ended March 31, 2020 and 2019.

14. **Short-term Borrowings**

This account represents unsecured short-term loans obtained from various local banks for the Group's working capital requirements amounting to ₱1.2 billion and ₱1.3 billion as of March 31, 2020 and December 31, 2019, respectively, payable within 30 to 180 days. These loans bear an annual interest ranging from 4.50% to 9.75% for the three months ended March 31, 2020 and 2019.

15. **Long-term Borrowings**

Long-term borrowings consist of loans from:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Bank of the Philippine Islands (BPI)	**₱962,582**	₱1,001,997
Robinsons Bank Corporation (RBC)	**759,375**	762,448
United Coconut Planters Bank (UCPB)	**472,222**	501,267
China Bank	**200,000**	200,000
Asia United Bank	**3,667**	3,132
	2,397,846	2,468,844
Current portion	**(429,020)**	(429,597)
Noncurrent portion	**₱1,968,826**	₱2,039,247

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
RAHC	**₱1,391,518**	₱1,410,449
RLC	**529,173**	552,666
RSAI	**475,889**	504,398
Parent	**1,266**	1,331
	₱2,397,846	₱2,468,844

Loan of RLC

The bank loan is classified as follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Current portion	**₱108,335**	₱108,050
Noncurrent portion	**420,838**	444,616
	₱529,173	₱552,666

On June 30, 2016, RLC obtained a new loan from BPI, with RCI as the co-mortgagor, amounting to ₱500.0 million. The loan bears variable interest rate and is repriced every quarter. Principal amount is payable quarterly for five years until 2023 with the first payment payable after two years from the release of the loan. As at March 31, 2020 and December 31, 2019, the loan from BPI is secured by RLC's real estate properties for sale and development amounting to ₱196.0 million and certain properties of the Parent Company (see Note 7).

In September 2019, RLC converted its short-term loan facility with China Bank amounting to ₱200.0 million into a 5-year term loan including a 1 ½ year grace period. The loan bears variable interest rate and repriced quarterly. Principal amount is payable quarterly until 2024.

As at March 31, 2020 and December 31, 2019, RLC loans are secured by real estate mortgages, RCI treasury shares, and pledge over RHI shares of stock owned by the Parent Company as follows:

	2020	2019
Shares of stock of RHI (99.6 million shares)	**₱322,265**	₱322,265
Real estate properties for sale and development of RLC (Note 7)	**196,000**	196,000
Investment properties (Note 12)	**6,838**	6,838
Property, plant and equipment (Note 11)	**797**	797
RCI treasury shares (40.0 million shares)	**80,000**	80,000
	₱605,900	₱605,900

Loans of RAHC

The bank loans are classified as follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Current portion	**₱192,297**	₱207,103
Noncurrent portion	**1,199,221**	1,203,346
	₱1,391,518	₱1,410,449

In September 2016, RAHC converted its short-term loan facility from BPI amounting to ₱628.0 million into term loan facility for GoHotel North EDSA and Cubao. The loan bears variable interest rate for the first two years and fixed interest rate for the succeeding five years until maturity. Principal amount is payable quarterly after the two-year grace period for seven years until 2023.

In February 2020, loan pertaining to GoHotel Cubao was fully paid.

In May 2017, RAHC converted its short-term loan facility from BPI amounting to ₱460.0 million into a term loan for GoHotel Timog. The loan bears variable interest rate for the first two years and fixed interest rate for the succeeding five years until maturity. Principal amount is payable quarterly after the two-year grace period for seven years until 2024.

In September 2017, RAHC entered into a ten-year term loan facility with Robinsons Bank Corporation amounting to ₱330.0 million to take out existing loan with BDO which funded the development of GoHotel Manila Airport Road and for general working capital purposes. The loan bears minimum interest rate of 3.75% for the first two years and indicative interest of 6% for the succeeding years until maturity. Principal amount is payable quarterly after the two-year grace period for eight years until 2027.

On September 25, 2019, the outstanding balance due to BDO was fully paid amounting to ₱385.0 million.

In September 2019, RAHC obtained a ten-year term loan from Robinsons Bank Corporation amounting to ₱450.0 million to take out the BDO loan which funded the development of GoHotel Ermita and for general working capital purposes. Principal amount is payable quarterly after the two-year grace period for eight years until 2029.

The loan facilities are secured by RAHC's properties amounting to ₱2,369.0 million as at both Macrh31, 2020 and December 31, 2019.

Loans of RSAI

The bank loans are classified as follows:

	2020	2019
Current portion	**₱113,832**	₱114,176
Noncurrent portion	**362,057**	390,222
	₱475,889	₱504,398

On June 1, 2017, RSAI converted its short-term loan facility from UCPB amounting to ₱500.0 million into a term loan. 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 ₱913.4 as at both March 31, 2020 and December 31, 2019, respectively (see Note 11).

Interest Expense

Total interest expense recognized from short-term and long-term loans amounted to ₱68.5 million and ₱79.1 million for the three months ended March 31, 2020 and 2019, respectively.

Maturities

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

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Less than one year	**₱429,020**	₱430,649
Between one and two years	**995,138**	756,149
Between two and five years	**965,655**	1,006,160
Over five years	**8,033**	275,886
	₱2,397,846	₱2,468,844

Change in Liabilities Arising from Financing Activities

	Short-term borrowings (Note 13)		Long-term borrowings (Note 14)	
	2020	2019	**2020**	2019
Balance at the beginning of the year	**₱1,265,634**	₱1,311,000	**₱2,468,844**	₱2,726,901
Availments	**–**	229,634	**–**	388,691
Payments and reclassification from short-term to long-term	**(74,634)**	(275,000)	**(70,998)**	(439,509)
Transferred to assets held for sale	**–**	–	**–**	(200,000)
		₱1,265,634		₱2,476,083
Debt transaction cost		–		(7,239)
Balance at the end of the year	**₱1,191,000**	₱1,265,634	**₱2,397,846**	₱2,468,844

There are no non-cash changes in short-term borrowings, long-term borrowings and accrued interests.

16. **Trade and Other Payables**

This account consists of:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Trade	**₱168,663**	₱197,241
Accrued expenses	**121,867**	81,810
Due to related parties (Note 19)	**115,901**	95,255
Retention payable	**73,916**	94,242
Statutory payables	**56,363**	6,740
Payables to contractors	**51,741**	51,741
Outside services	**13,651**	14,714
Interest	**21,148**	6,389
Payroll and other employee benefits	**9,109**	13,781
Dividends (Note 18)	**1,202**	1,202
Others	**5,849**	42,717
	₱639,410	₱605,832

17. **Retirement Benefits**

Retirement Benefits

The amounts recognized as retirement benefits in the consolidated statements of income are as follows:

	2020 (Three months)	2019 (One Year)
Net interest cost	**₱673**	₱9,777
Current service cost	**–**	3,531
	₱673	₱13,308

The cumulative remeasurement gain on retirement liability (shown as part of other equity reserve) recognized as other comprehensive income amounted to ₱16.27 million, net of tax, as of both March 31, 2020 and December 31, 2019.

Retirement Liability

Retirement liability recognized in the consolidated statements of financial position follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Present value of obligation	**₱67,821**	₱67,148
Fair value of plan assets	**(6,609)**	(6,609)
Retirement liability	**₱61,212**	₱60,539

Movements in the defined benefit obligation follow:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Balance at beginning of period	**₱67,148**	₱56,535
Current service cost	**–**	9,777
Interest cost	**673**	4,217
Benefits paid	**–**	(1,810)
Benefits from plan assets		(5,023)
Actuarial (gain) loss on DBO due from:		
Experience adjustments	**–**	(5,351)
Changes in financial assumptions	**–**	8,803
Changes in demographic assumptions	**–**	–
Balance at end of period	**₱67,821**	₱67,148

Movements in the fair value of plan assets for the three months ended March 31, 2020 and year ended December 31, 2019 follow:

	2020	2019
Balance at beginning of the year	**₱6,609**	₱10,278
Interest income	–	686
Benefits from plan assets	–	(5,023)
Return on plan assets, excluding amounts included in interest income	–	668
Balance at end of the year	**₱6,609**	₱6,609

Plan assets of the Group as at March 31, 2020 and December 31, 2019 consist of:

Cash in banks and cash equivalents	20%
Government securities and other assets	80%
	100%

The Group is expected to contribute a total of ₱4.1 million to its respective plans in 2020.

The latest available actuarial valuation of the plan for RLC and the Parent Company is as of February 27, 2020 and December 27, 2018, respectively, which was used for the estimation of the retirement benefits of the respective companies as at both March 31, 2020 and December 31, 2019.

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

	March 31, 2020	December 31, 2019
Discount rate	**4.90% to 7.80%**	4.90% to 7.80%
Future salary increases	**7.00%**	7.00%

The sensitivity analysis based on reasonably possible changes of the assumptions as at both March 31, 2020 and December 31, 2019 are as follows:

		2019
Discount Rate	+100 bps	**(₱4,701)**
	-100 bps	**5,551**
Salary Rate	+100 bps	**5,404**
	-100 bps	**(4,674)**
Turnover Rate	0%	**12,643**
	125%	**(2,019)**
	75%	**2,392**

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. There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses.

The Group does not currently employ any asset-liability matching.

The maturity analysis of the undiscounted payments as of both March 31, 2020 and December 31, 2019 are as follows:

	2019
One year and less	**₱5,298**
More than one year to five years	**63,707**
More than five years to 10 years	**14,782**
More than 10 years to 15 years	**38,583**
More than 15 years to 20 years	**105,503**
More than 20 years	**452,514**

Weighted average duration of the defined benefit liability is 15.5 years and 14.5 years as of both March 31, 2020 and December 31, 2019.

18. **Equity**

a. Capital Stock

	March 31, 2020 (Unaudited)		December 31, 2019 (Audited)	
	Number of Shares	**Amount**	Number of Shares	Amount
"Class A" common stock - ₱1 par value				
Authorized	**3,375,000,000**	**₱3,375,000**	3,375,000,000	₱3,375,000
Issued -				
Balance at begining and end of period	**2,911,885,870**	**2,911,886**	2,911,885,870	2,911,886
Treasury stock:				
Balance at beginning of period	**(861,073,555)**	**(1,463,825)**	(907,798,463)	(1,543,257)
Issuances	**5,996,849**	**10,195**	46,724,908	79,432
Balance at end of period	**(855,076,706)**	**(1,453,630)**	861,073,555	(1,463,825)
Issued and outstanding	**2,056,809,164**	**₱1,458,256**	2,050,812,315	₱1,448,061
Preferred stock - ₱1 par value				
Authorized, 1,000,000,000				
Issued and outstanding	**500,000,000**	**₱500,000**	500,000,000	₱500,000

On November 13, 2018, the Parent Company issued 500.0 million preferred shares (500,000,000 preferred shares offered at par value of 1 per share) with a fixed dividend rate of 8.5%, with a corresponding reduction to additional paid-in capital stock pertaining to transaction costs of ₱5.0 million. The preferred shares are cumulative, non-participating, non-voting, and redeemable at the option of the Parent Company, as determined by the BOD.

The declaration of dividends for preferred shares amounting to ₱20.33 million was approved by the Board of Directors on May 10, 2019 to shareholders of record as of May 28, 2019. Payment was made on May 31, 2019.

On November 13, 2019, the BOD likewise approved and authorized the declaration of dividends to the preferred shareholders for the year 2020 as follows:

Description	1st Tranche	2nd Tranche	3nd Tranche	4th Tranche
Record date	February 6, 2020	May 7, 2020	August 6, 2020	November 6, 2020
Payment date	February 13, 2020	May 13, 2020	August 13, 2020	November 13, 2020
Dividend rate	₱0.02 per share	₱0.02 per share	₱0.02 per share	₱0.02 per share

The Parent Company has paid cash dividends on preferred shares amounting to ₱10.4 million representing dividends for the three months ended March 31, 2020.

The Parent Company has paid cash dividends on preferred shares amounting to ₱42.1 million representing dividends for the one year ended December 31, 2019.

In 2019, the Parent Company issued 46,724,908 treasury shares based on the average market rate of ₱2.01 per share aggregating ₱92.5 million, resulting to an increase in additional paid-in capital amounting to ₱13.0 million, net of transaction costs of ₱3.8 million.

In 2020, the Parent Company issued 5,996,849 treasury shares based on the average market rate of ₱1.80 per share aggregating ₱10.8 million, resulting to an increase in additional paid-in capital amounting to ₱0.55 million, net of transaction costs of ₱0.02 million.

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
March 31, 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:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Revaluation Increment on Land		
Balance at end of year	**₱280,091**	₱280,091
Share in Revaluation Increment on Land of an Associate		
Balance at beginning of period	**177,749**	87,941
Share in revaluation increment on land, net of tax	**–**	89,808
Balance at end of period	**177,749**	177,749
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	**138,297**	86,550
Share in appraisal increase, net of tax	**–**	51,747
Balance at end of period	**138,297**	138,297
Cumulative Remeasurement Gain (Loss) on Retirement Liability		
Balance at beginning of period	**7,859**	9,795
Remeasurement gain, net of tax	**–**	(1,936)
Balance at end of period	**7,859**	7,859
Cumulative Share in Remeasurement Loss on Retirement Liability of Associates		
Balance at beginning of period	**(11,575)**	8,398
Share in remeasurement loss, net of tax	**–**	(19,973)
Balance at end of period	**(11,575)**	(11,575)
	₱597,550	₱597,550

d. Retained Earnings

Details of retained earnings follow:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Appropriated/Restricted		
Balance at beginning of period	**₱1,950,445**	₱2,029,877
Rreversal for treasury stock and others	**(10,195)**	(79,432)
Balance at end of period	**₱1,940,250**	1,950,445
Unappropriated		
Balance at beginning of period	**2,066,681**	1,785,887
Net income (loss) attributable to the Parent Company	**(146,795)**	243,413
Cash dividends	**(10,382)**	(42,051)
Appropriation for treasury stock	**10,195**	79,432
Balance at end of period	**1,919,699**	2,066,681
	₱3,859,949	₱4,017,126

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

	March 31, 2019 (Unaudited)	December 31, 2019 (Audited)
Appropriation for treasury stock	**₱1,453,630**	₱1,463,825
Gain on change in fair value of investment properties, net of debit balance of Other Equity Reserves closed to retained earnings	**296,967**	296,967
Net unrealized fair value gains on investment properties included in the retained earnings	**1,756,154**	1,756,154
Undistributed earnings of subsidiaries and equity in net earnings of the associates	**330,914**	330,914
	₱3,837,665	₱3,847,860

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 2020 through March 2020	₱2.29	₱1.21
January through December 2019		
First	₱2.21	₱1.70
Second	1.78	1.36
Third	1.97	1.30
Fourth	2.22	1.74
January through December 2018		
First	₱4.95	₱2.01
Second	2.85	1.82
Third	2.95	2.02
Fourth	2.65	1.76

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 6)	Amount Due to Related Parties (see Note 15)
Associates					
FDC	Dividends receivable	**March 31, 2020**	**₱–**	**₱40,287**	**₱13,211**
		December 31, 2019	(₱76)	₱40,287	₱13,211
FLC	Dividends receivable	**March 31, 2020**	**–**	**3,852**	**–**
		December 31, 2019	–	3,852	–
RADC	Noninterest-bearing advances	**March 31, 2020**	**–**	**–**	**10,966**
		December 31, 2019	–	–	10,966
CACI	Interest-bearing advances	**March 31, 2020**	**–**	**–**	**–**
		December 31, 2019	–	–	–
Joint Ventures					
VJPI	Noninterest-bearing advances	**March 31, 2020**	**–**	**93**	**218**
		December 31, 2019	(1,027)	93	218
Marilo Realty Development Corporation	Noninterest-bearing advances	**March 31, 2020**	**–**	**949**	**892**
		December 31, 2019	57	949	892
LPC	Defrayment of cost and expenses for restructuring	**March 31, 2020**	**–**	**3,306**	**23,427**
		December 31, 2019	(12,820)	3,306	23,427
Entities under common control	Interest-bearing advances	**March 31, 2020**	**18,622**	**38,618**	**67,187**
		December 31, 2019	80,838	40,642	46,541
		March 31, 2020		**₱87,105**	**₱115,901**
		December 31, 2019		₱89,129	₱95,255

**Amounts represent transactions for the three months ended March 31, 2020 and year ended December 31, 2019.*

a. In the normal course of business, the Parent Company extends/avails of advances to/from its related parties under common control, with definite repayment terms. The advances to and from related parties are interest-bearing.

b. In 2004, RLC and LPC by way of a Deed of Assignment of Rights, assigned to Punta Fuego Holdings Corporation (PFHC) the rights and privileges to their 105 and 245 club shares in CPFI, respectively. In consideration of the assignment of rights and privileges, PFHC pays RLC and LPC an amount equivalent to 85% of the net income earned from the club shares to be remitted on or before May 5 of each year beginning 2005. The respective shares of RLC and LPC were computed in proportion to the number of club shares they have each assigned. In 2005, PFHC and FDC merged with FDC, as the surviving entity. As a result, FDC assumed the said liability of PFHC to RLC.

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 March 31, 2020 and December 31, 2019, allowance for impairment loss amounting to ₱3.1 million pertains to due from LPC.

c. Compensation of key management personnel is as follows:

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
Salaries and short-term benefits	**₱10,430**	₱2,781
Retirement benefits	**2,768**	389
	₱13,198	₱3,170

Directors' Remuneration

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

Date of Meeting	No. of shares	Market Value per Share	Share-Based	Cash Compensation	Total Compensation
April 6, 2017	75,000	2.02	151,500	150,000	301,500
May 12, 2017	62,190	2.01	125,002	125,000	250,002
June 19, 2017	86,632	2.02	174,997	175,000	349,997
November 10, 2017	91,147	1.92	175,002	175,000	350,002
April 6, 2018	68,496	2.19	150,006	150,000	300,006
May 11, 2018	73,170	2.05	149,999	150,000	299,999
August 10, 2018	66,794	2.62	175,000	175,000	350,000
December 10, 2018	93,583	1.87	175,000	175,000	350,000
April 5, 2019	102,941	1.70	175,000	175,000	350,000
May 10, 2019	88,757	1.69	149,999	150,000	299,999
August 5, 2019	95,544	1.57	150,004	150,000	300,004
November 12, 2019	73,347	2.04	149,628	150,000	299,628

The expense recognized on the foregoing amounted to nil and ₱0.3 million for the three months ended March 31, 2020 and 2019, respectively; presented as part of "Salaries and employee benefits" account in the unaudited interim consolidated statements of comprehensive income.

20. **Revenue from Contracts with Customers**

a. Disaggregated revenue information

The Group presented below the disaggregation of revenue from contracts with customers which are based on type of contracts and timing of revenue recognition. This presentation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

	2020
Hotels and services	₱73,434
Sale of goods	18,966
Real estate	4,386
	₱96,786

Except for the revenues earned for the sale of real estate, all revenues were earned at the point in time.

i. Hotel

	2020
Room revenue	₱283,457
Food and beverage	53,078
Spa	890
Others	2,800
	₱73,434

ii. Real Estate

	March 31, 2020						
Segments	Raw land	Palico Montana	Landing Townhomes	Landing Shophouses	Orchards	SAMG	Total
Sale of real estate	**₱–**	**₱3,074**	**₱127**	**₱36**	**₱–**	**₱1,149**	**₱4,386**
Geographical markets							
Nasugbu, Batangas	**₱–**	**₱3,074**	**₱127**	**₱36**	**₱–**	**₱1,149**	**₱4,386**
Timing of revenue recognition							
Goods transferred over time	**₱–**	**₱3,074**	**₱127**	**₱36**	**₱–**	**₱1,149**	**₱4,386**

iii. Sale of goods

Sale of goods by product type

	2020
Coco milk/cream	₱17,304
Coco water concentrate	1,661
Virgin coconut oil	1
	₱18,966

Sale of goods by sales type

	2020
Export	₱17,408
Domestic	1,558
	₱18,966

b. Contract balances

The Company’s contract balances as at March 31, 2020 and December 31, 2019 are as follows:

	March 31, 2020	December 31, 2019
Contract asset	**₱138,987**	₱138,879
Contract liabilities	**171,017**	167,972

Receivables
A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
Cash received from the sale of real estate properties that does not meet the revenue recognition criteria are recognized in “Customers’ deposits” account which is presented as part of “Contract liabilities and customer’s deposits” account in the consolidated statements of financial position.

Breakdown as to current and noncurrent portion of the amount recorded under “Contract assets” account follows:

	2020	2019
Contract assets - current	**₱52,313**	₱47,025
Contract assets - noncurrent	**86,674**	91,854
	₱138,987	₱138,879

Contract liabilities

a. Deferred income amounting to ₱52.7 million and ₱46.8 million in 2020 and 2019, respectively, pertains to collections from buyers exceeding the recognized sale of real estate based on percentage-of-completion.

b. Customers' deposits amounting to ₱96.2 million and ₱98.3 million in 2020 and 2019, respectively, represent noninterest-bearing cash received from the sale of real estate properties, which did not meet the revenue recognition criteria as set out in Note 4. Deposits from sale of real estate properties will be applied against the receivable from the customers upon recognition of revenue

c. Guests' deposits pertain to the advance payments of guests for room reservations in the hotels amounting to ₱21.0 million and ₱22.9 million as at years ended March 31, 2020 and December 31, 2019, respectively.

c. Performance obligations (PO)

The following are the PO of the Company:

Real Estate Sales

(a) House and lot

For sale of house and lot, house and lot are separately identifiable promises but are expected to be combined as one performance obligation since these are not distinct within the context of the contract. The obligation to deliver the house duly constructed in a specific lot is fully integrated in the lot in accordance with the approved plan. If sale occurs upon completion, the Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the house and lot. If sale occurs prior to completion, the Group expects the revenue recognition to occur over time when satisfying the criterion of which the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(b) Residential land

The developer performs significant activities of land development in accordance with the approved subdivision plan. This includes, but is not limited to, provision of drainage, sewerage, water and electricity system which integrates the common areas and saleable lots. These development activities, however, are not distinct promises but rather necessary and required inputs relative to the developer's promise to deliver the residential lot.

The developer integrates the saleable lots with the land development to be able to transfer the "residential lot" promised in the CTS.

(c) Memorial lot

The Company performs significant activities of land development in accordance with the approved memorial garden plan. This includes grading and landscaping, construction of pathways and interment amenities, and installation of water source. These development activities however, are not distinct promises but rather necessary and required inputs relative to the developer's promise to deliver the memorial lot.

Buyer can elect the payment means either as spot cash or in installment for a period ranging from one year to eight years. The Company determines that the payment of the consideration will not coincide with the percentage of completion of the real estate project and concluded that there is a significant financing component for these contracts.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) in relation to real estate sales amounted to ₱150.0 million and ₱142.2 million as at March 31, 2020 and December 31, 2019, respectively.

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Hotel Revenues

(a) Hotel rooms

The Group also offers hotel room accommodations to customers through the five GoHotels of Roxaco Asia Hospitality Corporation and the resort of Anya Hotels and Resorts Corporation.

(b) Food and beverage

For the sale of food and beverages, the performance obligation is satisfied when the goods are sold. Payment is generally due within 30 days as the customer receives the goods and services except for some customers with specific credit terms. The Company applies the practical expedient and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) in relation to Hotel revenues amounted to ₱21.0 million and ₱22.9 million as at March 31, 2020 and December 31, 2019, respectively.

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Manufacturing

(a) Sale of coconut products

The Group is involved in manufacturing of some coconut products that are being sold either domestic or by export.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) in relation to manufacturing revenues is nil and ₱2.4 million as at March 31, 2020 and December 31, 2019, respectively.

21. **Cost and Expenses**

Cost of hotel sales and services consist of:

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
Depreciation and amortization	**₱18,432**	₱10,555
Salaries, wages and other employee benefits	**12,145**	13,802
Outside services	**7,122**	17,587
Communication, light and water	**6,485**	6,753
Food and beverage cost	**1,883**	8,979
Travel and transportation	**359**	6,246
Others	**9,095**	2,609
	₱55,521	₱66,531

Other cost of hotel sales and services are expensed as incurred which are incurred for the generation of revenue from ancillary services like laundry.

Cost of goods sold consist of:

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
Materials used and changes in inventory	**₱9,208**	₱27,531
Depreciation (see Note 11)	**3,845**	388
Indirect labor	**2,831**	519
Packaging materials	**2,437**	2,580
Communication, light and water	**2,132**	3,094
Direct labor	**1,971**	4,988
Taxes and licenses	**1,008**	168
Repairs and maintenance	**774**	76
Factory supplies	**516**	235
Rent expense	**197**	83
Others	**374**	180
	₱25,293	₱39,482

Operating expenses consist of:

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
General and administrative expenses	**₱92,691**	₱93,856
Selling expenses	**6,120**	7,989
	₱98,811	₱101,845

General and administrative expenses from consist of:

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
Salaries, wages and other employee benefits (Notes 17 and 22)	**₱30,910**	₱37,873
Outside services	**18,166**	10,314
Depreciation and amortization (Note 11)	**16,792**	6,730
Taxes and licenses	**8,758**	10,769
Communication, light and water	**3,798**	3,993
Representation and entertainment	**1,479**	2,170
Repairs and maintenance	**1,187**	1,587
Materials and consumables	**1,174**	1,225
Travel and transportation	**1,151**	2,165
Insurance	**772**	851
Rent	**599**	1,057
Yield guarantee	**–**	7,276
Others	**7,905**	7,848
	₱92,691	₱93,856

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.

22. **Personnel Costs**

The components of employee benefits from continuing operations presented under "General and administrative expenses" account (see Note 21) in the consolidated statements of income are as follows:

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
Salaries and wages	**₱35,838**	₱29,447
Allowances and other employee benefits	**4,331**	6,629
Retirement benefits (Note 16)	**2,886**	1,797
	₱43,055	₱37,873

23. **Other Income**

Other income consists of:

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
Sale of scrap	**₱812**	₱
Rent income	**54**	239
Interment income	**1**	109
Penalty for late payment	**137**	
Others	**5,077**	7,791
	₱6,081	₱8,139

Others include other hotel charges such as shuttle services, laundry services, early and late checkout fees, realty fees, and forfeited reservation deposits.

24. **Income Taxes**

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

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
Current	**₱545**	₱687
Deferred	**–**	–
	₱545	₱687

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

	March 31, 2020 (Unaudited)		December 31, 2019 (Audited)	
	Net Deferred Income Tax Assets	**Net Deferred Income Tax Liabilities**	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities
Deferred tax assets on:				
NOLCO	**₱28,615**	**₱–**	₱28,615	₱–
Customers' deposit	**22,687**	**–**	22,687	–
Allowance for:				
Impairment losses of receivables	**8,418**	**–**	8,418	–
Impairment losses on investments in associates	**4,544**	**–**	4,544	–
Retirement liability	**18,451**	**–**	18,451	–
Lease liabilities	**46,022**	**–**	46,022	–
Unrealized foreign exchange loss	**38**	**–**	38	–
Deferred income	**11,420**	**–**	11,420	–
Excess MCIT over RCIT	**9,393**	**–**	9,393	–
Various accruals	**634**	**–**	634	–
	150,222	**–**	150,222	–
Deferred tax liabilities on:				
Taxable temporary difference arising from use of installment method of revenue recognition for tax reporting	**(20,420)**	**–**	(20,420)	–
Revaluation increment on land	**(3,059)**	**(93,395)**	(3,059)	(94,053)
Prepaid commissions	**(2,213)**	**–**	(2,213)	–
Right-of-use assets	**(35,173)**	**–**	(35,173)	–
Actuarial gain	**(1,807)**	**–**	(1,807)	–
Rent receivable	**(2,254)**	**–**	(2,254)	–
	(18,503)	**(93,395)**	(64,926)	(94,053)
Net deferred tax assets (liabilities)	**₱85,296**	**(₱93,395)**	₱85,296	(₱94,053)

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

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

	March 31, 2020 (Three months, Unaudited)	March 31, 2019 (Three months, Unaudited)
Net loss attributable to the equity holders of the Parent Company: (Note 17)	**(₱146,795)**	(₱79,002)
Weighted average number of shares issued and outstanding:		
Issued and outstanding ordinary shares	**2,056,809,164**	2,007,398,091
Basic/diluted loss per share:	**(₱0.07)**	(₱0.04)

There are no potential dilutive common shares as at March 31, 2020 and 2019.

26. **Contingencies and Commitments**

Yield Guarantee to Real Estate Buyers
During the year ended March 31, 2014, RLC entered into a yield guarantee agreement with buyers of Anya Resort Suites. The said buyers will be entitled to a yield guaranteed along with the usage allowance for the first five years inclusive of fixtures, furniture and equipment and VAT.

Unused Credit Lines
As at March 31, 2020, the Group has unused lines of credit with local banks amounting to ₱2.0 million (see Notes 14 and 15).

27. **Financial Instruments**

Risk Management, Objectives and Polices
The principal financial instruments comprise of cash in banks, 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 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, 2019.

<u>Capital Management</u>
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 three months ended March 31, 2020 and 2019.

Management considers the total consolidated equity reflected in the consolidated statements of financial position as its capital. The Group monitors its use of capital using leverage ratios, specifically, debt-to-equity ratio.

The Group is required to maintain a maximum debt-to-equity ratio of 3:1. The Group has the following debt-to-equity ratio:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Total liabilities	**₱4,671,081**	₱5,021,094
Total equity	**8,375,912**	8,542,872
Total liabilities and equity	**₱13,068,955**	₱13,563,966
Debt-to-equity ratio	**0.56:1.0**	0.59:1.0

28. **Fair Value Measurement**

The Group has assets and liabilities that are measured at fair value on a recurring and non-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 March 31, 2020 and December 31, 2019 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 March 31, 2020 and December 31, 2019.

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.

29. **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 SMMSI and RAHC.

b. Hotel
RAHC, a subsidiary of RLC, owns and operates five GoHotels in Metro Manila.
AHRC, a business segment of RLC, operates the Anya Hotel and Resort in Tagaytay City.

c. Manufacturing
RSAI, a subsidiary of the Parent Company based in Tupi, South Cotabato, operates a plant primarily to process coconut based products for export.

d. 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.

The Group has one geographical segment with all assets located in the Philippines. The Group operates and derives all revenues from domestic operations.

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

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 real estate sales, hotel revenues and export of coconut based products.

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, inventories, prepaid expenses and property, plant and equipment. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals and customers' deposits, and bank loans.

c. Inter-segment transfers
Segment revenue, expenses and results include transfers between business segments. Such transfers are accounted for at competitive market prices.

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

	March 31, 2020 (Unaudited)					
	Real Estate	**Hotel**	**Manufacturing**	**Others**	**Eliminations**	**Consolidated Balances**
Sales	**₱4,386**	**₱73,434**	**₱18,966**	**₱–**	**₱–**	**₱96,786**
Cost of sales and services	**(2,572)**	**(55,521)**	**(25,293)**	**–**	**–**	**(83,386)**
Interest income	**2,966**	**49**	**1**	**7**		**3,023**
Interest expense	**(19,652)**	**(29,305)**	**(10,368)**	**(9,170)**	**–**	**(68,495)**
Others	**(26,639)**	**(44,533)**	**(10,665)**	**(10,893)**	**–**	**(92,730)**
Income (loss) before income tax	**(41,511)**	**(55,876)**	**(27,359)**	**(20,056)**	**–**	**(144,802)**
Income tax expense	**–**	**543**	**–**	**2**	**–**	**545**
Segment Income (loss)	**(41,511)**	**(56,419)**	**(27,359)**	**(20,058)**	**–**	**(145,347)**
Equity in net earnings of associates and a joint venture	**–**	**–**	**–**	**(22,116)**	**–**	**(22,116)**
Consolidated Net Income (Loss)	**(₱41,511)**	**(₱56,419)**	**(₱27,359)**	**(₱42,174)**	**₱–**	**(₱167,463)**
Assets and Liabilities						
Current assets	**₱1,268,995**	**₱294,760**	**₱179,634**	**₱356,867**	**(₱818,459)**	**₱1,281,797**
Noncurrent assets	**948,207**	**2,473,430**	**929,497**	**8,842,338**	**(1,406,313)**	**11,787,158**
Total Assets	**2,217,202**	**2,768,189**	**1,109,131**	**9,199,205**	**(2,224,772)**	**13,068,955**
Current liabilities	**895,815**	**1,047,901**	**613,149**	**645,374**	**(769,916)**	**2,412,169**
Noncurrent liabilities	**604,409**	**1,265,689**	**399,074**	**435,876**	**(434,043)**	**2,271,006**
Total Liabilities	**₱1,500,225**	**₱2,293,436**	**₱1,012,223**	**₱1,081,250**	**(₱1,203,959)**	**₱4,671,081**

	March 31, 2019 (Unaudited)					
	Real Estate	Hotel	Manufacturing	Others	Eliminations	Consolidated Balances
Sales	₱105,635	₱103,175	₱29,334	₱–	₱–	₱238,144
Cost of sales and services	(19,486)	(66,531)	(39,482)	–	–	(125,499)
Interest income	3,243	359	2	1,644	(1,640)	3,608
Interest expense	(22,585)	(34,194)	(13,809)	(10,166)	1,640	(79,144)
Others	(20,475)	(43,284)	(15,183)	(14,764)	–	(93,706)
Loss before income tax	46,332	(40,475)	(39,138)	(23,286)	–	(56,567)
Income tax benefit (expense)	–	(687)	–	–	–	(6,87)
Segment Loss	46,332	(41,162)	(39,138)	(23,286)	–	(57,254)
Equity in net earnings of associates and a joint venture	–	–	–	–	(38,410)	(38,410)
Consolidated Net Loss	₱46,332	(₱41,162)	(₱39,138)	(₱23,286)	(₱38,410)	(₱95,664)
Assets and Liabilities						
Current assets	₱1,172,634	₱262,800	₱147,640	₱219,018	(₱647,296)	₱1,154,796
Noncurrent assets	948,259	2,850,399	962,453	8,111,354	(980,268)	11,892,197
Total Assets	2,120,893	3,113,199	1,110,093	8,330,372	(1,627,564)	13,046,993
Current liabilities	810,827	1,172,378	430,575	704,525	(646,266)	2,472,039
Noncurrent liabilities	565,234	1,683,161	438,529	431,513	(919,395)	2,199,042
Total Liabilities	₱1,376,061	₱2,855,539	869,104	₱1,136,038	(₱1,565,661)	₱4,671,081

30. **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.

31. **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 statements.

Roxas & Company, Inc.

ANNEX "B"

MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

First Quarter Ended March 31, 2020 and 2019

MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

INTERIM RESULTS – 1st Quarter CY 2020

In December 2018, the SEC approved the corporate reorganization of RCI subsidiary, Roxaco Land Corp (RLC). The reorganization includes the merger of RLC and Anya Hotels and Resorts Corporation with RLC being the surviving corporation. Anya Hospitality Group (AHC), the hotel management subsidiary was also merged with RLC in February 2019. As part of the reorganization, RCI increased its equity in RLC by P60 Million via conversion of its outstanding advances to common shares.

In October 2018, Roxaco-Vanguard Hotels Corporation (RVHC) changed its corporate name to Roxaco-Asia Hospitality Corporation (RAHC). It appointed AHC to manage all five Go Hotels. AHC also manages the premium Anya Hotel and Resorts Tagaytay which began full year commercial operations in 2018 with 80 hotel suites, premium restaurants, heated pools, a library, function rooms, events venues and lounges.

RCI has deferred the development of its solar power project after completing the initial predevelopment requirements, permits and land preparations. It has shifted its strategy to look for possible joint venture arrangements with major power firms to complete and expand the project using the company's vast landholdings as development sites.

In December, 2018 RCI increased its equity in Roxas Sigma Agriventures, Inc. (RSAI) by P200 Million from P236.5 Million to P436.5 Million increasing its control to 88.81%. Commercial operations of the plant began in January 2018. In March 2019, RSAI secured key major international production and safety certifications which were required in the European as well as North and South American Markets.

In December, 2018, RCI raised P500 Million in new equity through the issuance of preferred shares with a par value of P1.00 per share. The shares are redeemable after 2 years with option to extend by another 2 years. Dividend rate for the 1st year is at 8.5% and 8.125% for the 2nd year. Proceeds from the equity raised were used to reduce bank debts and fund the group's operating requirements.

In March 2019, RSAI secured key major international production and safety certifications which were required in the European as well as North and South American Markets.

<u>Results of Operation</u>

Consolidated revenues for the first quarter amounted to ₱96.8 million, a decrease of 57% against last year's ₱238.1 million. Revenues were down across all business units. The eruption of Taal Volcano in January affected the Anya Hotel operations. The Covid-19 pandemic which resulted to the imposition of the enhanced quarantine lockdown, resulted to the temporary closure of our hotel operations in Any Resort Tagaytay, all Go Hotels in Metro Manila and the shutdown of the RSAI coconut processing plant in Tupi, South Cotabato.

Gross profit for the first quarter dropped to ₱13.4 million, 88% or ₱99.2 million lower than last year's ₱112.6 million due to lower revenues.

Operating expenses decreased by P3.0 million to ₱98.8 million from last year's ₱101.8 million as part of the Group's efforts for the continued reduction of controllable expenses.

Equity in net loss from the group's 23% investment in Roxas Holdings Inc. (RHI) amounted to ₱22.1 million, lower than last year's ₱38.4 million.

Interest cost of ₱68.5 million was ₱10.6 million or 13% lower than same period last year due to the reduction of RAHC's outstanding loans from the sale of its Go Hotel-Cubao Site.

Other income of ₱6.1 million represents sale of other scrap, realty fees and forfeited reservation deposits.

Consolidated net loss for the three months ended March 31, 2020 of ₱167.5 million was higher than last year's loss of ₱95.7 million mainly due to the effects of the Taal volcano eruption, lockdown imposed starting mid-March and the equity in net loss from RHI.

Financial Position

Consolidated total assets amounting to ₱13,047.0 million as at March 31, 2020 is ₱517.0 million lower than ₱13,564.0 million as at December 31, 2019 mainly due to sale of the Cubao-GoHotel in February 2020, collection from sale of investment property and share in equity loss of investments in RHI.

Current ratio slightly decreased from 0.49:1 as at December 31, 2019 to 0.47:1 as at March 31, 2020.

Debt to equity (D/E) ratio slightly decreased from 0.59:1 as of December 2019 to 0.56:1 as of March 31, 2020 but still within the 0.75:1 ratio limit required by banks for term loans.

To improve the Company's liquidity and D/E ratio, the group will continue to sell non-core assets and investments with the proceeds to be used to reduce debt to manageable levels. Due to the effects of the pandemic, the Group is likewise availing the provisions of the Bayanihan Act of 2020, to reprice and renegotiate the repayment of our term debts and for the renewal of our revolving credit lines to support operations.

Book value per share is at ₱3.83 as at March 31, 2020.

Trade and other receivables of ₱225.7 million decreased by 21% from December 31, 2019 balance of ₱284.8 million mainly due to the collection of the receivable from sale of investment property.

Total liabilities decreased from ₱5,021.1 million to ₱4,671.1 million due to the prepayment of RAHC loan covering GoHotel-Cubao.

Total equity amounting to ₱8,375.9 million as at March 31, 2020 decreased by ₱167.0 million from December 31, 2019 balance of ₱8,542.9 due to the loss incurred for the period.

Other than the matters discussed above, there are no:

- 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 and hotel industry, this is the margin on the revenue net of cost of sales.

2. *Export sales and lots sold*. Export sales represent revenues from products sold by its Coconut processing business while 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 March 31, 2020 (Three Months)**	**December 31, 2019 (One Year)**	**December 31, 2018 (One Year)**
Gross profit	₱13.4 million	₱ 340.3 million	₱192.2 million
Number of lots sold / reserved	2 units residential/ 22 memorial	26 units residential/ 65 memorial	89 units residential/ 193 memorial
Sale of coconut products	₱19.0 million	₱ 136.9 million	₱ 54.9 million
Hotel occupancy and average daily room rate			
- *Anya Hotel*	14% / ₱5,389	45% / ₱5,738	37% / ₱5,472
- *Go Hotels*	45% / ₱1,571	59% / ₱1,505	40% / ₱1,514
EBITDA	(₱68.6 million)	₱642.3 million	₱520.9 million
Return on equity	(2.00%)	2.06%	1.94%

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. Other than the ongoing Hotel operations of Anya Tagaytay Resort and the 4 GoHotels, realty project developments in Hacienda Palico in Nasugbu and the Coconut processing operations in Tupi, South Cotabato, the Group is not aware of any known trend, events or uncertainties that will have material impact on sales.
5. 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 group's continued growth and to ensure its viability, management intends to push through with the following plans and projects:

- Limit the land development of Hacienda Palico to the ongoing residential project in Nasugbu, Batangas in 2020 and sell the other areas previously planned as next phases development as raw land.

- To develop and increase processed coconut export sales and maximize plant capacity.

ROXAS AND COMPANY, INC AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS

	March 31, 2020	March 31, 2019	December 31, 2019
1. LIQUIDITY RATIO			
Current Ratio	0.47 : 1.00	0.55 : 1.00	0.49 : 1.00
2. SOLVENCY RATIO			
Debt to Equity ratio	0.56 : 1.00	0.62 : 1.00	0.59 : 1.00
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3. Asset to Equity Ratio	1.56	1.62	1.59
4. PROFITABILITY RATIOS			
Return on Assets	(1.28%)	(0.73%)	1.30%
Return on Equity	(2.00%)	(1.19%)	2.06%
Book Value per share	3.83	3.77	3.92