

FILINVEST

LAND, INCORPORATED



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2017

ANNUAL REPORT



Building the Landscape of the Future

Following the paradigm of holistic property development, Filinvest Land, Inc. (FLI) creates a responsive and diversified portfolio designed to be sustainable and future-proof. With residential, office and retail developments integrated in mixed-use developments, FLI is able to grow its robust leasing business, ensuring that the company is positioned for long-term growth as it carries out its mission to build the Filipino dream.

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MISSION

The mission of Filinvest Land, Inc. is to fulfill every Filipino's dream of having his own home. The primary responsibility of Filinvest is to the people that inhabit the cities, communities and homes it has created. Filinvest will continually contribute to the economic development of society and will always be a good corporate citizen.

OBJECTIVES

Filinvest shall provide its customers with universally competitive products that are valued not only for quality but in terms of affordability for all income levels. Only through research and development, innovation and the use of appropriate technology can high-quality services be provided.

Affordable housing shall always be a high priority in company endeavors. Coupled with safeguarding and maximum utilization of company assets, this long-term view (one of holding permanent the strategic health of Filinvest) should lead to better and sounder returns for stockholders.

The continuous pursuit of this mission can only result in industry leadership.

SHARED VALUES

In the delivery of service to its clients, high quality will be the one and only standard. A singularity of interest exists between the company and its employees. Providing good working conditions, compensation based on performance, opportunity for growth, and employment security are musts.

The core values of integrity, customer service, professionalism, teamwork, innovation and cost-effectiveness are highly valued. The highest standards of business and moral ethics shall be exercised.

The long-term strategic health of Filinvest will always be paramount over short-term financial gains.

Filinvest Land, Inc. and Subsidiaries

(Amounts in Thousands of Pesos, Except Per Share Data)

FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014*	2013*	2012	2011*	2010*	2009	2008
OPERATING RESULTS										
•Revenues **	20,269,651	19,500,586	18,302,853	17,056,615	13,971,950	11,796,763	9,652,684	8,722,030	5,683,813	5,304,812
•Net Income **	5,834,181	5,350,786	5,098,564	4,613,491	3,978,282	3,431,436	2,942,087	2,952,359	2,018,200	1,867,001
•Net income attributable to equity holders of the parent	5,685,394	5,247,262	5,011,815	4,541,522	3,920,570	3,431,436	2,942,087	2,952,359	2,018,200	1,867,001
•Return on Assets (Average)	4.19%	4.27%	4.48%	4.51%	4.42%	4.57%	4.52%	4.89%	3.60%	3.75%
•Return on Equity (Average)	7.48%	9.30%	9.46%	9.13%	8.39%	7.67%	6.90%	7.30%	5.23%	4.99%
FINANCIAL POSITION										
•Total Assets	145,121,919	129,425,232	121,195,171	106,519,836	98,284,586	81,927,264	68,302,130	61,866,737	58,904,352	53,190,895
•Total Long-Term Debt	58,084,201	53,252,649	47,696,836	40,306,593	36,069,225	25,346,442	16,488,016	11,910,408	11,921,205	7,046,400
•Stockholders' Equity	63,501,043	59,412,637	55,697,261	52,109,053	48,999,654	45,878,645	43,655,396	41,668,460	39,177,473	37,959,515
•No. of Shares Issued and Outstanding (000's)	24,249,759	24,249,759	24,249,759	24,249,759	24,249,759	24,249,759	24,249,759	24,249,759	23,218,719	23,269,661
•Debt to Equity ***	91.47%	89.63%	85.64%	77.35%	73.61%	55.25%	37.77%	28.58%	30.43%	18.56%
•Net Debt to Equity ****	79.54%	81.43%	73.79%	69.08%	60.44%	50.66%	35.13%	24.36%	15.73%	12.15%
PER SHARE DATA										
•Primary/Fully Diluted Earnings	Php 0.23	Php 0.22	Php 0.21	Php 0.19	Php 0.16	Php 0.14	Php 0.12	Php 0.12	Php 0.09	Php 0.08

* figures restated

** includes equity in net earnings of an associate

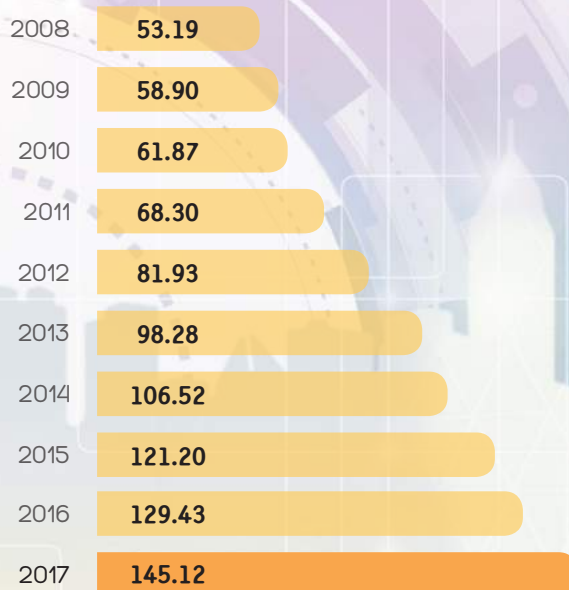
*** computed as long-term debt divided by stockholders' equity

**** computed as long-term debt less cash and cash equivalents divided by stockholders' equity

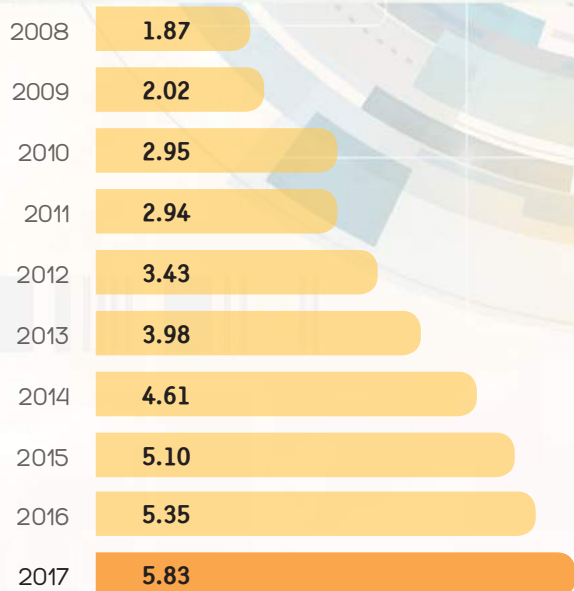
REVENUES



TOTAL ASSETS



NET INCOME



TOTAL STOCKHOLDERS' EQUITY



(In billion pesos)

Message of the Chairman

Jonathan T. Gotianun



THE PHILIPPINE GROWTH STORY AND THE PHILIPPINE REAL ESTATE MARKET

The Philippine growth story continued in 2017. The Philippines is now considered as an Asian economic powerhouse on the back of its strong and stable macroeconomic fundamentals. The country continues to have one of the fastest-growing economies in the region with the Philippine economy growing at an impressive 6.7%. This was driven by government spending, OFW remittances which grew by 4%, moderate inflation, the influx of tourists, and continuous growth of the BPO sector. All these contributed to a low unemployment rate, growth in real income and purchasing power of households. In addition, the Philippines' young

demographics and consumption-driven market are also drivers of the country's long-term growth. It is with all these that we expect that the Philippine property sector will remain robust. In 2017, the Tax Reform for Acceleration and Inclusion (TRAIN) Law was approved by Congress and signed into law. This is expected to further fuel the government's Build Build Build program and will provide the needed roads and transportation systems that will open new opportunities for the residential business especially in areas outside of the highly-congested Metro Manila. Filinvest Land, Inc. (FLI) has more than 2,200 hectares of land bank nationwide. In addition, FLI has the right to develop 288 hectares in Clark Green City and another 201 hectares together with the leisure and hospitality arm of Filinvest Development Corp. at Clark Mimoso. Several land parcels are positioned to benefit from the various priority infrastructure projects of the government.

In addition, the average Filipino employee has already felt the benefits of the TRAIN Law in the form of increased disposable income when the reduced tax rates were implemented at the start of 2018. The increased disposable income will drive residential sales as well as retail sales. All these present opportunities for FLI.

The anticipated demand for office space driven not only by the BPO sector but also other business segments brought about by the growth of business activities in general as a result of public and private investments present exciting opportunities for the office rental business as companies take up more space to support their operations. We also note the growing diversity in office tenants as well as the rising demand for flexible workspaces as mobility, connectivity and flexibility become the trend in the changing business environment.

The rental business now accounts for **41%** of the company's total net income, **surpassing our goal of 40% by the year 2019.**

EXECUTING OUR GROWTH STRATEGY

At the end of 2017, the third year of our five-year expansion program, our recurring income portfolio reached 587,000 square meters.

For 2018, we expect to add 210,000 square meters of gross leasable area in office and retail space which will bring us to almost 800,000 square meters. We believe that this will bring us to accelerated growth in the succeeding years as we complete our five-year expansion plan.

Your Company also launched Php14.6 billion worth of residential projects across the country catering primarily to the affordable and middle-income markets. For 2018, approximately Php16 billion worth of residential projects across all our brands and across the country will be launched.

In 2017, we declared cash dividends amounting to **Php 0.061** per share equivalent to **29%** payout ratio and a dividend yield at the time of declaration of **3.7%**, the **highest** among the **Philippine property companies.**

MAXIMIZING SHAREHOLDER VALUE

FLI ended the year with a net income of Php5.83 billion, 9% higher than in 2016 driven by the rental business.

At the end of 2017, your Company's share price also appreciated by 23% from the share price at the beginning of 2017. This we believe is an affirmation of the market's confidence in Management's plans and ability to achieve targets.

CORPORATE GOVERNANCE

We believe that corporate governance is about accountability, transparency and communicating to the company's stakeholders on how the company is achieving its business plans. In the past three years, Senior Management has allocated a significant amount of time in communicating with our various stakeholders. Our communication program resulted to a more in-depth understanding of our strategy by our stakeholders. In 2017, Management attended eight conferences and numerous one-on-one meetings to talk to investors and share your Company's growth story. Your Company also conducted quarterly briefings to apprise the investor community of relevant developments pertaining to your Company's performance. We also welcomed analysts and investors in several of our developments for their appreciation of our projects.

APPRECIATION

On behalf of our Board of Directors, I would like to thank all of you, our shareholders, creditors, business partners and customers for your trust in us and for giving us the opportunity to help build the Filipino dream.

Message of the President & CEO

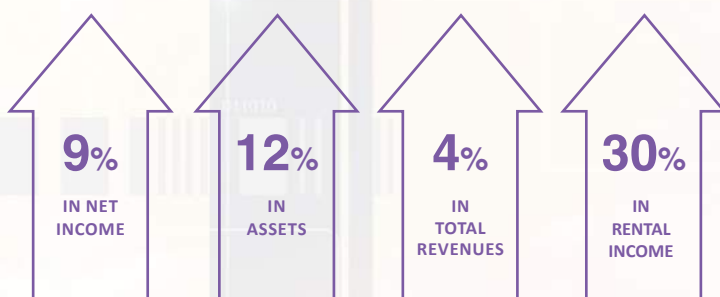
Josephine Gotianun Yap



SOLID FINANCIAL PERFORMANCE

For the year 2017, Filinvest Land Inc. (FLI) delivered solid financial results with net income reaching Php5.83 billion, 9% higher than Php5.35 billion in 2016 driven primarily by the office and retail rental business. Consolidated revenues rose 4% to Php19.50 billion from Php18.30 billion in 2016.

2017 GROWTH



BENEFITTING FROM A GROWING RECURRING INCOME PORTFOLIO

Rental revenues accelerated 30% to Php4.42 billion from Php3.38 billion as the firm booked increased revenues from its new office and retail buildings. We ended 2017 with 587,000 square meters in GLA.

By the end of 2018, recurring income portfolio will be close to **800,000 square meters of GLA**, up by **132%** from end-2014. Our medium-term target for 2022 is a build-up of **1.5 million square meters of GLA**.

Filinvest is one of the pioneers in providing office space to BPOs since 1998 when it launched Northgate Cyberzone at Filinvest City in Alabang. Over the years, FLI has proven its ability to address the needs of its clients as they continue to lease space from FLI for their expansion. In addition, our client list has also grown significantly across different types of outsourced services, ranging from voice call services to knowledge-based services such as accounting, architectural and engineering services.

Our medium-term strategies for the office rental business are: to maximize our stronghold in Southern Metro Manila with Northgate Cyberzone; to have a significant presence in Visayas specifically Cebu which is the largest city in Visayas and the second largest in the Philippines; to be a pioneer in the Clark Special Economic Zone which is the government's priority region to address the decongestion of Metro Manila; and on a selective basis, have an office component in planned mixed-use buildings that are strategically located near transportation hubs in the Pasay Bay Area, Makati and Quezon City.

In 2017, Vector Three, located in Northgate Cyberzone Alabang, was completed and turned over, adding 36,000 square meters of GLA to the office portfolio. FLI now operates 22 office buildings totaling 348,000 square meters of GLA. Two more buildings have been substantially completed and are due for turnover: Cebu Cyberzone Tower Two in Lahug, Cebu City, and Cyberzone Mimosa Building 1 in Clark which will add 36,000 square meters of office GLA. In addition, FLI has six more buildings due for completion in 2018: Axis One and Axis Two in Northgate Cyberzone, Cyberzone Bay City A and D in Pasay, Cyberzone Mimosa Building 2 in Clark, and 100 West in Makati, with a total of 140,000 square meters of additional GLA. At the end of 2018, total office GLA will be 524,000 square meters, a projected growth in office GLA of 51%.

To support the company's aggressive expansion of office space, our fully-owned subsidiary that focuses on the office leasing business, Cyberzone Properties Inc. (CPI), successfully issued a Php6 billion retail bond with a term of 5.5 years at a competitive rate of 5.05%. This signifies the market's confidence in the company's ability to generate office rental revenues to support debt payments as well as contribute to FLI's overall profitability.

FLI has also grown its retail rental space portfolio. "Main Square Community Mall" in Bacoor, Cavite and "Fora Mall" in Tagaytay opened their doors to shoppers in 2017, adding 50,000 square meters of GLA to FLI's retail portfolio. Total retail GLA now stands at 239,000 square meters. In 2018, Il Corso in Cebu is expected to be fully operational, adding 33,000 square meters of retail GLA. Our strategy for retail remains consistent: to focus on entertainment and lifestyle-oriented malls with distinct themes and exceptional locations that complement our city and township developments and maximize the value of our projects to ensure a competitive edge.

OUR COMPETITIVE ADVANTAGE IN THE HOUSING SEGMENT

Your Company launched Php14.6 billion worth of residential projects across the country catering primarily to our core affordable and middle-income markets. We rolled out horizontal projects in Rizal, Quezon City, Davao and Cavite, most of which will benefit from the government's aggressive infrastructure building program. Mid-rise buildings were also launched through our affordable brand "Spatial" in Iloilo, Quezon City and Dumaguete. In addition, several high-rise Studio Series buildings were launched within Alabang catering to the young urban professionals who wish to live close to their workplace.

For our mixed-use, high-rise segment, construction of "100 West" is in full swing. This project is envisioned to be the go-to place where one can lead a multifaceted lifestyle. Its modern Scandinavian-inspired residential units, prime BPO office spaces, and three-storey lifestyle mall make it an ideal investment tool for both local and international buyers. "100 West" recently won "Best Investment Property" at The Dot Property Southeast Asia's Best of the Best Awards 2017. The office spaces and lifestyle mall are expected to be completed by the fourth quarter of 2018 with the residential units by the fourth quarter of 2019.



100 West receives Best Property Investment award



Filinvest Mimosas+ Leisure City in Clark Freeport Zone

CLARK DEVELOPMENTS: BUILDING FOR THE FUTURE

In line with the government’s goal to shift congestion away from Metro Manila, the government envisions the Clark Special Economic Zone to be the next economic growth center given existing infrastructure such as the Clark International Airport. FLI has positioned itself to be at the forefront of the development of this region.

Developments in the Filinvest Mimosas+ Leisure City are in full swing as we have already completed an office building out of the six planned, with another office building scheduled to be completed by 2Q 2018. FLI will likewise launch its first residential tower to house the locator workforce of the business park in 2018. Construction on the retail mall will soon start and it is expected to be operational in 2019.

The 9,450-hectare New Clark City (formerly known as Clark Green City) of the government is now being conceptualized as the Philippines’ largest and first smart, green, disaster-resilient city, where nature, lifestyle, business, education and industry converge. The 288-hectare Filinvest at New Clark City will be transformed into a vibrant business metropolis that

is in harmony with its natural setting. Filinvest at New Clark City will have 100 hectares of industrial estate which will be the center of business activities. It will also feature office and retail components as well as 30 hectares of residential units. FLI is now finalizing the detailed master plan.

APPRECIATION: RECOGNIZING SUPPORT

To our home buyers and office and retail tenants, it has been a pleasure to be of service to you. We thank you for your trust and assure you that we are committed to providing your needs.

I would also like to thank our business partners, creditors and shareholders for your trust and support in our efforts to achieve our vision of providing the best products and service to our clients. I would also like to express my appreciation to my management team and employees for their hard work, loyalty and commitment as we continue to build for the future.



OPERATIONAL HIGHLIGHTS

THE LANDSCAPE OF THE FUTURE

Sustainability and long-term growth are the operative words as FLI builds the landscape of the future. The company strides forward with a future-proof portfolio that includes mixed-use townscapes, as well as a robust leasing business that is projected to reach 1.5 million square meters in GLA and contribute 50% of the company's net income by the year 2022.



Vector 3, Northgate Cyberzone

STRONG OFFICE PORTFOLIO

FLI advances confidently into the future with a formidable leasing portfolio composed of business hubs and office spaces integrated in mixed-use developments.

Alabang

With its current portfolio of 17 buildings totaling 249,000 square meters of GLA, Northgate Cyberzone in Filinvest City, Alabang is currently

the market leader in providing premium-quality office buildings for multinational corporations, primarily to Business Process Outsourcing (BPO) companies in Southern Metro Manila.

The first LEED Gold Building, Vector Three, was completed in the second quarter of 2017, adding an additional GLA of 36,345 sqm. The iconic four-tower Axis development at the heart of Northgate completed its first tower by year end 2017 with the second due in 2018. Construction on Tower 3 has also started. Axis will have a total GLA of 157,360 sqm upon completion in 2020 and is pursuing LEED Gold certification.

Northgate Cyberzone houses the Philippines' largest District Cooling System (DCS) plant, a joint venture of FLI with France-based global energy service provider, Engie. The DCS plant, which can serve over 20 buildings, is seen to lower electricity consumption in Northgate Cyberzone and reduce emission of air pollution, greenhouse gases and ozone-depleting refrigerants. This green initiative will be replicated in other Filinvest projects across the country.

Pasay

Filinvest Cyberzone Bay City, a pre-certified LEED Silver Core and Shell development by the U.S. Green Building Council, achieved 100% leased status for its first phase in November 2016, ahead of its completion date. Phase 1, covering Buildings B and C with around 37,000 sqm of GLA, was completed in January 2017. Phase 2, comprising 29,000 sqm of GLA, is earmarked for completion by mid-2018.

Ortigas

One Filinvest, a premium tower on the rise in Ortigas CBD, is designed by world-renowned architect and interior designer, Handel Architects LLP and internationally-acclaimed structural and civil engineering firm, Magnusson Klemencic Associates. The 34-storey office tower can accommodate both traditional and BPO offices

with its 40,000-sqm gross leasable area. It will offer office spaces ranging from 200 to 250 sqm, to an entire floor with 1,500 sqm for bigger space requirements.

One Filinvest acquired a Gold LEED pre-certification last April 2017, a rating system that aims to accelerate the development and implementation of “green” building practices. The tower will likewise feature a retail arcade and a rooftop dining deck that will offer a splendid view of the city’s skyline.



1 Workplus, Mimosa+ Leisure City

Clark Freeport Zone

Located in a well-designed, master-planned precinct of Filinvest Mimosa+ Leisure City is Workplus. It is set to be the next office hub for companies who are looking to locate or branch out in Central Luzon. Set to rise in Workplus are six buildings that will have a combined GLA of over 100,000 sqm.

The first building, 1 Workplus providing 8,000 sqm of GLA, topped off in December 2017 while 2 Workplus with a 13,000 gross leasable area is set to be completed in June 2018. Four more buildings will rise from 2019 onwards. Workplus takes pride in a promenade, the main feature at the center of the

office campus with a grove of Acacia trees framed by the buildings and internal streets.

Makati

Located along Gil Puyat Ave. Makati City, the offices at 100 West comprise four levels providing around 14,000 of GLA. It will offer office spaces ranging from 300 to 1,000 square meters, while companies that require bigger space have the option of utilizing an entire floor with over 3,000 square meters for greater flexibility. The building is equipped with a fiber-optic cable and telecommunications backbone for high-speed connectivity. Construction is in full swing as the office component is earmarked to be completed in the 4th quarter of 2018.

Quezon City

Preliminary excavation activities and general construction works for mixed-use projects like Studio 7 and Activa are ongoing.



Activa Office Tower, Cubao

Located along EDSA in Cubao, Activa embodies the live-work-play concept with five components: Office, Retail, Hotel, Residential, and SOHO (Small-Office, Home-Office). Targeted to be completed in 2021, this vertical development will offer an additional leasable area of 59,000 sqm. This is the second Filinvest project that will use a District

Cooling System (DCS). Aside from being transit-oriented, the project will also have a connection to both MRT and LRT Cubao stations through an elevated walkway via the existing footbridge at the crossroads of EDSA and Aurora Boulevard.

Studio 7, located in EDSA Diliman, is another mixed-use project with 18 levels of offices, 17 levels of residential, and 3 levels of retail at the podium. The office tower at Studio 7 will open 36,000 sqm of leasable area to the market by the fourth quarter of 2019.

These projects have been awarded pre-certification by the U.S. Green Building Council of LEED Gold and LEED Silver, respectively, for Core and Shell development and are now in the process of getting accreditation from PEZA.



The Filinvest IT Park Cebu

Cebu

Tower 1 of Filinvest Cyberzone Cebu was 100% occupied at the end of 2017 while Tower 2 was completed in the first quarter of 2018. The remaining two towers are scheduled for completion over the next three years with a combined GLA of 67,640 sqm.

FLI is gearing up to break ground for The Filinvest IT Park Cebu, a mixed-use development with three BPO office buildings, a hotel component and a three-level mall. Phase 1, which is targeted for completion in 2020, includes the first office building and the retail mall which are pre-certified LEED Gold for Core and Shell development. The three towers will add a total GLA of 58,000 sqm to FLI's office portfolio.

Upcoming Offices

Future office projects include a 1,500-sqm property in Quintin Paredes, which is set to be built as an art deco building to incorporate the existing façade designed by National Artist Arch. Juan M. Arellano in 1917. It will cater to traditional offices with 8,000 sqm of GLA.

Rising soon along Gil Puyat Avenue in Makati is a 14-storey office building to be called 387. The project will create additional leasable space of 10,000 sqm that can accommodate both traditional and BPO offices.

By end-2018,
FLI's total office GLA
will be **524,000 sqm.**



Fora Mall, Tagaytay

EXPANDING RETAIL FOOTPRINT

Filinvest continues to unfold its Lifemalls – commercial centers built with character and poised to give life and recreation in cities and townscapes where they are located. 2017 was a milestone year as the company expanded and fortified its retail footprint.

Festival Alabang

With a GFA of over 340,000 sqm plus a 60,000-sqm major anchor store, Festival Alabang in Filinvest City is one of the country’s largest malls with more than 1,300 shops.

In 2017, architectural renovations, setting up of the first Shoppers Lounge and updating of EGD or the directional signage all around the mall gave Festival Alabang a refreshed look and modernized ambiance complementing the opening of its expansion.

Decathlon, the number one sporting goods retailer from France, opened its first store in the Philippines at Festival Mall last June 2017 with approximately 3,500 sqm of selling area. Other tenants of the mall expansion with over 46,000 sqm of gross leasable area gradually opened in 2017, bringing in a mix of fashion, food and specialty shopping concepts. New anchor tenant Landmark, occupying a land lease of 10,000 sqm from FLI affiliate Filinvest Alabang, Inc. opened with more than 60,000 sqm of floor area with a supermarket, food center and a four-level department store.

Two additional digital cinemas in the expansion wing will soon become a new destination for

Festival customers. Situated on the third floor, this new recreation zone will carry a remarkable design and ambiance bordered with well-designed airport-type kiosks.

Fora Mall

Conveniently located right by the city’s landmark, Tagaytay Rotunda, is Fora Mall, the first regional mall in the area fronting the mixed-use Fora townscape. This prime retail destination provides about 28,000 sqm of leasable space amidst nature, open spaces, and a beautifully-landscaped amphitheater, primarily serving the strengthening local market and burgeoning tourist influx from the city and neighboring towns. Fora Mall complements the condotel project being developed by FLI to be operated under the Quest Brand by the Filinvest group’s hospitality arm.



River Park at Festival Alabang

Super Metro, the mall's anchor, opened last June 2017 with the first hypermarket format operating for 24 hours. Four digital cinemas were opened in November 2017, followed by brands such as Levi's, Giordano, the Peshoppe group, Ace Hardware, Wrangler, La Sedia and more. Local restaurant concepts by the amphitheater offer undisturbed dining with a relaxing view.

The year 2018 will see the opening of more exciting brands like Uniqlo, Powermac, Owndays, Anello, Mujosh, and Anytime Fitness. The mall's trade hall will likewise be completed, making it an extension facility of the hotel for seminars, conferences and trainings.

Main Square

With a smaller format of almost 20,000 sqm leasable area, Main Square, which soft-opened in February last year is the first Lifemall next to a Filinvest community. Fronting Filinvest's Princeton

Heights and beside the new Bacoor City Hall, the mall is positioned as the reliable one-stop hub for neighboring villages.

The supermarket anchor, Robinsons Supermarket, has become the most convenient basic shopping destination in the area. Other tenants include Anytime Fitness, Western Appliances, Japan Home, Watson's, Ace Hardware and more.

Niche Retail Developer

- Opening of 2 new malls
- Over 100,000 sqm GLA added
- **Total retail GLA: 239,000 sqm**



Main Square, Bacoor, Cavite



Currently, **FLI has 8 major townships** spanning **2,000 hectares** of land.

Filinvest Mimosa+ Leisure City

TOWNSCAPES & MIXED-USE DEVELOPMENTS

FLI has created master-planned townscapes and mixed-use developments that synergize work, leisure and living.

New Clark City

In 2017, FLI started working on its master plan for the parcel inside New Clark City, which was formerly called Clark Green City. With the help of world-renowned master-planner Broadway Malayan, the 288-hectare property will be transformed into a vibrant business metropolis that is in harmony with its natural setting. The Bases Conversion Development Authority (BCDA), FLI’s partner in the development, is fast-tracking the construction of access roads that will connect the project to SCTEX and to Clark Freeport Zone.

New Clark City will be built around four pillars: world center, multi-gen metropolis, eco-efficient capital and strategic base – a cohesive fusion that creates a globally-competitive city. It will be shaped around the existing terrain, with meandering waterways and a Loop Park to connect the pedestrian-friendly districts. Green pathwalks, bike lanes, e-transport systems and other innovative features are expected to set the benchmark for future planning in the Philippines.

Filinvest Mimosa+ Leisure City

As the winning bidder in the privatization of the Mimosa estate in Pampanga, Filinvest is currently developing the 201-hectare property under Filinvest Mimosa, Inc., a new company formed by the consortium of FLI and Filinvest Development



New Clark City

Corporation (FDC). FLI will handle the retail, office and residential components while FDC will undertake the hospitality, leisure and gaming segments.

Envisioned to be a top-of-mind, year-round business and leisure destination, the sprawling Filinvest Mimosas+ Leisure City is being transformed into a vibrant and green central township that is home to various industries such as BPO, hospitality, retail, real estate, golf and gaming. Its location in Clark Freeport Zone allows FLI to take advantage of the growing interest of tourists and investors in the progressing Clark City.

In addition to the renowned golf course, its components include a lifestyle and retail strip, a pavilion and grounds for events and an office campus called Workplus. This business hub will be composed of six mid-rise buildings with fiber-optic facilities, podium parking and ground retail area. Also part of the design is a lovely promenade that will connect all buildings and serve as a place for employees to enjoy the serene outdoor environment of Mimosas+.

To complement the business and commercial district, the currently upgrading Quest Hotel and Conference Center Clark will be joined by a residential area of mid- to high-rise buildings for investment or end-use. The existing green resort environment will be further enhanced with parks, walking paths and bike trails to encourage wellness through nature and outdoor activities.

Major accomplishments in 2017 include the completion of the entryway along M.A. Roxas Highway, the opening of Acacia Park, the completion of the first building of Workplus, and the renovation of the Quest Hotel lobby.

Fora, Tagaytay

The year 2017 saw several significant milestones for the 5.2-hectare Fora townscape located at the heart of Tagaytay City. Fora topped off its first 10-storey condotel building, which will be operated as Quest Hotel Tagaytay. The hotel is targeted to open by the fourth quarter of 2018 in time for the holiday season. Fora also opened its mall to the shopping public in 2017. Its anchor tenant, Super Metro Hypermarket, is now serving the grocery needs of Tagaytay residents 24 hours a day.

Timberland Heights

The 677-hectare Timberland Heights in San Mateo, Rizal continued to be a popular eco-adventure destination as it hosted several major events such as the first-ever Spartan Race Philippines, 7-Eleven Bike Trail, King of the Mountain and Lagalog Sundown. The townscape also completed land development and amenities for its residential communities and launched the Adventure Playground as a new recreational facility. For 2018, Timberland Heights is set to launch the bike park and eco-trails and will begin land development for the John Paul 2 Church and Timberland Outlook Park.



The Peak at Havila, Rizal

Havila

New phases and amenities were added to the residential communities of Havila, which spans 300 hectares in Antipolo, Angono and Taytay in Rizal. The townscape launched Anila Park Residences and marked the completion of The Peak's View Point



Manna East community

clubhouse, which gives residents a platform to see Manila’s skyline in all its beauty. Slated for launch in 2018 are Mira Valley and Amariyo Crest Residences 2.

Ciudad de Calamba

Homes continued to be in demand in the 350-hectare Ciudad de Calamba as new phases were rolled out in the residential communities of Montebello, Valle Dulce and Ventura Real. It is expected to attract more homebuyers as road infrastructure projects in Southern Luzon are being completed, such as the Calamba-Tagaytay road expansion which will make Ciudad de Calamba even more accessible.

City di Mare

The 50-hectare City di Mare in South Road Properties, Cebu is becoming a preferred event place for outdoor activities. Its residential community continues to grow as MRB condo units are turned over and new phases are rolled out. Il Corso Mall, FLI’s seaside lifestyle mall, is scheduled to open in 2018.

Palm Estates

In Talisay City, Negros Occidental, development continues for Palm Estates, a 51-hectare mixed-use development located near the Bacolod-Silay International Airport. Land development is in full swing for Futura Homes Palm Estates, its first residential offering. The first tranche of housing units is set for completion by the end of 2018.

Manna East

In 2017, FLI introduced the 60-hectare Manna East mixed-use development in Teresa, Rizal. Offering residential and commercial units, it will feature an iconic entry bridge along with a commercial strip and transport terminal for residents’ convenience. Manna East also launched its first residential community, New Fields, which offers affordable, minimalist-themed homes.



Palm Estates commercial area

HOMES ACROSS THE SPECTRUM

Believing that every Filipino deserves a home of his own, FLI remains committed to building the Filipino dream across the country. From first homes, to desired lifestyles, the company reaches across all markets, expanding and innovating product lines to meet the needs and aspirations of the modern Filipino.



Futura Homes Davao

HORIZONTAL COMMUNITIES

In 2017, FLI launched developments in new growth centers outside of Metro Manila in line with the government's thrust of all-inclusive growth.

Expanding footprint in Luzon

- FLI remains one of the biggest players in Southern Luzon with its range of offerings in Cavite, Laguna and Batangas. 2017 milestones include the launch of Meridian Place Phase 2 and the sold-out status of Futura Homes San Pedro. Because of the high demand, FLI has been active in raw land acquisition with new projects scheduled for launch in Calamba, San Pedro, Tanauan, General Trias and Bacoor in 2018.
- Up North, FLI has also established itself in Central Luzon which is a catch basin for investments, jobs and progress. Its communities continued to flourish in 2018 with a total of 472 houses built in various projects in Bulacan, Pampanga, Tarlac and Palawan. This year will see the launch of Futura Tierra in Sta. Maria, Bulacan, along with new phases in Claremont, Austine Homes and Hampton Orchards in Pampanga.

- Towards the east, FLI continued to grow its communities in Rizal. The Aria enclave was launched as part of the Filinvest East Subdivision in Cainta. In the pipeline for 2018 is The Tropics 4, also located in the same area.

New frontiers in VisMin

- In Visayas, FLI brought its value-for-money homes to Ilonggos with Futura Homes Iloilo and Futura Homes Palm Estates in Talisay City, Negros Occidental. The company also saw an overwhelming demand for housing in Cebu resulting in three sold-out projects – Corona del Mar, Aldea del Sol and Futura Homes Mactan.
- In Mindanao, the Futura brand continued to flourish with the warm reception received by Futura Homes Koronadal. Scheduled for launching in 2018 are Futura Homes Davao and Futura Homes Zamboanga.

In 2017, FLI launched
14 new projects and
expansion phases worth
Php 14.6 billion



Alta Spatial, Valenzuela City

MID-RISE ENCLAVES

FLI continued to be a leader in the competitive mid-rise building (MRB) market with new projects, building turnovers and completion of amenities in its Oasis and Spatial product lines.

- In Metro Manila, MRB sales doubled in two years, making it one of the main growth drivers of the company. Sales from international channels grew by 248% in 2017, driven mainly by the Spatial brand of affordable communities.
- In VisMin, FLI topped off buildings in Marina Spatial Dumaguete, One Spatial Iloilo and 8 Spatial in Davao. New buildings were also turned over to buyers across MRB projects in Cebu and Cagayan de Oro.
- In 2018, FLI is set to launch MRB projects in new territories such as Futura East in Cainta, Coron Oasis in Muntinlupa, Alta Spatial in Valenzuela, Verde Spatial in Quezon City, and Maldives in Davao City.



FLI's 18 MRB communities cover over 100 buildings across the country.

Verde Spatial, Quezon City

HIGH-RISE CONDOS

The year 2017 proved to be a dynamic year for FLI's high-rise developments, which addressed the needs of buyers who want to live near their workplaces or schools.

- Construction of two Quezon City projects was completed on schedule. Vinia Residences + Versaflats along EDSA and Studio A in the Katipunan area both opened their doors to residents in 2017. A total of 636 residential units were turned over to unit owners, signifying the start of a hassle-free lifestyle and a high-earning investment.
- Full-blast construction is in progress at Studio 7, located along EDSA near GMA-Kamuning MRT station. It is expected to draw in a lot of investments with its LEED pre-certified BPO tower, quaint retail plaza and residential units complementing each other for a dynamic mixed-use community.
- 100 West Makati marked its podium completion in the third quarter of 2017. Targeted for turnover by 2019, this mixed-use vertical community offers a holistic lifestyle with BPO offices, Scandinavian-inspired residential units and a commercial center.



Vinia Residences + Versaflats, Quezon City



Studio A social hub



CORPORATE SOCIAL RESPONSIBILITY

In 2017, FLI went beyond boundaries yet again and continued marching towards its aim of building a better future. As part of its corporate social responsibility, the company spearheaded several activities to help promote its advocacies on education, environmental preservation and health. Moreover, it has consistently shown commitment to employee development and engagement through organizing enriching and fun-filled events.

EDUCATION

The organization translates vision into practice by creating positive change in the education sector, as it banks on the youth to deliver the bright future we are all aiming for. Employees were in attendance to participate in the ‘Brigada Eskwela’ to help public elementary schools with the cleanup and beautification of learning facilities. Groceries were also distributed to disadvantaged children just in time for Christmas. This year’s beneficiaries were Pintong Bukawe Elementary School, Bayanan Elementary School and Bulalo Elementary School.



Brigada Eskwela

ENVIRONMENTAL PRESERVATION

Once more, one of the year’s highlights was “Keep It Green”, the company’s annual tree-planting activity held in June 2017. With over 4,350 trees planted in FLI residential projects and townships since its inception in 2012, the organization played its part not only in showing care for natural resources, but also in lending a hand to the needy. Proceeds of the event were donated to Kanlungan ni Maria Home for the Aged, its regular beneficiary. The activity draws consistent support from employees, sellers and homeowners every year.



FLI annual tree-planting activity

HEALTH

In fast-paced environments where most of Filinvest’s properties are situated, health is given less attention when career and other personal priorities take over. The organization wants to break this mindset by supporting the healthcare cause. In October 2017, the seventh edition of ‘Pink Run’ was held in Filinvest City, and a number of supporters once again gathered and ran to promote Breast Cancer Awareness. Aside from this, vaccination programs were held in Filinvest offices all throughout the year. These focused on preventing the incidence of cervical cancer and achieving a decline in the prevalence of flu and pneumonia among employees and their dependents.



Pink Run in Filinvest City



Multi-generational Mindset seminar

EMPLOYEE ENGAGEMENT

In the previous year, Filinvest stayed true to its mission to invest in the power from within by maximizing the potential of its most valuable resource – the employees. Productivity and leadership remained as topmost priorities in training programs conducted, which included the Multi-Generational Mindset – a learning activity that focused on having the right leadership mentality in handling people across various generations.



Annual sportsfest



FLI Christmas Party

Further, a number of engagement programs were anchored on the purpose of bringing fun and joy to the workplace. In addition to annual activities to celebrate Valentine’s, Mother’s Day, Father’s Day and Halloween, the organization introduced “Cool-tura” in 2017 with the aim to increase appreciation of Filinvest’s history and Filipino culture in the modern era. Employees were encouraged to join exciting traditional games and

partake of delicious Filipino delicacies. The program served as an avenue to remember the humble beginnings of the company.

Companywide events that focused on teamwork, one of Filinvest’s core values, were also conducted year-round. Camaraderie was brought to life by activities like team-building sessions, the sportsfest and the Christmas party wherein employees got the chance to showcase their ideas on what the organization could be after 20 years. Moving forward, Filinvest targets to implement more value-adding programs like all these towards a sustainable future.

The cover features a central white circle containing the title. This circle is surrounded by a complex, multi-layered circular graphic composed of various colored segments (purple, blue, green, yellow) and dashed lines, resembling a stylized gear or a data visualization. The background is a light, abstract cityscape with a grid of white lines and faint circular patterns. The overall color palette is soft and modern, with pastel tones.

CORPORATE GOVERNANCE REPORT

Compliance with Best Practices on Corporate Governance

For the year 2017, FLI fully complied with the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC) regulatory requirements. It is also in compliance with its Manual for Corporate Governance. In particular, your Company wishes to highlight the following: (a) the election of two (2) independent directors to the Board; (b) the appointment of members of the audit and risk management oversight, nomination and compensation committees; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (e) FLI's adherence to national and local laws pertaining to its operations; and (f) the observance of applicable accounting standards by FLI.

Pursuant to SEC Memorandum Circular No. 19 Series of 2016, your Company submitted to the SEC its Revised Manual for Corporate Governance on May 31, 2017.

In order to keep abreast of best practices in Corporate Governance, the members of the Board and top management have attended seminars on corporate governance initiated by duly accredited institutions.

FLI constantly reviews its Corporate Governance practices and welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors.

Board of Directors

Leading the practice of good Corporate Governance is the Board of Directors. Your Board of Directors is firmly committed to the adoption of and compliance with the best practices in Corporate Governance as well as the observance of all relevant laws, regulations and ethical business practices.

Nominations and Voting for the Board of Directors

The members of the Board are elected during the annual stockholders' meeting. The stockholders of FLI may nominate individuals to be members of the Board of Directors.

The Nomination Committee receives nominations for independent directors as may be submitted by the stockholders. After the deadline for the submission thereof, the Nomination Committee meets to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in FLI's Revised Manual on Corporate Governance and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Nomination Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommends nominees as independent directors shall be disclosed along with his or their relationship with such nominees.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be in accordance with FLI's Manual on Corporate

Governance. In 2008, FLI filed with the SEC its application for the amendment of the by-laws to include the procedure that will govern the nomination and election of independent directors. This procedure is consistent with FLI's Revised Manual on Corporate Governance and Rule 38 of the Securities Regulation Code. The approval by the Commission on said application was issued on April 8, 2009. The power of the Board to amend the By-Laws has been delegated by the stockholders representing two-thirds (2/3) of FLI's outstanding capital stock in an annual meeting of said stockholders on May 27, 1994.

It shall be the responsibility of the Chairman of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FLI multiplied by the whole number of directors to be elected.

The directors of FLI are elected at the annual stockholders' meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the Board occurring mid-term are filled as provided in the Corporation Code and FLI's Revised Manual on Corporate Governance. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

Independent Directors

Before the annual meeting, a stockholder of FLI may nominate individuals to be independent directors, taking into account the following guidelines:

- A. "Independent Director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
 - i. Is not a director or officer or substantial stockholder of FLI or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
 - ii. Is not a relative of any director, officer or substantial stockholder of FLI, any of its related companies or any of its substantial shareholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - iii. Is not acting as a nominee or representative of a substantial shareholder of FLI, any of its related companies or any of its substantial shareholders;
 - iv. Has not been employed in an executive capacity by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years;
 - v. Is not related as a professional adviser by FLI, any of its any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm;
 - vi. Has not engaged and does not engage in any transaction with FLI or any of its related companies or any

of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial or insignificant.

- B. When used in relation to FLI subject to the requirements above:
- i. "Related company" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - ii. "Substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- C. An independent director of FLI shall have the following qualifications:
- i. He shall have at least one (1) share of stock of FLI;
 - ii. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FLI for at least five (5) years;
 - iii. He shall possess integrity/probity; and
 - iv. He shall be assiduous.
- D. No person enumerated under Section II (5) of the Revised Manual of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:
- i. He becomes an officer or employee of FLI, or becomes any of the persons enumerated under items (A) hereof;
 - ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of FLI;
 - iii. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member;
 - iv. If he becomes disqualified under any of the grounds stated in FLI's Revised Manual on Corporate Governance.
- E. Pursuant to SEC Memorandum Circular No. 04, Series of 2017, which took effect on March 2017 and SEC Memorandum Circular No. 19, Series of 2016, the following additional guidelines, amending the rules on the term limit of independent directors, shall be observed in the qualification of individuals to serve as independent directors:
- i. The independent director shall serve for a maximum cumulative term of nine (9) years;
 - ii. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;
 - iii. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
 - iv. The reckoning of the cumulative nine-year term is from 2012.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings during 2017.

Board	Name	Date of Election	No. of Meetings Held During the Year	No. of Meetings Attended	%
Chairman	Jonathan T. Gotianun	April 21, 2017	5	5	100%
Member	Josephine G. Yap	April 21, 2017	5	5	100%
Member	Mercedes T. Gotianun	April 21, 2017	5	5	100%
Member	Andrew T. Gotianun, Jr.	April 21, 2017	5	4	80%
Member	Michael Edward T. Gotianun	April 21, 2017	5	5	100%
Member	Efren C. Gutierrez	April 21, 2017	5	5	100%
Member	Francis Nathaniel C. Gotianun	April 21, 2017	5	4	80%
Independent	Lamberto U. Ocampo	April 21, 2017	5	5	100%
Independent	Val Antonio B. Suarez	April 21, 2017	5	5	100%

Report on attendance of the Board of Directors and Officers of the Company during the annual stockholders' meeting held on April 21, 2017:

Board of Directors Name	Position
Mr. Jonathan T. Gotianun	Chairman of the Board Member – Executive Committee Member - Audit Committee Member – Compensation Committee
Mrs. Josephine Gotianun Yap	President and Chief Executive Officer Chairman – Executive Committee Member – Nominations Committee Member – Compensation Committee
Mrs. Mercedes T. Gotianun	Member – Executive Committee Chairman – Compensation Committee Member – Nominations Committee
Mr. Michael Edward T. Gotianun	Member – Executive Committee Member – Technical Committee
Mr. Andrew T. Gotianun, Jr.	Vice Chairman Member – Executive Committee
Mr. Francis Nathaniel C. Gotianun	Member – Executive Committee
Atty. Efren C. Gutierrez	Member – Audit Committee Chairman – Nominations Committee
Mr. Lamberto U. Ocampo	Independent Director Member – Nominations Committee Member – Compensation Committee Member – Technical Committee
Atty. Val Antonio B. Suarez	Independent Director Chairman – Audit Committee

Key Officers, Senior Management Officers and Other Officers

Name	Position
Mr. Nelson M. Bona	Senior Vice President and Chief Financial Officer
Ms. Ana Venus A. Mejia	Senior Vice President, Treasurer and Deputy Chief Financial Officer
Atty. Elma Christine R. Leogardo	Vice President / Corporate Secretary and Compliance Officer
Mr. Steve C. Chien	Senior Vice President; International and Special Projects Head
Ms. Bernadette M. Ramos	Vice President – Group Real Estate Marketing
Independent External Auditor	
Name	Position
Ms. Dhonabee B. Seneres	Partner-In-Charge, Sycip Gorres Velayo & Co.

Duties and Responsibilities of the Different Board Committees

Executive Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	%	Length of Service in Committee
Chairman	Josephine G. Yap	April 21, 2017	9	8	89%	1
Member (ED)	Michael Edward T. Gotianun	April 21, 2017	9	8	89%	1
	Francis Nathaniel C. Gotianun*	April 21, 2017	9	8	89%	1
Member (NED)	Jonathan T. Gotianun	April 21, 2017	9	8	89%	1
	Andrew T. Gotianun, Jr.	April 21, 2017	9	8	89%	1
	Mercedes T. Gotianun	April 21, 2017	9	8	89%	1
Member (ID)	Not Applicable					

* Committee members are appointed annually.

The functions, duties and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors. The Executive Committee shall consist of five (5) members, and at least three (3) of whom shall be members of the Board of Directors. All members of the Executive Committee shall be appointed by and under the control of the Board of Directors.

The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board of Directors, except with respect to: (i) approval of any action for which shareholders' approval is also required; (ii) the filing of vacancies in the Board of Directors; (iii) the amendment or repeal of these By-Laws or the adoption of new By-Laws; (iv) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and (v) the distribution of cash dividends to shareholders.

The act of the Executive Committee on any matter within its competence shall be valid if (i) it is approved by the majority vote of all its members in attendance at a meeting duly called where a quorum is present and acting throughout, or (ii) it bears the written approval or conformity of all its incumbent members without necessity for a formal meeting.

The Executive Committee shall hold its regular meeting at least once a month or as often as it may determine, in the principal office of the Corporation or at such other place as may be designated in the notice. Any member of the Executive Committee may, likewise, call a meeting of the Executive Committee at any time. Notice of any meeting of the Executive Committee shall be given at least seven (7) business days prior to the meeting or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.

Audit & Risk Management Oversight Committee

Office	Name	Date of Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	%	Length of Service in Committee
Chairman	Val Antonio B. Suarez	April 21, 2017	4	4	100%	1
Member (ED)						
Member (NED)	Jonathan T. Gotianun	April 21, 2017	4	4	100%	1
	Efren C. Gutierrez	April 21, 2017	4	4	100%	1

* Committee members are appointed annually.

The Board shall constitute an Audit Committee & Risk Management Oversight Committee to be composed of at least three (3) Director-members, preferably with accounting and financial background, one of which shall be an independent director and another should have related audit experience.

The Chairman of this Committee should be an independent director. He should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

Duties and Responsibilities:

- Provide oversight financial management functions specifically in areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- Provide oversight of the Corporation's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;

- Review the quarterly, half-year and annual financial statements before submission to the Board
- Coordinate, monitor and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report.
- Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit Committee shall ensure that the internal auditors shall have free and full access to the Corporation's records, properties and personnel relevant to the internal audit activity, and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.
- Develop and oversee the Corporation's risk management program
- Oversee the system of limits to discretionary authority that the Board delegates to the Management
- Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence

Compensation Committee

The Board may constitute a Compensation Committee composed of at least three (3) Director-members, one of whom shall be an independent director.

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	%	Length of Service in Committee
Chairman	Mercedes T. Gotianun	April 21, 2017	1	1	100%	8 months
Member (ED)	Josephine G. Yap	April 21, 2017	1	1	100%	8 months
Member (NED)	Jonathan T. Gotianun	April 21, 2017	1	1	100%	8 months
Member (ID)	Lamberto U. Ocampo	April 21, 2017	1	1	100%	8 months

* Committee members are appointed annually.

The Board may constitute a Compensation Committee composed of at least three (3) Director-members, one of whom shall be an independent director.

Duties and Responsibilities:

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully.

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
- Disallow any director to decide his or her own remuneration.
- Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year.
- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Nomination Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	%	Length of Service in Committee
Chairman	Efren C. Gutierrez	April 21, 2017	1	1	100%	8 months
Member (ED)	Josephine G. Yap	April 21, 2017	1	1	100%	8 months
Member (NED)	Mercedes T. Gotianun	April 21, 2017	1	1	100%	8 months
Member (ID)	Lamberto U. Ocampo	April 21, 2017	1	1	100%	8 months

* Committee members are appointed annually.

The Board may constitute a Nomination Committee consisting of at least three (3) Director-members, one of whom shall be an independent director. The Head of the Human Resources Department shall be a non-voting ex-officio member.

The Nomination Committee may review and evaluate the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring appointment by the Board, and provide assessment on the Board's effectiveness in directing the process of renewing and replacing the Board's members.

The Nomination Committee may consider the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the Corporations in which he is a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other corporations or organizations; and
- Possible conflict of interest.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time

executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

The Nomination Committee may pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, taking into account the qualifications and the grounds for disqualifications as set forth in FLI's Manual of Corporate Governance and the Securities Regulation Code.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination for members of the Board of Directors. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the Securities and Exchange Commission (SEC).

The Nomination of independent directors shall be conducted by the Committee before the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors as set forth in the Company's Manual on Corporate Governance.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, which shall be made available to the SEC and all stockholders through the filing and distribution of the Information Statement, or in such reports the Company is required to submit to the SEC. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

Compensation of the Board of Directors and Officers:

Except for per diem of Php50,000 being paid to non-executive directors of the Filinvest Group for every meeting attended, there are no other arrangements to which directors are compensated, for any services provided as director, including any amounts payable for committee participation or special assignments.

Meanwhile, the aggregate compensation paid or incurred during the last two fiscal years to the non-independent Directors and top officers of FLI are as follows:

The aggregate compensation paid or incurred during the last two fiscal years and the estimate for this year are as follows: Summary Compensation Table

Summary Computation Table

The aggregate compensation paid or incurred during the last two fiscal years and the estimate for this year are as follows:

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(d) Bonus (P)	(e) Other Annual Compensation	TOTAL
Lourdes Josephine Gotianun Yap (President/Chief Executive Officer)					
Steve Chien Liang Ta (Senior Vice President)					
Nelson M. Bona (Chief Financial Officer/Senior Vice President)					
Ana Venus A. Mejia (Deputy Chief Financial Officer/Treasurer/ Senior Vice President)					
Francis V. Ceballos (Senior Vice President)					
CEO and top four (4) highest compensated officers	2016 – Estimated	23.79M	7.25M	-	31.04M
	2015	21.80M	6.94M	-	28.74M
	2014	21.95M	4.56M	-	26.52M
All officers and directors as a group unnamed	2016 – Estimated	38.57M	19.88M	-	58.46M
	2015	40.56M	12.13M	-	52.69M
	2014	42.65M	7.40M	-	50.05M

Except for a per diem of P50,000.00 being paid to each non-executive director for every meeting attended, there are no other arrangements for the payment of compensation or remuneration to the directors in their capacity as such.

External Auditor

The auditing firm of Sycip, Gorres, Velayo & Co. (“SGV”) is the current independent auditor of FLI. There have been no disagreements with SGV on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

FLI, in compliance with SRC Rule 68(3)(b)(iv) relative to the five-year rotation requirement of its external auditors, has designated Ms. Dhonabee B. Seneres as its engagement partner starting CY 2013. Thus, Ms. Seneres is qualified to act as such until the year 2018. The representatives of SGV shall be present at the annual meeting where they will have the opportunity to make a statement if they desire to do so. They are expected to be available to respond to appropriate questions at the meeting.

A. Audit and Audit-Related Fees

In consideration for the following professional services rendered by SGV as the independent auditor of FLI:

1. The audit of FLI’s annual financial statements and such services normally provided by an external auditor in connection with statutory and regulatory filings or engagements for those fiscal years;
2. Other assurance and related services by SGV that are reasonably related to the performance of the audit or review of FLI’s financial statements.

B. Tax Fees

For each of the last two fiscal years, SGV did not render services for tax accounting, compliance, advice and planning for which it billed FLI the corresponding professional fees.

C. All Other Fees

For each of the last two years, SGV did not render services in addition to the services described above for which it billed FLI the corresponding professional fees.

D. Approval Policies and Procedures for Independent Accountant’s Services of Management/ Audit & Risk Management Oversight Committee

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit & Risk Management Oversight Committee, with inputs from the management of FLI, makes a prior independent assessment of the quality of audit services previously rendered by the accountant, the complexity of the transactions subject of the audit, and the consistency of the work output with generally accepted accounting standards.

Shareholders’ Rights

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Corporation and all its investors:

The Board shall be committed to respect the following rights of the stockholders:

A. Voting Right

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
2. Cumulative voting is mandatory in the election of directors.

3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

B. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code, during business hours and upon prior written notice to the Corporation and for good reason.

All Shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

C. Right to Information

1. The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.
2. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
3. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stock holders' meeting, being within the definition of "legitimate purposes".

D. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Corporation to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

E. Appraisal Right

The Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.

- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- In case of merger or consolidation.

F. The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation. The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.

G. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

Dividend Policy and Dividends Paid

On January 8, 2007, the Board of Directors approved an annual cash dividend payment ratio for the Company's issued shares of twenty percent (20%) of its consolidated net income from the preceding fiscal year, subject to the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. Circumstances which could restrict the payment of cash dividends, include, but are not limited to, when the Company undertakes major projects and developments requiring substantial cash expenditures or when it is restricted from paying cash dividends by its loan covenants. The Company's Board may, at any time, modify such dividend pay-out ratio depending upon the results of operations and future projects and plans of the Company.

On June 30, 2008, FLI paid cash dividends of Php0.02 per share or a total of Php485.72 million to all shareholders on record as of June 15, 2008. This equivalent to 28.5% of the Php1.704 billion in net income generated in 2007.

On June 9, 2009, FLI paid a cash dividend of Php0.033 per share or a total of Php800.24 million to all shareholders on record as of May 14, 2009. This is equivalent to 42.9% of the Php1.867 billion net income reported in 2008.

On June 9, 2010, FLI paid a regular cash dividend of Php0.017 and special cash dividend of Php0.016 per share or a total of Php800.24 million to all shareholders on record as of May 18, 2010. This is equivalent to 39.7% of 2009's Php2.018 billion net income.

On June 7, 2011, FLI paid a regular cash dividend of Php0.0196 and a special cash dividend of Php0.0196 per share or a total of Php950.59 million to all shareholders on record as of May 13, 2011.

This is equivalent to 39.2% of 2010's Php2.246 billion core net income.

On June 21, 2012, FLI paid a regular cash dividend of Php0.0237 and a special cash dividend of Php0.0237 per share, or a total of Php0.0475 per share. This was equivalent to Php1,151.86 million, and paid to all shareholders on record as of May 25, 2012. This is equivalent to 39.2% of 2011's Php2.940 billion net income.

On July 3, 2013, FLI paid a regular cash dividend of Php0.0280 and a special cash dividend of Php0.020 per share, or a total of Php0.0480 per share. This was equivalent to Php 1,163.99 million, and paid to all shareholders on record as of June 7, 2013. This is equivalent to 33.9% of 2012's Php3.431 billion net income.

On July 2, 2014, FLI paid regular cash dividends of Php 0.032 and a special cash dividend of Php0.018 per share, or a total of Php0.050. This was equivalent to Php1,212.48 million and paid to all shareholders on record as of June 6, 2014. This is equivalent to 30.9% of 2013's net income.

In 2015, FLI declared cash dividends to all stockholders of record as of June 5, 2015 (ex-date June 2, 2015), in the amount of P0.0560 per share, broken down as follows:

- a. Regular Cash Dividend of P0.0373 per share
- b. Special Cash Dividend of P0.0187 per share

Payment date was set on July 1, 2015.

In 2016, FLI declared cash dividends to all stockholders of record as of May 22, 2016, in the amount of P0.061 per share, broken down as follows:

- a. Regular Cash Dividend of P0.041 per share
- b. Special Cash Dividend of P0.020 per share

Payment date was set on June 15, 2016.

In 2017, FLI declared cash dividends to all stockholders of record as of May 21, 2017, in the amount of P0.0613 per share, broken down as follows:

- a. Regular Cash Dividend of P0.0430 per share
- b. Special Cash Dividend of P0.0183 per share

Payment date was set on June 14, 2017.

Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

Stockholders on record as of March 3, 2017 were entitled to attend and vote at the April 21, 2017 Annual Stockholders' Meeting.

Stockholders were informed that the Annual Stockholders' Meeting for 2017 would be held at 9:00 am at the Ballroom A, Crowne Plaza Manila Galleria, Ortigas Avenue corner ADB Avenue, Quezon City 1100, Metro Manila.

On January 18, 2017, FLI disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date of the Annual Stockholders' Meeting on April 21, 2017 with the record date set on March 3, 2017.

Procedures During the Annual Stockholders' Meeting

The following was the agenda of the Annual Stockholders' Meeting last April 21, 2017:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on 22 April 2016
5. Presentation of the President's Report
6. Ratification of the Audited Financial Statements for the year ending 31 December 2016
7. Ratification of the Acts and Resolutions of the Board of Directors and Management for the year 2016
8. Election of the Members of the Board of Directors, including two (2) Independent Directors, to serve for 2017-2018
9. Appointment of the External Auditor
10. Other Matters
11. Adjournment

Only stockholders of record as of March 3, 2017 were entitled to attend and vote in the said meeting.

On the same day, right after the stockholders' meeting, FLI disclosed to the Philippine Stock Exchange the results of the annual stockholders' meeting which included the following:

- a. Approval of the Minutes of the Annual Stockholders' Meeting held on April 22, 2016;
- b. Approval of the President's Report for the year 2016;
- c. Approval of the Audited Financial Statements for the year ending December 31, 2016;
- d. Ratification of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee and Management up to April 21, 2017;
- e. Re-appointment of Sycip Gorres Velayo & Co. as external auditor of FLI for the year 2017; and

Likewise, the following were elected as directors of FLI to serve for the period 2017-2018 and until their successors shall have been duly elected and qualified:

1. MERCEDES T. GOTIANUN
2. ANDREW T. GOTIANUN, JR.
3. JONATHAN T. GOTIANUN
4. LOURDES JOSEPHINE GOTIANUN YAP
5. MICHAEL EDWARD T. GOTIANUN
6. EFREN C. GUTIERREZ
7. FRANCIS NATHANIEL C. GOTIANUN
8. LAMBERTO U. OCAMPO (as independent director)
9. VAL ANTONIO B. SUAREZ (as independent director)

FLI also made another disclosure to the Philippine Stock Exchange regarding the declaration of the Board of Directors of a cash dividend for all stockholders on record as of May 21, 2017 in the amount of P0.0613 per share. The payment date was set on June 14, 2017.

Statutory Compliance

FLI fully complied with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) regulatory requirements. Below is the Company's Reportorial Compliance Report:

Type of Report	Number of Filings
Financials	
Annual Report (17-A)	1
Quarterly Report (17-Q)	4
Audited Financial Statements	1
Ownership	
Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	14
Public Ownership Report	4
Report on Number of Shareholders and Board Lot	12
Statement of Changes in Beneficial Ownership of Securities (23-B)	39
Top 100 Stockholders' List	4
Notices – Stockholders' Meetings/Briefings/Dividends	
Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	1
Notice of Analysts' Briefing	4
Other Disclosures	
Certification – Qualifications of Independent Directors	1
Clarifications of News Articles	3
Definitive Information Statement (20-IS)	1
General Information Sheet	1
Preliminary Information Statement (20-IS)	1
SEC Form 17-C (Current Report)	
Which includes the following:	
a) Results of Annual Stockholders' Meeting/Board Meetings (5)	
b) Press Releases (6)	
c) Other Matters (1)	

Investor Relations

FLI's website, www.filinvestland.com, makes available to the public, current information on the Company, including details of its operations.

The Investor Relations section of the website provides information on financial statements, press releases, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, notice of analysts' briefings, other reportorial requirements by the Philippine Stock Exchange. The contact details of the Investor Relations Office are available in the website.

To meet the requirements of FLI's investors, the Company conducted four (4) Analysts' Briefings in 2017:

1. March 20, 2017 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for Full Year 2016 results
2. On May 17, 2017 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Quarter 2017 results;
3. On August 14, 2017 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Half 2017 results; and
4. On November 20, 2017 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Nine Months of 2017 results

On March 23, 2018, FLI conducted an analysts' briefing at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for the Full Year 2017 results.

The company also hosted a number of project site tours for analysts and investors.

In 2017, FLI participated in eight (8) conferences organized by different stock brokerages in Hong Kong, Singapore, Japan, Thailand and the Philippines.

BOARD OF DIRECTORS



JONATHAN T. GOTIANUN
Chairman



ANDREW T. GOTIANUN, JR
Vice Chairman



JOSEPHINE GOTIANUN YAP
Director – President & CEO



MERCEDES T. GOTIANUN
Director



MICHAEL EDWARD T. GOTIANUN
Director



EFREN C. GUTIERREZ
Director



FRANCIS C. GOTIANUN
Director



VAL ANTONIO B. SUAREZ
Independent Director



LAMBERTO U. OCAMPO
Independent Director

SENIOR MANAGEMENT



JOSEPH M. YAP*
President - Cyberzone Properties, Inc



NELSON M. BONA
SVP - Chief Finance Officer



ANA VENUS A. MEJIA
SVP - Treasurer & Deputy Chief Finance Officer



FRANCIS V. CEBALLOS
SVP & Business Group Head



REYNALDO A. ASCAÑO
SVP & Business Group Head



STEVE C. CHIEN
SVP -International & Special Projects



VINCE LAWRENCE L. ABEJO
SVP & Business Group Head



TRISTANEIL D. LAS MARIAS
SVP & Business Group Head



ARNULFO N. DELOS REYES
SVP - Construction Management

*Resigned January 31, 2018

SENIOR MANAGEMENT



ANTONIO E. CENON
FVP – Permits & Licenses



LUIS L. FERNANDEZ
FVP – General Services



WINNIFRED H. LIM
FVP – Chief Technical Planning Officer



CESARINE JANETTE B. CORDERO
FVP – Filinvest Cyberparks, Inc.



REYNALDO JUANITO S. NIEVA
FVP – Operations



MICHAEL EDWARD T. GOTIANUN
VP – Supply Chain Management



MAI C. YANG
VP – FLI Metro Manila HRB



RIZALANGELA L. REYES
VP – HRAD & Customer Care



ROMEO T. BAUTISTA
VP – Bids and Awards

SENIOR MANAGEMENT



JIMMY S. ROQUE
VP – Architectural Design & Planning Group



GRACE MARIE M. BADA
VP – Information Technology



BERNADETTE M. RAMOS
VP – Group Real Estate Marketing



ELMA CHRISTINE R. LEOGARDO
VP – Corporate Advisory Services



ROMEO L. MAGTANONG
VP – Litigation



HARRIET C. DUCEPEC
VP – Chief of Staff



ALAN J. BARQUILLA
VP – Area Group Head, VisMin



LEONARDO A. GONZALES
VP – Security & Safety



NELLY DESYREE D. TOBIAS
VP – Controllership



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Filinvest Land, Inc. and Subsidiaries
(Amounts in Thousands of Pesos)

	December 31	
	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	₱7,576,090	₱4,873,025
Contracts receivable	4,535,296	4,631,719
Other receivables	1,882,416	1,426,369
Real estate inventories	33,455,903	25,905,712
Other current assets	6,106,621	5,234,008
Total Current Assets	53,556,326	42,070,833
Noncurrent Assets		
Contracts receivable - net of current portion	12,690,696	17,153,861
Land and land development	18,877,344	17,594,754
Investment in associates	4,197,002	4,046,789
Investment properties	44,321,475	37,964,948
Property and equipment	3,408,312	2,645,084
Deferred income tax assets	48,655	23,714
Goodwill	4,567,242	4,567,242
Other noncurrent assets	3,454,867	3,358,007
Total Noncurrent Assets	91,565,593	87,354,399
TOTAL ASSETS	₱145,121,919	₱129,425,232
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	₱14,259,062	₱9,297,660
Due to related parties	199,315	243,736
Income tax payable	49,219	48,063
Current portion of loans payable	3,661,118	2,424,288
Total Current Liabilities	18,168,714	12,013,747
Noncurrent Liabilities		
Loans payable - net of current portion	19,647,418	22,032,310
Bonds payable	34,775,665	28,796,051
Net retirement liabilities	517,929	447,475
Deferred income tax liabilities - net	5,298,440	4,516,003
Other noncurrent liabilities	3,212,710	2,207,009
Total Noncurrent Liabilities	63,452,162	57,998,848
	81,620,876	70,012,595

(Forward)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Filinvest Land, Inc. and Subsidiaries
(Amounts in Thousands of Pesos)

Equity		
Common stock	₱24,470,708	₱24,470,708
Preferred stock	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321
Treasury stock	(221,041)	(221,041)
Retained earnings	33,099,891	29,015,356
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Remeasurement losses on retirement plan - net of tax	(155,336)	(158,973)
Share in other components of equity of an associate	361,794	361,794
Equity attributable to equity holders of the parent	63,245,718	59,157,546
Noncontrolling interests	255,325	255,091
Total Equity	63,501,043	59,412,637
TOTAL LIABILITIES AND EQUITY	₱145,121,919	₱129,425,232

CONSOLIDATED STATEMENTS OF INCOME

Filinvest Land, Inc. and Subsidiaries

(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2017	2016	2015
REVENUE			
Real estate sales	₱13,748,423	₱14,255,920	₱14,050,710
Rental and related services	4,414,665	3,384,182	2,952,759
EQUITY IN NET EARNINGS OF ASSOCIATES	350,213	183,020	176,475
OTHER INCOME			
Interest income	935,302	871,972	808,380
Others - net	821,048	805,492	314,529
	20,269,651	19,500,586	18,302,853
COSTS			
Real estate sales	8,051,904	8,322,274	8,132,153
Rental and related services	999,057	742,489	686,583
OPERATING EXPENSES			
General and administrative expenses	1,879,135	1,303,954	1,138,021
Selling and marketing expenses	981,693	1,204,804	1,088,705
INTEREST AND OTHER FINANCE CHARGES	1,062,705	1,072,664	883,756
	12,974,494	12,646,185	11,929,218
INCOME BEFORE INCOME TAX	7,295,157	6,854,401	6,373,635
PROVISION FOR INCOME TAX	1,460,976	1,503,615	1,275,071
NET INCOME	₱5,834,181	₱5,350,786	₱5,098,564
Net income attributable to:			
Equity holders of the parent	₱5,685,394	₱5,247,262	₱5,011,815
Noncontrolling interest	148,787	103,524	86,749
	₱5,834,181	₱5,350,786	₱5,098,564
Basic/Diluted Earnings Per Share	₱0.23	₱0.22	₱0.21

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Filinvest Land, Inc. and Subsidiaries
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2017	2016	2015
NET INCOME	₱5,834,181	₱5,350,786	₱5,098,564
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss			
Remeasurement gains (losses) on retirement plan, net of tax	3,637	(36,625)	(7,106)
TOTAL COMPREHENSIVE INCOME	₱5,837,818	₱5,314,161	₱5,091,458
Total comprehensive income attributable to:			
Equity holders of the parent	₱5,689,031	₱5,210,637	₱5,004,709
Noncontrolling interest	148,787	103,524	86,749
	₱5,837,818	₱5,314,161	₱5,091,458

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Filinvest Land, Inc. and Subsidiaries
(Amounts in Thousands of Pesos)

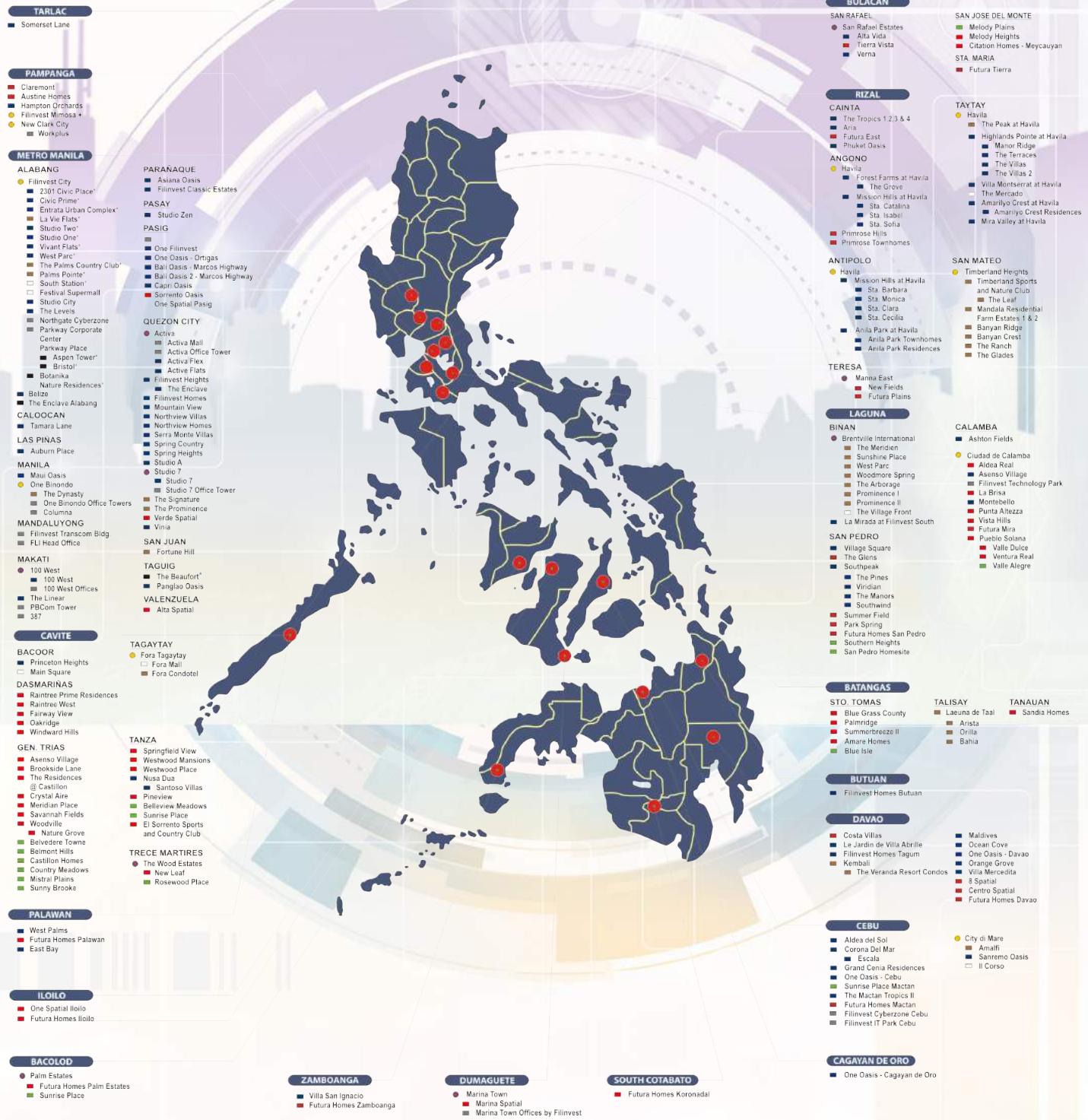
	Attributable to Equity Holders of the Parent								Total	Noncontrolling Interest	Total Equity
	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Revaluation Reserve on Financial Assets at FVTOCI	Remeasurement Losses on Retirement Plan	Share in Other Components of Equity of an Associate			
For the Year Ended December 31, 2017											
Balances as of January 1, 2017	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱29,015,356	(₱2,619)	(₱158,973)	₱361,794	₱59,157,546	₱255,091	₱59,412,637
Net income	-	-	-	-	5,685,394	-	-	-	5,685,394	148,787	5,834,181
Other comprehensive income	-	-	-	-	-	-	3,637	-	3,637	-	3,637
Total comprehensive income	-	-	-	-	5,685,394	-	3,637	-	5,689,031	148,787	5,837,818
Dividends declared	-	-	-	-	(1,486,510)	-	-	-	(1,486,510)	-	(1,486,510)
Dividend distribution to noncontrolling interest	-	-	-	-	-	-	-	-	-	(146,000)	(146,000)
Investment from noncontrolling interest	-	-	-	-	-	-	-	-	-	21,951	21,951
Acquisition of noncontrolling interest	-	-	-	-	(114,349)	-	-	-	(114,349)	(24,504)	(138,853)
Balances as of December 31, 2017	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱33,099,891	(₱2,619)	(₱155,336)	₱361,794	₱63,245,718	₱255,325	₱63,501,043
For the Year Ended December 31, 2016											
Balances as of January 1, 2016	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱25,247,329	(₱2,619)	(₱122,348)	₱361,794	₱55,426,144	₱271,117	₱55,697,261
Net income	-	-	-	-	5,247,262	-	-	-	5,247,262	103,524	5,350,786
Other comprehensive income	-	-	-	-	-	-	(36,625)	-	(36,625)	-	(36,625)
Total comprehensive income	-	-	-	-	5,247,262	-	(36,625)	-	5,210,637	103,524	5,314,161
Dividends declared	-	-	-	-	(1,479,235)	-	-	-	(1,479,235)	-	(1,479,235)
Dividend distribution to noncontrolling interest	-	-	-	-	-	-	-	-	-	(120,000)	(120,000)
Investment from noncontrolling interest	-	-	-	-	-	-	-	-	-	450	450
Balances as of December 31, 2016	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱29,015,356	(₱2,619)	(₱158,973)	₱361,794	₱59,157,546	₱255,091	₱59,412,637
Attributable to Equity Holders of the Parent											
	Attributable to Equity Holders of the Parent								Total	Noncontrolling Interest	Total Equity
	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Revaluation Reserve on Financial Assets at FVTOCI	Remeasurement Losses on Retirement Plan	Share in Other Components of Equity of an Associate			
For the Year Ended December 31, 2015											
Balances as of January 1, 2015	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱21,600,891	(₱2,619)	(₱115,242)	₱361,794	₱51,786,812	₱184,368	₱51,971,180
Net income	-	-	-	-	5,011,815	-	-	-	5,011,815	86,749	5,098,564
Other comprehensive income	-	-	-	-	-	-	(7,106)	-	(7,106)	-	(7,106)
Total comprehensive income	-	-	-	-	5,011,815	-	(7,106)	-	5,004,709	86,749	5,091,458
Dividends declared	-	-	-	-	(1,365,377)	-	-	-	(1,365,377)	-	(1,365,377)
Dividend distribution to noncontrolling interest	-	-	-	-	-	-	-	-	-	(100,000)	(100,000)
Investment from noncontrolling interest	-	-	-	-	-	-	-	-	-	100,000	100,000
Balances as of December 31, 2015	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱25,247,329	(₱2,619)	(₱122,348)	₱361,794	₱55,426,144	₱271,117	₱55,697,261

CONSOLIDATED STATEMENTS OF CASH FLOWS

Filinvest Land, Inc. and Subsidiaries
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P7,295,157	P6,854,401	P6,373,635
Adjustments for:			
Interest income	(935,302)	(871,972)	(808,380)
Interest expense and amortization of transaction costs	1,038,511	1,034,036	858,751
Depreciation and amortization	769,461	520,789	491,714
Equity in net earnings of associates	(350,213)	(183,020)	(176,475)
Dividend income	–	–	(4,048)
Net pension expense, net of contribution and benefits paid	78,600	56,008	34,981
Operating income before changes in operating assets and liabilities	7,896,214	7,410,242	6,770,178
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contracts receivable	4,559,588	(2,330,309)	(2,482,924)
Other receivables	(630,904)	777,730	(244,915)
Real estate inventories	(5,859,345)	1,402,152	(998,156)
Other assets	(669,372)	(983,443)	(1,669,445)
Increase (decrease) in accounts payable and accrued expense	5,665,098	(2,400,741)	2,561,434
Cash generated from operations	10,961,279	3,875,631	3,936,172
Income taxes paid, including creditable withholding taxes	(878,726)	(562,696)	(591,945)
Interest received	935,302	871,972	810,368
Net cash provided by operating activities	11,017,855	4,184,907	4,154,595
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Land	(1,859,946)	(898,758)	(1,421,677)
Investment properties and property and equipment	(6,854,429)	(6,353,151)	(4,058,991)
Investment in associate	–	(37,829)	–
Noncontrolling interest	(138,853)	–	–
Dividends received	200,000	155,225	10,727
Redemption of shares of stock	–	1	5,274
Net cash used in investing activities	(8,653,228)	(7,134,512)	(5,464,667)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of:			
Loans payable	3,225,000	10,475,000	7,845,000
Bonds payable	6,000,000	–	8,000,000
Payments of:			
Loans payable	(4,370,198)	(1,932,827)	(8,429,042)
Bonds payable	–	(3,000,000)	–
Cash dividend	(1,486,510)	(1,479,235)	(1,365,377)
Interest and transaction costs	(2,861,384)	(2,617,989)	(2,447,320)
Dividends paid to noncontrolling interest	(146,000)	(120,000)	(100,000)
Decrease in amounts due to related parties	(44,421)	(99,149)	(5,474)
Investment from noncontrolling interest	21,951	450	100,000
Net cash provided by financing activities	338,438	1,226,250	3,597,787
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,703,065	(1,723,355)	2,287,715
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,873,025	6,596,380	4,308,665
CASH AND CASH EQUIVALENTS AT END OF YEAR	P7,576,090	P4,873,025	P6,596,380

MAP OF PROJECTS



LEGEND:

- FILIGREE** (Black square)
- FUTURA by Filinvest** (Red square)
- OFFICE** (Grey square)
- MIXED-USE** (Purple circle)
- PRESTIGE by Filinvest** (Brown square)
- SOCIALIZED** (Green square)
- TOWNSCAPE** (Yellow circle)
- ASPIRE by Filinvest** (Blue square)
- RETAIL / COMMERCIAL** (White square)
- Filinvest Alabang, Inc. projects** (Red star)
- Filinvest Development Corp. projects** (Blue star)



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