



## **RL COMMERCIAL REIT, INC.**

(Formerly Robinsons Realty and Management Corporation)

25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio, Pasig City

November 5, 2021

### **CERTIFICATION**

Securities and Exchange Commission  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City

I, **MATIAS G. RAYMUNDO JR.**, CFO and Compliance Officer, is a duly authorized representative of **RL Commercial REIT, Inc.** with SEC registration 151309 with principal office address at 25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio, Pasig City, do hereby certify that:

RL Commercial REIT, Inc. will comply with the guidelines for the alternative filing of reports and/or documents online with the Securities and Exchange Commission (SEC) in light of the imposition of the Community Quarantine and Stringent Social Distancing Measures over Luzon to prevent the spread of the 2019 Coronavirus Disease (COVID-2019).

The information contained in 2021 SEC Form 17-Q (Quarterly Report) with attached unaudited interim financial statements for the period ended September 30, 2021, submitted on November 5, 2021 online is true and correct to the best of my knowledge.

I am executing this certification on November 5, 2021 to attest to the truthfulness of the foregoing facts and for whatever legal purpose it may serve.

A handwritten signature in blue ink, appearing to read 'Matias G. Raymundo Jr.'.

**MATIAS G. RAYMUNDO JR.**  
CFO and Compliance Officer

SEC Number 151309  
File Number

**RL COMMERCIAL REIT, INC.**  
**(Formerly ROBINSONS REALTY AND MANAGEMENT CORPORATION)**

(Company's Full Name)

**25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio, Pasig City**

(Company's Address)

**N/A**

(Telephone Number)

**September 30, 2021**

(Quarter Ended)

**SEC Form 17Q**

Form Type

**N/A**

Amendment Designation (if applicable)

**N/A**

(Secondary License Type and File Number)

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	1	3	0	9						
---	---	---	---	---	---	--	--	--	--	--	--

### COMPANY NAME

R	L		C	O	M	M	E	R	C	I	A	L		R	E	I	T	,		I	N	C	.						
(	F	o	r	m	e	r	l	y		R	o	b	i	n	s	o	n	s		R	e	a	l	t	y		a	n	d
M	a	n	a	g	e	m	e	n	t		C	o	r	p	o	r	a	t	i	o	n	)							

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

2	5	F		R	o	b	i	n	s	o	n	s		C	y	b	e	r	s	c	a	p	e		A	l	p	h	a
,		S	a	p	p	h	i	r	e		a	n	d		G	a	r	n	e	t		R	o	a	d	s	,		
B	r	g	y	.		S	a	n		A	n	t	o	n	i	o	,		P	a	s	i	g		C	i	t	y	

Form Type

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

Department requiring the report

S	E	C
---	---	---

Secondary License Type, If Applicable

N	/	A
---	---	---

### COMPANY INFORMATION

<p>Company's Email Address</p> <div style="border: 1px solid black; padding: 5px;">corsec@robinsonsland.com</div>	<p>Company's Telephone Number</p> <div style="border: 1px solid black; padding: 5px;">N/A</div>	<p>Mobile Number</p> <div style="border: 1px solid black; padding: 5px;">09988400935</div>
<p>No. of Stockholders</p> <div style="border: 1px solid black; padding: 5px;">15,780</div>	<p>Annual Meeting (Month / Day)</p> <div style="border: 1px solid black; padding: 5px;">April 15</div>	<p>Fiscal Year (Month / Day)</p> <div style="border: 1px solid black; padding: 5px;">12/31</div>

### CONTACT PERSON INFORMATION

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

<p>Name of Contact Person</p> <div style="border: 1px solid black; padding: 5px;">Mr. Matias G. Raymundo Jr.</div>	<p>Email Address</p> <div style="border: 1px solid black; padding: 5px;"><a href="mailto:jay.raymundo@rlcommercialreit.com.ph">jay.raymundo@rlcommercialreit.com.ph</a></div>	<p>Telephone Number/s</p> <div style="border: 1px solid black; padding: 5px;">8397-1888</div>	<p>Mobile Number</p> <div style="border: 1px solid black; padding: 5px;">N/A</div>
--	---	---	--

### CONTACT PERSON's ADDRESS

<p><b>12<sup>th</sup> Floor Robinsons Cyberscape Alpha cor. Garnet and Sapphire Road, Ortigas Center, Pasig City</b></p>
--

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

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

# TABLE OF CONTENTS

	PAGE NUMBER
PART I – FINANCIAL STATEMENTS	
Item 1. Financial Statements	
• Unaudited Statements of Financial Position as of September 30, 2021 and December 31, 2020	4
• Unaudited Statements of Comprehensive Income for the Nine Months Ended September 31, 2021 and 2020	5
• Unaudited Statements of Changes in Equity for the Nine Months Ended September 30, 2021 and 2020	6
• Unaudited Statements of Cash Flows for the Nine Months Ended September 30, 2021 and 2020	7
• Notes to Interim Financial Statements	8-26
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	27-30
PART II – OTHER INFORMATION	
Item 3. Summary of Real Estate Transactions	31
Item 4. Profile of Portfolio, Portfolio Performance and Valuation	31-32
Item 5. Key Performance Indicators	33-34
Item 6. Other Disclosures	34
Item 7. Reinvestment Plan Progress Report	34-40

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-Q

### QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **September 30, 2021**

2. SEC Identification Number: **151309**

3. BIR Tax Identification No.: **004-707-597-000**

4. Exact name of issuer as specified in its charter:

**RL COMMERCIAL REIT, INC. (Formerly ROBINSONS REALTY AND MANAGEMENT CORPORATION)**

5. **Pasig City, Philippines**  
Province, Country or other jurisdiction  
of incorporation or organization

6. (SEC Use Only)  
Industry Classification Code:

7. **25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio, Pasig City**  
Address of principal office

**1600**  
Postal Code

8. **Not applicable**  
Issuer's telephone number, including area code

9. **Robinsons Realty and Management Corporation**  
Former name

**Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City**  
Former address

**Not applicable**  
Former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
<b>Common Stock</b>	<b>9,948,997,197 shares</b>

11. Are any or all of these securities listed on a Stock Exchange.

Yes [☒] No [☐]

If yes, state the name of such stock exchange and the classes of securities listed therein:

**The Philippine Stock Exchange**

**Common Stock**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [☒]      No [☐]

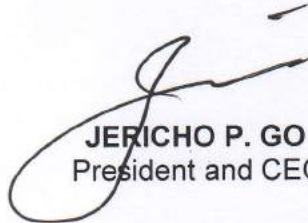
(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [☒]      No [☐]

### SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer  
Signature and Title  
Date

  
**JERICO P. GO**  
President and CEO

Issuer  
Signature and Title  
Date

  
**MATIAS G. RAYMUNDO JR.**  
CFO and Compliance Officer

**RL COMMERCIAL REIT, INC.**  
**(Formerly Robinsons Realty and Management Corporation)**

Unaudited Interim Condensed Financial Statements  
September 30, 2021 and for the Nine Months Ended September 30, 2021 and 2020  
*(With Comparative Audited Statement of Financial Position  
as of December 31, 2020)*

**RL COMMERCIAL REIT, INC.**  
**(Formerly Robinsons Realty and Management Corporation)**  
**UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION**

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in banks (Note 5)	₱807,482,355	₱—
Receivables (Note 6, 14)	587,388,612	6,581,793
Total Current Assets	1,394,870,967	6,581,793
<b>Noncurrent Assets</b>		
Investment properties (Note 7)	59,128,192,360	—
Right-of-use asset (Note 17)	541,361,286	—
Deferred tax asset-net (Note 18)	38,162,592	—
Other noncurrent assets (Note 8)	14,192,444	—
Total Noncurrent Assets	59,721,908,682	—
	₱61,116,779,649	₱6,581,793
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses (Note 9, 14)	₱175,499,751	₱—
Current portion of deposits and other liabilities (Note 10)	90,731,802	—
Total Current Liabilities	266,231,553	—
<b>Noncurrent Liabilities</b>		
Lease liability (Note 17)	245,226,855	—
Noncurrent portion of deposits and other liabilities (Note 10)	999,440,819	—
Total Noncurrent Liabilities	1,244,667,674	—
Total Liabilities	1,510,899,227	—
<b>Equity</b>		
Capital stock (Note 12)	9,948,997,197	6,250,000
Additional paid-in capital (Note 12)	49,022,762,831	—
Retained earnings	634,120,394	331,793
Total Equity	59,605,880,422	6,581,793
	₱61,116,779,649	₱6,581,793

*See accompanying Notes to Unaudited Interim Financial Statements.*



**RL COMMERCIAL REIT, INC.**  
**(Formerly Robinsons Realty and Management Corporation)**

**UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**

	For the Period July to September		For the Period January to September	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>REVENUE</b>				
Rental income (Note 15)	₱585,547,800	₱—	₱585,547,800	₱—
Income from dues-net (Note 15)	132,681,323	—	132,681,323	—
Others (Note 15)	1,265,201	—	1,265,201	—
	719,494,324	—	719,494,324	—
<b>COSTS AND EXPENSES</b>				
Direct operating expenses (Note 16)	88,167,972	—	88,167,972	—
General and administrative expenses (Note 16)	34,652,621	18,950	34,652,620	18,950
Interest expense (Note 17)	1,538,256	—	1,538,256	—
	124,358,849	18,950	124,358,849	18,950
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>595,135,475</b>	<b>(18,950)</b>	<b>595,135,475</b>	<b>(18,950)</b>
<b>BENEFIT FROM INCOME TAX</b>	<b>(38,653,126)</b>	<b>—</b>	<b>(38,653,126)</b>	<b>—</b>
<b>NET INCOME (LOSS)</b>	<b>633,788,601</b>	<b>(18,950)</b>	<b>633,788,601</b>	<b>(18,950)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>₱633,788,601</b>	<b>(₱18,950)</b>	<b>₱633,788,601</b>	<b>(₱18,950)</b>
<b>Basic and Diluted Earnings Per Share (Note 13)</b>	<b>₱0.29</b>	<b>₱0.00</b>	<b>₱0.29</b>	<b>₱0.00</b>

*See accompanying Notes to Unaudited Interim Financial Statements.*

**RL COMMERCIAL REIT, INC.**  
**(Formerly Robinsons Realty and Management Corporation)**

**UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021 AND 2020**

**For the Nine Months Ended September 30, 2021**

	<b>Capital Stock</b> (Note 12)	<b>Additional Paid-in Capital</b> (Note 12)	<b>Retained Earnings</b> (Note 12)	<b>Total Equity</b>
<b>Balances at January 1, 2021</b>	<b>₱6,250,000</b>	<b>₱–</b>	<b>₱331,793</b>	<b>₱6,581,793</b>
Collection of subscription receivable	18,750,000	–	–	18,750,000
Issuance of shares of stock thru property-for-share swap	9,923,997,197	49,122,002,803	–	59,046,000,000
Stock issue cost	–	(99,239,972)	–	(99,239,972)
Total comprehensive income for the period	–	–	633,788,601	633,788,601
<b>Balances at September 30, 2021</b>	<b>₱9,948,997,197</b>	<b>₱49,022,762,831</b>	<b>₱634,120,394</b>	<b>₱59,605,880,422</b>

**For the Nine Months Ended September 30, 2020**

	<b>Capital Stock</b> (Note 12)	<b>Additional Paid-in Capital</b> (Note 12)	<b>Retained Earnings</b> (Note 12)	<b>Total Equity</b>
Balances at January 1, 2020	₱6,250,000	₱–	₱350,743	₱6,600,743
Total comprehensive income for the period	–	–	(18,950)	(18,950)
Balances at September 30, 2020	₱6,250,000	₱–	₱331,793	₱6,581,793

*See accompanying Notes to Unaudited Interim Financial Statements.*

**RL COMMERCIAL REIT, INC.**  
**(Formerly Robinsons Realty and Management Corporation)**  
**UNAUDITED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱595,135,475</b>	(₱18,950)
Adjustments for:		
Amortization of right-of-use asset (Note 16, 17)	<b>4,744,551</b>	—
Interest expense on lease liability (Note 17)	<b>1,538,256</b>	—
Operating income (loss) before working capital changes	<b>601,418,282</b>	(18,950)
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables (Note 6, 14)	<b>(580,806,819)</b>	54,933
Other assets (Note 8)	<b>(14,192,444)</b>	—
Increase (decrease) in:		
Accounts payable and accrued expenses (Note 9)	<b>175,990,284</b>	(35,893)
Deposits and other liabilities (Note 10)	<b>1,090,172,621</b>	—
Net cash flows provided by operating activities	<b>1,272,581,924</b>	—
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment of prepaid rent (Note 17)	<b>(302,417,237)</b>	—
Payment of transfer taxes (Note 7)	<b>(73,237,598)</b>	—
Additions to investment properties (Note 7)	<b>(8,954,762)</b>	—
Net cash flows used in investing activities	<b>(384,609,597)</b>	—
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collection of subscriptions receivable (Note 12)	<b>18,750,000</b>	—
Payment of stock issue cost (Note 12)	<b>(99,239,972)</b>	—
Net cash flows used in investing activities	<b>(80,489,972)</b>	—
<b>NET INCREASE IN CASH IN BANKS</b>	<b>807,482,355</b>	—
<b>CASH IN BANKS AT JANUARY 1</b>	—	—
<b>CASH IN BANKS AT SEPTEMBER 30</b>	<b>₱807,482,355</b>	₱—

*See accompanying Notes to Unaudited Interim Financial Statements.*

**RL COMMERCIAL, REIT, INC.**  
**(Formerly Robinsons Realty and Management Corporation)**

---

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS**

---

**1. Corporate Information**

RL Commercial REIT, Inc. (formerly Robinsons Realty and Management Corporation) (“RCR” or the “Company”) is a Philippine-domiciled company designated by Robinsons Land Corporation (“RLC” or the “Sponsor” or the “Parent Company”) to operate as a Real Estate Investment Trust (“REIT”). It was incorporated and registered with the Philippine Securities and Exchange Commission (“SEC”) on May 16, 1988, with a primary corporate purpose which was previously to acquire by purchase, lease or otherwise, and to own, develop, sell, mortgage, or lease, and hold for investment or otherwise, real estate of all kinds.

RLC is a stock corporation organized and incorporated on June 4, 1980 and primarily engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, lifestyle centers, commercial centers and housing projects, hotels and other variants and mixed-used property projects. The Parent Company’s shares of stock are listed and currently traded at the Philippine Stock Exchange (PSE).

On April 15, 2021, the Board of Directors (“BOD”) and stockholders of the Company approved the amendments to the Company’s Articles of Incorporation resulting to, among other things, the: (a) change in corporate name to “RL Commercial REIT, Inc.”; (b) change in primary purpose to engage in the business of real estate investment trust, as provided under Republic Act no. 9586 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations (“the REIT Act”), and other applicable laws; (c) change in principal office address from Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City to 25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio, Pasig City; and (d) increase in authorized capital stock from One Hundred Million Pesos (₱100,000,000), divided into One Hundred Million (100,000,000) common shares with par value of One Peso (₱1.00) per share, to Thirty-Nine Billion Seven Hundred Ninety-Five Million Nine Hundred Eighty-Eight Thousand Seven Hundred Thirty-Two (39,795,988,732) shares with par value of One Peso (₱1.00) per share.

On April 15, 2021 as well, a Comprehensive Deed of Assignment (Deed of Assignment) was executed between the Company and RLC for the assignment, transfer, and conveyance by RLC of several properties (RLC REIT Properties) (the Assigned Properties) to the Company in the form of buildings and condominium units, excluding the land wherein the buildings and condominium units are situated, with an aggregate gross area of Three Hundred Sixty-Five Thousand Three Hundred Twenty-Nine and Eighty-One Hundredths (365,329.81) square meters and with a total value of Fifty-Nine Billion Forty-Six Million Pesos (₱59,046,000,000) in exchange for the issuance of Nine Billion Nine Hundred Twenty-Three Million Nine Hundred Ninety-Seven Thousand One Hundred Eighty-Three Pesos (₱9,923,997,183), with the remaining amount of Forty-Nine Billion One Hundred Twenty-Two Million Two Thousand Eight Hundred Seventeen Pesos (₱49,122,002,817) being treated as additional paid-in capital without issuance of additional shares (the Property-for-Share Swap). Ownership of the land on which the Assigned Properties are situated shall remain with RLC.

The Assigned Properties consists of: (i) the building and related immovable property in respect of Cyberscape Alpha, Cyberscape Beta, Tera Tower, Cyber Sigma, Exxa-Zeta Tower, Robinsons Cybergate Cebu, Robinsons Galleria Cebu, Robinsons Place Luisita 1, Cybergate Naga and

Cybergate Delta 1; and (ii) 96 condominium units in Robinsons Equitable Tower and 31 condominium units in Robinsons Summit Center.

Simultaneous with the assignment, transfer and conveyance of all of its rights, title, contracts, security deposits to utility and professional service providers, receivables, deposits from tenants and interest in and to the Assigned Properties is the assignment by RLC to the Company of its rights, interests and obligations as a lessee including prepaid rent under the 25-year operating lease agreement it entered into with Bases Conversion Development Authority (BCDA) in 2014 for a long-term lease of approximately 5,000 sqm parcel of land along Lawton Avenue, Bonifacio South, Taguig City where Cyber Sigma is currently located. BCDA is a government agency charged with the development and conversion of former military reservations, among others. The operating lease agreement was initially executed between BCDA and Altus Property Ventures, Inc. (formerly Altus San Nicolas Corp. and wholly-owned subsidiary of the Parent Company). With the approval of BCDA, it was later assigned to the Parent Company through an execution of a Deed of Assignment

On August 2, 2021, the amendments to the Company's Articles of Incorporation and the Property-for-Share Swap were approved by the SEC. In addition, the Company's building and land leases with RLC for the: (a) lease of two buildings, Robinsons Cybergate Center 2 and Robinsons Cybergate Center 3 (the "Cybergate Center Buildings" and the lease arrangements for such buildings, the "Building Leases"), and (b) lease of certain parcels of land where the Assigned Properties (except for Robinsons Equitable Tower, Robinsons Summit Center and Cyber Sigma) are situated (such lease agreements, the "Land Leases") became effective (see Note 17).

On September 14, 2021, The Company's common stock was listed in the Main Board of The Philippine Stock Exchange ("PSE"). Furthermore, the Fund Management Agreement and Property Management Agreement (collectively referred herein as "Management Agreements") entered into by RLC with its wholly-owned subsidiaries namely RL Fund Management, Inc. ("RFMI" or the "Fund Manager") and RL Property Management, Inc. ("RPMI" or the "Property Manager") were executed. The operational and administrative functions of the Company were handled by RLC prior to the listing with the PSE.

---

## **2. Summary of Significant Accounting Policies**

The accompanying unaudited financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting. Accordingly, the unaudited financial statements do not include all of the information and disclosures required in the December 31, 2020 audited financial statements.

The preparation of the financial statements in compliance with Philippine Financial Reporting Standards (PFRS) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying unaudited financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the unaudited financial statements. Actual results could differ from such estimates.

The unaudited financial statements are presented in Philippine Peso (₱), the Company's functional currency. All amounts are rounded to the nearest peso unit unless otherwise indicated.

On November 05, 2021, the Board of Directors approved and authorized the release of the accompanying unaudited interim financial statements of RCR.

---

### 3. Changes in Accounting Policies

#### Changes in Accounting Policies and Disclosures

The Company has adopted the following new accounting pronouncements starting January 1, 2021. Adoption of these pronouncements either did not have any significant impact on the Company's financial position or performance unless otherwise indicated. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and impact of each new standard and amendment are described below:

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

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

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

These amendments may impact future periods should the Company enter into any business combinations.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments do not have a significant impact on the Company.

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

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments do not have a significant impact on the Company.

- Amendments to PFRS 16, *COVID 19-related Rent Concessions*

The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before September 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted.

This amendment is not applicable to the Company as there are no rent concessions granted to the Company as a lessee.

- The Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the International Accounting Standards Board in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

This conceptual framework was issued on March 29, 2018 and had no impact on the financial statements of the Company.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Company intends to adopt the following pronouncements when they become effective.

*Effective beginning on or after January 1, 2021*

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Company shall also disclose information about:

- The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and must be applied retrospectively.

*Effective beginning on or after January 1, 2022*

- *Amendments to PFRS 3, Reference to the Conceptual Framework*  
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied prospectively.

- *Amendments to PAS 37, Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs 2018-2020 Cycle*
  - *Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based



on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to PAS 41, *Agriculture*, *Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

#### *Effective beginning on or after January 1, 2023*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*  
The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively.

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of

entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

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

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

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

The new standard is not applicable to the Company since none of the entities within the Company have activities that are predominantly connected with insurance or issue insurance contracts.

#### *Deferred effectivity*

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

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

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

---

#### **4. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the financial statements in compliance with PFRS requires the Company to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change.

The effects of any change in judgments and estimates are reflected in the financial statements, as they become reasonably determinable.

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

Except as otherwise stated, the significant accounting policies, judgments, estimates and assumptions used in the preparation of the interim condensed financial statements are consistent with those used in the annual financial statements as at and for the year ended December 31, 2020.

## 5. Cash in banks

Cash in banks earn annual interest rate at the prevailing bank deposit rates. It amounted to ₱807.5 million as of September 30, 2021.

## 6. Receivables

	September 30, 2021	December 31, 2020
Trade	₱31,074,322	₱—
Receivable from a related party (Note 14)	556,264,290	6,581,793
Others	50,000	—
	<b>₱587,388,612</b>	<b>₱6,581,793</b>

Trade receivables represent billed monthly rentals and dues. These receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivable from a related party mainly pertains to the tenants' payments collected by RLC on behalf of RCR pursuant to the Comprehensive Deed of Assignment which became effective on August 2, 2021 (see Note 1). These are due and demandable.

Others include receivable from officers and employees.

The Company deems that its receivables are fully collectible. Hence, no provision for doubtful accounts has been set up for 2021 and 2020.

All trade receivables are subject to credit risks exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade receivables as the amounts recognized resemble a larger number of receivables from various customers with strong financial condition. Most trade receivables are covered by security deposits or advance rental payment.

## 7. Investment Properties

This account consists of building and building improvements.

	September 30, 2021
Balance at beginning of period	₱—
Additions	59,128,192,360
Balance at end of period	<b>₱59,128,192,360</b>

The Company accounts for its investment properties at fair value, which reflects market conditions at the reporting date. The fair values of the investment properties were determined by independent professionally qualified appraisers and exceed their carrying costs. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise. Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal

proceeds and the carrying amount of the asset is recognized in the statement of comprehensive income in the period of derecognition.

The Company's investment properties consist of office buildings that are held to earn rentals.

Additions in 2021 pertain to the total of the fair values of the properties infused by RLC into RCR pursuant to the effectivity of the Property-for-Share Swap in the form of buildings and condominium units, excluding the land wherein the buildings and condominium units are situated, with an aggregate gross area of Three Hundred Sixty-Five Thousand Three Hundred Twenty-Nine and Eighty-One Hundredths (365,329.81) square meters and with a total value of Fifty-Nine Billion Forty-Six Million Pesos (₱59,046,000,000), as well as other directly attributable costs (see Note 1).

There are no borrowing costs capitalized in 2021 and 2020.

The following table provides the fair value hierarchy of the Company's investment properties as of September 30, 2021:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment properties	Various	₱59,046,000,000	₱–	₱–	₱59,046,000,000

The fair values of the office buildings was made on the basis of market value, which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.” They were measured by an independent appraiser through income approach using the discounted cash flow (“DCF”) analysis. This is the method usually used to determine the value of an income-generating property, as it also captures the property's future economic benefits, giving a representation of the relevant property's market value at an acceptable rate of return that would compensate for the risks associated with that particular investment. The significant assumptions used in the valuation for both as of September 30, 2021 are discount rates ranging from 8%-9% and capitalization rates ranging from 4% to 5%.

Rental income derived from investment properties amounted to ₱585.6 million for the period ended September 30, 2021 (see Note 15). Meanwhile, property operations and maintenance costs arising from investment properties amounted to ₱88.2 million for the period ended September 30, 2021 (see Note 16).

There are no investment properties as of September 30, 2021 that are pledged as security to liabilities. There are also no restrictions on the realizability of its investment properties.

## 8. Other Noncurrent Assets

Other noncurrent assets amounting to ₱14.2 million as of September 30, 2021 pertain to input value-added tax (“VAT”) and amounts advanced to and billed by Robinsons Equitable Tower Condominium Corporation (RETCC) to the Company which shall be used by RETCC for the defrayment of its capital expenditures. There are no other noncurrent assets as of December 31, 2020.

---

## 9. Accounts Payable and Accrued Expenses

	<b>September 30, 2021</b>
Accounts payable	<b>₱61,006,747</b>
Accrued expenses	<b>48,332,279</b>
Property and fund management fees payable	<b>66,160,725</b>
	<b>₱175,499,751</b>

Accounts payable mainly includes unpaid billings from suppliers and are non-interest bearing and are normally settled within 30-90 days.

Accrued expenses pertain to contracted services, utilities expense, and repairs and maintenance expense that are yet to be billed by the contractors and providers. These are normally settled within one year.

Property and fund management fees payable pertain to the amount billed by the Property and Fund Managers pursuant to the Management Agreements (see Note 1) for the period ending September 30, 2021.

Under the Fund Management Agreement, the Fund Management Fee is comprised of three components: (i) Management Fee; (ii) Acquisition Fee; and (iii) Divestment Fee. The Fund Management Fee is calculated based on the Deposited Property Value and Fair Value of leasehold assets plus a percentage of the Company's EBITDA prior to deduction of the fees payable to the Fund Manager and the Property Manager. The total amount of the Fund Management Fee (i.e., the combined Management Fee, Acquisition Fee, and Divestment Fee) paid to the Fund Manager in any given year shall not exceed 1% of the Net Asset Value of the properties under management. The Fund Management Fee shall be due and payable to the Fund Manager on a quarterly basis in the months of April, July, October and January, following the relevant period covered.

Under the Property Management Agreement, the Property Manager will receive a fee equivalent to a percentage of the Company's gross rental income plus a percentage of the Company's EBITDA prior to deduction of the fees payable to the Fund Manager and the Property Manager. The total amount of the Property Management Fee paid to the Property Manager in any given year shall not exceed 1% of the Net Asset Value of the properties under management. The Property Management Fee shall be due and payable to the Property Manager on a quarterly basis in the months of April, July, October and January, following the relevant period covered.

There are no outstanding accounts payable, accrued expenses and property and fund management fees payable as of December 31, 2020.

---

## 10. Deposits and Other Liabilities

This account consists of:

	<b>September 30, 2021</b>
Deposits from lessees	<b>₱946,688,556</b>
Unearned rental income	<b>143,484,065</b>
	<b>1,090,172,621</b>
Less current portion	<b>(90,731,802)</b>
	<b>₱999,440,819</b>

The current portion of these accounts follows:

	<b>September 30, 2021</b>
Deposits from lessees	<b>₱67,157,821</b>
Unearned rental income	<b>23,573,981</b>
	<b>₱90,731,802</b>

Deposits from lessees represent deposits received from lessees to secure the faithful compliance by lessees of their obligation under the lease contract. These are equivalent to three months' rent and refunded to the lessee at the end of the lease term.

Unearned rental income represent cash received in advance representing three (3) months' rent which will be applied to the last three months' rentals on the related lease contracts.

There are no deposits and other liabilities outstanding as of December 31, 2020.

## 11. Borrowings

In 2021, the Company secured the highest issuer credit rating of PRS Aaa (corp.), with a Stable Outlook, from Philippine Rating Services Corp. (PhilRatings).

With a PRS Aaa (corp.) rating, the highest issuer credit rating assigned on the PRS scale, the Company is deemed to have a very strong capacity to meet its financial commitments relative to that of other Philippine corporates. The rating includes a stable outlook for the Company, which means it is expected to remain unchanged in the next 12 months.

The investment-grade Issuer Credit Rating allows RCR to increase its leverage limit from 35% to 70% of the total value of its deposited property, according to the REIT Implementing Rules and Regulations (IRR). This gives RCR greater financial flexibility to support its organic and inorganic growth for long-term sustainability.

The Company did not breach the borrowing limit per REIT IRR as it did not have any outstanding borrowings as of September 30, 2021 and December 31, 2020.

## 12. Equity

### Capital Stock

Details of this account follow:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
Common stock - ₱1 par value		
Authorized	<b>39,795,988,732</b>	100,000,000
Issued and outstanding		
Balances at beginning of the period	<b>₱6,250,000</b>	₱6,250,000
Issuance of new shares	<b>9,942,747,197</b>	—
Balances at end of period	<b>₱9,948,997,197</b>	₱6,250,000
Number of shares	<b>9,948,997,197</b>	6,250,000

In March 2021, the Company received a total of ₱18.8 million from the Parent Company representing its payment for its unpaid subscription. Accordingly, a total of Eighteen Million Seven Hundred Fifty

Thousand (18,750,000) shares were issued at ₱1 par value per share.

On April 15, 2021, the Board of Directors (“BOD”) and stockholders of the Company approved the amendments to the Company’s Articles of Incorporation resulting increase in authorized capital stock from One Hundred Million Pesos (₱100,000,000), divided into One Hundred Million (100,000,000) common shares with par value of One Peso (₱1.00) per share, to Thirty-Nine Billion Seven Hundred Ninety-Five Million Nine Hundred Eighty-Eight Thousand Seven Hundred Thirty-Two (39,795,988,732) shares with par value of One Peso (₱1.00) per share.

#### Initial Public Offering (IPO)

On August 3, 2021, the SEC rendered effective the Company’s REIT Plan and the registration of its 9,948,997,197 common shares. On August 9, 2021, the PSE approved the application of the Company for the initial listing of its 9,948,997,197 common shares under the Main Board of the PSE. The Company was listed on the Main Board of the PSE on September 14, 2021 at ₱6.45 per share.

#### Additional Paid-In Capital (APIC)

The Company recorded APIC amounting to ₱49,022.8 million, net of transaction costs. The Company incurred transaction costs incidental to the IPO that is directly attributable to the issuance or subscription of new shares amounting to ₱99.2 million in 2021.

The Company’s share price closed at ₱6.88 per share for the period ended September 30, 2021.

#### Distributable Income

The computation of the distributable income of the Company as of September 30, 2021 is shown below:

	2021	2020
Net income (loss)	<b>₱633,788,601</b>	(₱18,950)
Add (Less): Unrealized gain (loss) on fair value change in investment properties	—	—
Basic/Diluted earnings (loss) per share	<b>₱633,788,601</b>	(₱18,950)

### **13. Basic/Diluted Earnings per Share**

The Company’s basic/diluted earnings (loss) per share for the nine months ended September 30 were computed as follows:

	2021	2020
Net income (loss)	<b>₱633,788,601</b>	(₱18,950)
Divided by weighted average number of outstanding common shares	<b>2,172,254,907</b>	6,250,000
Basic/Diluted earnings (loss) per share	<b>₱0.292</b>	(₱0.003)

For the six months ended September 30, 2021 and 2020, the Company computed the weighted average number of common shares outstanding as follows:

	2021	2020
Common shares outstanding at beginning of period	<b>1,792,280</b>	6,250,000
Weighted average number of common shares issued during the period	<b>2,170,462,627</b>	—
Weighted average number of common shares outstanding during the period	<b>2,172,254,907</b>	6,250,000

The Company has no potential dilutive common shares as of September 30, 2021 and 2020.

#### Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Company is subject to external capital requirement as a REIT to have a minimum paid-up capital of ₱300.0 million.

## **14. Related Party Transactions**

Related party transactions are made under the normal course of trade or business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Affiliates are entities that are owned and controlled by the Ultimate Parent Company and neither a subsidiary nor associate of the Company. These affiliates are effectively sister companies of the Company by virtue of ownership of the Ultimate Parent Company. Related parties may be individuals or corporate entities. Transactions are generally settled in cash, unless otherwise stated.

Outstanding balances as at September 30, 2021 and December 31, 2020 are unsecured, interest free and require settlement in cash, unless otherwise stated. As of September 30, 2021 and December 31, 2020, the Company has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

The amounts and balances arising from significant related party transactions are as follows:

	September 30, 2021			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
<b>Ultimate Parent Company</b>				
			Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term; Non-interest bearing; due and demandable	Unsecured; no impairment
Rental income/receivable (a)	₱26,972,707	₱—		
<b>Parent Company</b>				
			Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term; Non-interest bearing; due and demandable	Unsecured; no impairment
Rental income/receivable (a) (Note 6)	—	556,264,290		
<b>Under common control of Ultimate Parent Company</b>				
			Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term; Non-interest bearing; due and demandable	Unsecured; no impairment
Rental income/receivable (a)	46,963,414	—		



September 30, 2021				
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Under common control of Parent Company				
Property and fund management fees (b) (Note 9)	66,160,725	(66,160,725)	Five year service contract; renewable every five years; non-interest bearing; due and demandable	Unsecured; no impairment
December 31, 2021				
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
Rental income/receivable (a)	P—	P—	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term; Non-interest bearing; due and demandable	Unsecured; no impairment
Parent Company				
Rental income/receivable (a)	—	6,581,793	Non-interest bearing; due and demandable	Unsecured; no impairment
Under common control of Ultimate Parent Company				
Rental income/receivable (a)	—	—	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term; Non-interest bearing; due and demandable	Unsecured; no impairment
Under common control of Parent Company				
Property and fund management fees (b)	—	—	Five year service contract; renewable every five years: non- interest bearing; due and demandable	Unsecured; no impairment

The Company's outstanding receivables from and payables to related parties arising from the above transactions are payable or collectible on demand, unsecured and noninterest-bearing. Such receivables were deemed not impaired by the management.

#### Terms and Conditions of Transactions With Related Parties

There have been no guarantees provided or received for any related party receivables or payables.

There are no other arrangements between the Company and any of its directors and key officers providing for benefits upon termination of employment.

## **15. Revenues**

The breakdown of revenues for the nine months ending September 30 are shown below.

	2021
Rental income	<b>₱585,547,800</b>
Income from dues-net	<b>132,681,323</b>
Others	<b>1,265,201</b>
	<b>₱719,494,324</b>

Rental income pertains to rental from office, retail, and parking spaces.

Income from dues-net pertains to recoveries from tenants for the usage of common areas and air-conditioning services.

Others pertain to miscellaneous charges to tenants.

There were no revenues earned for the period ended September 30, 2020.

---

## 16. Costs and Expenses

### Direct Operating Expenses

The breakdown of the direct operating expenses for the nine months ending September 30 are shown below.

	2021
Fund management fees (Note 9)	₱35,368,367
Property management fees (Note 9)	30,792,358
Contracted services	10,371,329
Repairs and maintenance	6,891,367
Amortization of right-of-use asset (Note 17)	4,744,551
	<b>₱88,167,972</b>

There were no direct operating expenses incurred for the period ended September 30, 2020.

### General and Administrative Expenses

The breakdown of the general and administrative expenses for the nine months ending September 30 are shown below.

	2021	2020
Land and building lease (Note 17)	₱27,707,368	₱—
Taxes and licenses	1,235,369	500
Others	5,709,884	18,450
	<b>₱34,652,621</b>	<b>₱18,950</b>

Others pertain to travel and transportation, utilities, communication, and advertising and promotions which are individually not material.

---

## 17. Lease Commitments and Contingencies

### Operating Lease Commitments - Company as Lessor

The Company is a lessor under non-cancellable operating lease agreements covering investment properties. The leases have a term of at three to five years with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates. The total rentals from these operating leases amounted to ₱585.6 million and nil for the nine months ended September 30, 2021 and 2020, respectively, and is presented as part of revenues in the interim condensed statements of comprehensive income.

There are other commitments and contingent liabilities that may arise in the normal course of the Company's operations that are not reflected in the interim condensed financial statements. Management is of the opinion that losses, if any, from these items will not have a material effect on the Company's interim condensed financial statements.

## Company as Lessee

### *Building and Land Leases with RLC*

On July 16, 2021, the Company and the Sponsor entered into the agreements for the lease of the two Cybergate Center Buildings and the lease agreements over the land where the following Assigned Properties are located: Cyberscape Alpha, Cyberscape Beta, Tera Tower, Exxa-Zeta Tower, Robinsons Cybergate Cebu, Galleria Cebu, Luisita BTS 1, Cybergate Naga, and Cybergate Delta 1. These are all long-term agreements with lease terms of 98 and 99 years and with the lease term commencing on the date of the issuance of the Philippine SEC approval of the AOI Amendments, which includes the approval for the increase in authorized capital stock and the Property-for-Share Swap. The AOI Amendments were approved by the SEC on August 2, 2021. The lease rental rate for each of the Cybergate Center Leases and Land Leases is based on a percentage of rental income of the relevant Assigned Property per month. Furthermore, there is no minimum guaranteed lease payment. Following the commencement of such leases, the Company accounted for the Cybergate Center Leases and the Land Leases under a contingent/variable lease arrangement by recording an expense in the statement of comprehensive income equivalent to the aforementioned percentage of the rental income generated by the underlying office assets on a monthly basis in accordance with PFRS 16. PFRS 16 requires a lessee to recognize a right-of-use asset and lease liability in the statement of financial position for long-term leases. The lease liability is measured at the commencement date of the lease as the present value of future “lease payments” discounted over the lease term at the rate implicit in the lease. “Lease payments” pertain to payments over the term of the lease that are reasonably estimable such as fixed lease payments and variable lease payments that depend on an index or a benchmark rate. Under PFRS 16, variable lease payments that do not depend on an index or benchmark rate, including variable lease payments that are wholly contingent or linked to the future performance of the underlying assets such as revenues or turnover similar to the terms and conditions of the Cybergate Center Leases and the Land Leases, do not meet the definition of “lease payments” under PFRS 16. Accordingly, the basis in which to determine the future lease payments to measure the right of use asset and lease liability cannot be reasonably estimated. As such, the related lease payments/rent expense that is determined on a contingent/variable lease arrangement is recognized as an expense in the statement of comprehensive income in the period in which the event or condition occurs.

### *Land Lease Agreement with BCDA*

The Company has paid the balance of prepaid rent amounting to ₱302.4 million in relation to the assignment by RLC of its lease contract with Bases Conversion and Development Authority (BCDA) for the lease of a parcel of land used in its operations (see Note 1). The lease of land has an original lease term of 25 years. The lease generally provides for a fixed monthly rent.

### *Right-of-use asset*

The rollforward analysis of this account for the nine months ended September 30, 2021 follow:

	<b>2021</b>
<i>Cost</i>	
Balance at beginning of period	<b>₱—</b>
Additions	<b>546,105,837</b>
Balance at end of period	<b>546,105,837</b>
<i>Accumulated Amortization</i>	
Balance at beginning of period	<b>—</b>
Amortization (Note 11)	<b>4,744,551</b>
Balance at end of period	<b>4,744,551</b>
<i>Net Book Value</i>	<b>₱541,361,286</b>

*Lease liability*

The rollforward analysis of this account for the nine months ended September 30, 2021 follow:

	2021
Balance at beginning of period	P-
Additions	246,765,111
Less: Interest expense	1,538,256
Balance at the end of period	<b>P245,226,855</b>

---

## 18. Income Taxes

The components of the income tax expense (benefit) for the nine months ending September 30 are as follows:

	2021
Current	(P490,534)
Deferred	(38,162,592)
	<b>(P38,653,126)</b>

Deferred tax asset-net mainly pertains to the deferred tax asset on advance rent. The Company did not recognize deferred tax asset from NOLCO incurred in previous years.

---

## 19. Financial Assets and Liabilities

### Fair Value Information

The fair values of cash and receivables and deposits and other liabilities, accounts payable and accrued expenses (excluding taxes and licenses payable) are approximately equal to their carrying amounts as of the reporting date due to the short-term nature of the transactions.

### Fair Value Hierarchy

The Company uses the following hierarchy for determining the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of deposits from lessees disclosed in the financial statements is categorized within level 3 of the fair value hierarchy. There has been no reclassification from Level 1 to Level 2 or 3 category.

---

## 20. Segment Reporting

The Company has determined that it is currently operating as one operating segment. Its 14-building lease operation is its only income-generating activity, and such is the measure used by the Chief Operating Decision Maker in allocating resources.

---

## 21. Events After Financial Reporting Date

### Dividend Declaration

On November 5, 2021, the Board of Directors of RCR at its first regular meeting approved the declaration of its cash dividend at ₱0.062 per outstanding common share.

The Company declared dividends out of its unrestricted retained earnings from two months of operations starting August 2 to September 30, 2021, one month more than its stated commitment in the REIT plan. The cash dividends will be payable on November 25, 2021 to stockholders on record as of November 19, 2021. RCR's dividend policy is to distribute at least 90% of its distributable income, in compliance with the REIT Law.

### Impact of COVID-19 Outbreak on the Company's Operations

Amid COVID-19 and in compliance with the Government's community quarantine guidelines, businesses, except those providing essential goods and services were temporarily closed or have limited operations. The Company, however, continued operations because the Company's office developments are occupied by tenants providing essential services, such as BPOs, which were permitted to continue operations under the Government's community quarantine guidelines. There were no rental abatements granted to the Company's tenants during the period and tenants have continued to pay their rentals.

### Measures to Mitigate the Spread of COVID-19

Understanding the potential material impact of COVID-19 on the Company's financial performance, the execution of its plans and strategies, and on its tenants should the situation persist in the longer-term, the Company is fully committed to cooperate and support the Government's efforts to control the spread of the virus.

In addition to complying with the guidelines, rules and regulations issued by the Government, the Company has established business continuity plans, and has taken immediate actions to ensure that its services remain available. RCR deployed skeleton workforces in various geographic locations and employed contingency measures such as flexible personnel resourcing and off-site working facilities. It has implemented appropriate and enhanced measures in an effort to contain the spread of the virus within the Properties.

Measures implemented by the Company include the following:

- Mandatory wearing of face mask, face shield and gloves by frontliners (i.e., the building administrative team, security guards, janitors and technicians);
- Notices/reminders for tenants and building occupants to maintain physical distance and to wear a face mask;
- Ensuring maintenance crew are fully equipped with disinfecting materials, such as alcohol and hand soap;
- Placing acrylic barriers at the reception counters;

- Strict implementation of the following building entry protocols: checking of company ID and face mask, observance of one-meter physical distancing, using/scanning QR codes for contact tracing, with foot baths to disinfect footwear, temperature checking, hand sanitation, and with isolation areas for those who will not be allowed entry to the building;
- Placing alcohol and hand sanitizers at entry points (i.e., the building entrance, elevator, alternate entry/exit (fire exit));
- Installing copper films in high-touch point areas;
- Designating isolation/holding areas;
- Adjusting elevator capacity, such that only four passengers are allowed per elevator and placing markings on the prescribed manner of standing when inside the elevator. There are also health & safety reminders placed inside the elevators;
- Placing floor markings in all common areas to remind everyone on queuing and social distancing;
- Modifying the use of restrooms to avoid crowding;
- Placing various signage (printed and digital) within the building to remind everyone on the safety and health protocols; and
- On-line processing/approval of various building transactions such as gate pass requisition, application of work permit, approval of deliveries, and virtual meetings are also being practiced.

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

### Financial performance for the first nine months ended September 30, 2021 compared to same period last year

RCR, the largest Philippine REIT to-date, netted ₱633.8 million for the nine months ended September 30, 2021 compared to the previous year's net loss of ₱18,950. This net income surge is mainly attributable to the earnings generated from two months of commercial operations covering August 2 to September 30, 2021 following the infusion by the Sponsor to the Company of 12 office assets via Property-for-Share Swap ("Assigned Properties") and from the Cybergate Center Buildings under a building lease arrangement with the Sponsor. The Company did not have any revenue-generating assets nor activities in the previous year.

#### *Revenue*

RCR posted revenue of ₱719.5 million for the first nine months ended September 30, 2021 consisting of rental income, income from dues-net and other income.

Rental income of ₱585.5 million for the first nine months ended September 30, 2021 was from the rental income generated from two months of commercial operations of the 12 Assigned Properties and the Cybergate Center Buildings. The Company did not have any revenue-generating assets nor activities in the previous year.

Income from dues-net at ₱132.7 million for the first nine months ended September 30, 2021 pertains to the excess of income from CUSA and air-conditioning fees in excess of actual charges to and consumption of tenants of the 12 Assigned Properties and the Cybergate Center Buildings.

Other income at ₱1.3 million for the first nine months ended September 30, 2021 pertains to miscellaneous income earned from forfeitures and penalties charged to tenants for late payments, gain from insurance claims, and others. Other income was nil in the previous year.

#### *Cost and Expenses*

Cost and expenses grew to ₱124.4 million the first nine months ended September 30, 2021 from ₱18,950 the previous year.

Direct operating expenses consisting of fund and property management fees, contracted services, repairs and maintenance, and amortization of right-of-use asset totaled ₱88.2 million the first nine months ended September 30, 2021 versus nil from the previous year.

On the other hand, general and administrative expenses consisting of land and building lease, taxes and licenses, and other expenses increased to ₱34.7 million the first nine months ended September 30, 2021 versus ₱18,950 in the same period last year mainly due to the two months commercial operations of the 12 Assigned Properties and the Cybergate Center Buildings.

Interest expense pertains to the accretion of lease liability in relation the long-term lease agreement assigned by RLC to the Company which became effective on August 2, 2021 covering approximately 5,000 sqm parcel of land along Lawton Avenue, Bonifacio South, Taguig City where Cyber Sigma is currently located. It posted at ₱1.5 million for the first nine months ended September 30, 2021. As the land lease agreement was only assigned to RCR in 2021, there was no interest expense incurred the previous year.

### *Income Before Income Tax*

As a result of the foregoing, income before income tax ended at ₱595.1 million for the nine months ended September 30, 2021 from a loss of ₱18,950 for the first nine months ended September 30, 2020.

### *Benefit From Income Tax*

Pursuant to the effectivity of the CREATE Act in 2021 which effectively reduced the corporate income tax rate of corporations, incurrence of tax deductible expenses in excess of taxable revenues as allowed by the Tax Code and recognition of deferred tax for the period, the Company reported a benefit from income tax amounting to ₱38.7 million in the first nine months ended September 30, 2021. In 2020, the Company incurred a net operating loss carry over (“NOLCO”) amounting to ₱18,950 which is available for offset against future taxable income over a period of five (5) years.

There are no significant elements of income or loss that did not arise from continuing operations.

### Financial position as of September 30, 2021 compared to December 31, 2020

#### *Assets*

The Company’s financial position remains healthy with total assets as of September 30, 2021 at ₱61,116.8 million. Prior to the approval of the SEC of the AOI amendments including the Property-for-Share Swap, the Company’s asset is composed of solely its receivable from a related party.

Composition of total assets is as follows:

- Cash amounting to ₱807.5 million pertains to cash in bank. The Company’s cash balance was nil as of December 31, 2020.
- Receivables, increased by 8,824.4%, or ₱580.8 million, to ₱587.4 million as of September 30, 2021 from ₱6.6 million as of December 31, 2020 due to a receivable from a related party pertaining to the tenants’ payments collected by RLC on behalf of RCR pursuant to the Comprehensive Deed of Assignment which became effective on August 2, 2021.
- Investment properties at ₱59,128.2 million as of September 30, 2021 pertains to office buildings that are held to earn rentals. Additions in 2021 pertain to the total of the fair values of the properties infused by RLC into RCR pursuant to the effectivity of the Property-for-Share Swap in the form of buildings and condominium units, excluding the land wherein the buildings and condominium units are situated, with an aggregate gross area of Three Hundred Sixty-Five Thousand Three Hundred Twenty-Nine and Eighty-One Hundredths (365,329.81) square meters and with a total value of ₱59,046.0 million, as well as directly attributable costs.
- Right-of-use assets at ₱541.4 million as of September 30, 2021 pertains to the RLC’s assigned lease contract with Bases Conversion and Development Authority (BCDA) for the parcel of land used in its operations. The lease of land has an original lease term of 25 years. The lease generally provides for a fixed monthly rent.
- Deferred tax asset-net at ₱38.2 million as of September 30, 2021 mainly pertains to the deferred tax asset on advance rent. The Company did not recognize deferred tax asset from NOLCO incurred in previous years.
- Other noncurrent assets at ₱14.2 million as of September 30, 2021 pertains to input value-added tax (“VAT”) and amounts advanced to and billed by Robinsons Equitable Tower Condominium Corporation (RETCC) to the Company which shall be used by RETCC for the defrayment of its capital expenditures.



### *Liabilities*

Total liabilities as of September 30, 2021 stood at ₱1,510.9 million. The Company did not have any outstanding liabilities as of December 31, 2020 as the Company had no commercial operations at that time.

Composition of total liabilities is as follows:

- Accounts payable and accrued expenses at ₱175.5 million as of September 30, 2021 pertains to property and fund management fees payable, accounts payable, and accrued expenses.
- The current portion of deposits and other current liabilities at ₱90.7 million as of September 30, 2021 pertains to deposits from lessees and unearned rental income. Non-current portion amounted to ₱999.4 million.
- Lease liabilities at ₱245.2 million as of September 30, 2021 pertains to the RLC's assigned lease contract with Bases Conversion and Development Authority (BCDA) for the lease of parcel of land used in its operations. The lease of land has an original lease term of 25 years. The lease generally provides for a fixed monthly rent.

In 2021, the Company secured the highest issuer credit rating of PRS Aaa (corp.), with a Stable Outlook, from Philippine Rating Services Corp. (PhilRatings). The investment-grade Issuer Credit Rating allows RCR to increase its leverage limit from 35% to 70% of the total value of its deposited property, according to the REIT Implementing Rules and Regulations (IRR). This gives RCR greater financial flexibility to support its organic and inorganic growth for long-term sustainability. The Company did not breach the borrowing limit per REIT IRR as it did not have any outstanding borrowings as of September 30, 2021 and December 31, 2020.

### Contingencies

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation.

### Off-Balance Sheet Arrangements

As of September 30, 2021, there were no off-balance sheet arrangements or obligations that were likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

### Capital Expenditures

There are no material commitments for capital expenditures, general purpose and expected sources of funds.

### *Equity*

The Company's total equity increased to ₱59,605.9 million as of September 30, 2021 from ₱6.6 million as of December 31, 2020 as a result of the issuance of new shares pursuant to the effectivity of the Property-for-Share Swap, IPO and earnings accumulated from two months of commercial operations.

Cashflow for the first nine months ended September 30, 2021 compared to same period last year

*Net cash flows provided by operating activities*

Net cash flows provided by operating activities were ₱1,272.6 million for the nine months ended September 30, 2021 versus nil in the same period last year.

*Net cash flows used in investing activities*

For the first nine months ended September 30, 2021, net cash flows used in investing activities were ₱384.6 million. The cash outflow consisted of payment prepaid rent pertaining to the RLC's assigned land lease contract with BCDA, payment of transfer taxes, and additions to investment properties. There were no cash flows from or used in investing activities for the period ended September 30, 2020.

*Cash flows from financing activities*

Cash flows from financing activities for the first nine months ended September 30, 2021 pertain to collection of subscriptions receivable amounting to ₱18.8 million and payment of cost attributable to the issuance of shares to the Parent Company amounting to ₱99.2 million.

## PART II – OTHER INFORMATION

### Item 3. Summary of Real Estate Transactions

Aside from real estate transactions disclosed in Notes 1 and 17, the Company did not enter into any other real estate transactions for the period ending September 30, 2021.

### Item 4. Profile of Portfolio, Portfolio Performance and Valuation

RCR, a company designated by RLC to operate as a REIT, leases to a diversified tenant base a high-quality portfolio (the “Portfolio”) of 14 commercial real estate assets (the “Properties” and each, a “Property”) across the Philippines with an aggregate Portfolio GLA of 425,315 sqm as of the date of September 30, 2021. The Portfolio consists of commercial spaces primarily leased for office purposes, with minimal retail spaces on some of the Properties to support the needs of office tenants.

The initial Portfolio of 14 assets comprises the Assigned Properties and the Cybergate Center Buildings with an aggregate Appraised Value of ₱73,884.0 million as of September 30, 2021 located in CBDs across Metro Manila and in the key cities of Naga, Tarlac, Cebu and Davao outside of Metro Manila.

	Location	Year Completed	Registration/ Certification	Office Grade (1)	GLA (sqm)	% of Total Portfolio GLA	Appraised Value (₱ million)(2)	Title to Asset	Title to Land
<b>Metro Manila</b>									
<b>Assigned Properties</b>									
Robinsons Equitable Tower .....	Ortigas CBD, Pasig City	1999	PEZA	A	14,365	3.4%	3,426.0	Freehold over 96 units(3)	Subdivided interest in land
Robinsons Summit Center .	Makati CBD, Makati City	2001	PEZA	A	31,394	7.4%	11,476.0	Freehold over 31 units(4)	Subdivided interest in land
Cyberscape Alpha .....	Ortigas CBD, Pasig City	2014	PEZA	A	49,902	11.7%	8,545.0	Building owned	Land leased from Sponsor for 99 years
Cyberscape Beta .....	Ortigas CBD, Pasig City	2014	PEZA	A	42,245	9.9%	7,794.0	Building owned	Land leased from Sponsor for 98 years
Tera Tower.....	Bridgetowne Complex IT Park, Quezon City	2015	PEZA, LEED Gold	A / Prime	35,087	8.2%	6,066.0	Building owned	Land leased from Sponsor for 98 years
Cyber Sigma ....	McKinley West, Fort Bonifacio, Taguig City	2017	PEZA	A	49,970	11.7%	5,823.0	Building owned	Land leased from BCDA for 25 years(5)
Exxa-Zeta Tower .....	Bridgetowne Complex IT Park, Quezon City	2018	PEZA, LEED Silver	A / Prime	74,584	17.5%	11,867.0	Building owned	Land leased from Sponsor for 99 years
<b>Cybergate Center Building Leases</b>									
Robinsons Cybergate Center 2 .....	Cybergate Complex IT Park, Mandaluyong City	2007	PEZA	A	43,672	10.3%	6,808.0	Building leased from Sponsor	N/A
Robinsons Cybergate Center 3 .....	Cybergate Complex IT Park, Mandaluyong City	2008	PEZA	A	44,614	10.5%	7,873.0	Building leased from Sponsor	N/A

	Location	Year Completed	Registration/ Certification	Office Grade (1)	GLA (sqm)	% of Total Portfolio GLA	Appraised Value (P million)(2)	Title to Asset	Title to Land
<b>Outside Metro Manila</b>									
<b>Assigned Properties</b>									
Robinsons Cybergate Cebu	Cebu City	2011	PEZA	B	6,866	1.6%	672.0	5/F to 7/F owned	Land leased from Sponsor for 98 years
Galleria Cebu ...	Cebu City Robinsons Luisita Complex,	2017	PEZA	A	8,851	2.1%	943.0	3/F to 4/F owned	Land leased from Sponsor for 99 years
Luisita BTS 1 ...	Tarlac City Robinsons Place Naga Complex,	2018	PEZA	B	5,786	1.4%	620.0	Building owned	Land leased from Sponsor for 99 years
Cybergate Naga	Naga City Robinsons Cyberpark	2018	PEZA	B	6,070	1.4%	687.0	3/F to 5/F owned	Land leased from Sponsor for 99 years
Cybergate Delta 1 .....	Davao, Davao City	2018	PEZA	B	11,910	2.8%	1,284.0	Building owned	Land leased from Sponsor for 99 years
<b>Total</b>					<b>425,315</b>	<b>100.0%</b>	<b>73,884.0</b>		

- (1) According to the JLL Report, office buildings classified as “Grade A” or “Prime” are modern specification buildings with high quality finishes, typically located in prime locations while those classified as “Grade B” are medium quality buildings in prime locations or “Grade A” standard buildings, but in secondary locations.
- (2) The valuation of the properties is aligned with the appraisal reports issued by Santos Knight Frank, Inc. (SKF). SKF used the Discounted Cashflows (“DCF”) Approach or Income Approach as the primary method to estimate the fair value of the buildings. Under the DCF approach, the cashflows of the properties were discounted based on a weighted average cost of capital (WACC) using the Capital Asset Pricing Model.
- (3) The Company owns 96 units out of 353 units comprising the Robinsons Equitable Tower. Title over each unit is evidenced by a CCT which represents ownership over the unit and an undivided interest in the land on which the Robinsons Equitable Tower is located.
- (4) The Company owns 31 units out of 32 units comprising the Robinsons Summit Center. Title over each unit is evidenced by a CCT which represents ownership over the unit and an undivided interest in the land on which the Robinsons Summit Center is located.
- (5) The lease is renewable for another 25 years and includes an Option to Purchase the land and its improvements from BCDA on the 24th year of the initial lease period.

## Item 5. Key Performance Indicators

	September 30, 2021		December 31, 2020	
<b>Current Ratio</b>				
Current Assets	1,394,870,967	5.24	Not applicable	
Current Liabilities	266,231,553			
<b>Solvency Ratio</b>				
Net Income after Tax + Non-cash Expenses	640,071,408	0.42	Not applicable	
Total Liabilities	1,510,899,227			
<b>Debt-to-Equity Ratio</b>				
Not applicable. The Company has no borrowings as of September 30, 2021 and December 31, 2020.				
<b>Asset-to-Equity Ratio</b>				
Total Assets	61,116,779,649	1.03	6,581,793	1.00
Total Equity	59,605,880,422		6,581,793	
<b>Book Value Per Share</b>				
Total Equity	59,605,880,422	₱5.99	6,581,793	₱1.05
Number of Shares Outstanding	9,948,997,197		6,250,000	
<b>Interest Coverage Ratio</b>				
Not applicable. The Company has no borrowings as of September 30, 2021 and 2020.				
<b>Gross Profit Ratio</b>				
Gross Profit	631,326,352	0.88	Not applicable	
Total Revenues	719,494,324			
<b>EBITDA Margin</b>				
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	601,418,282	0.84	Not applicable	
Total Revenues	719,494,324			
<b>Net Profit Margin Ratio</b>				
Net Profit	633,788,601	0.88	Not applicable	
Total Revenues	719,494,324			

### Operating Margin Ratio

Operating Profit	595,135,475	0.83	Not applicable
Total Revenues	719,494,324		

### Earnings Per Share

Net Profit	633,788,601	₱0.29	(18,950)	₱0.00
Weighted Average No. of Shares	2,172,254,907		6,250,000	

### Item 6. Other Disclosures

#### Aging of Receivables as of September 30, 2021

	Total	Neither Past Due Nor Impaired	Past Due But Not Impaired				Past Due and Impaired
			Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	
Receivable from a related party	₱556,264,290	₱556,264,290	₱—	₱—	₱—	₱—	₱—
Trade	31,074,322	31,074,322	—	—	—	—	—
Others	50,000	50,000	—	—	—	—	—
	₱587,388,612	₱587,388,612	₱—	₱—	₱—	₱—	₱—

### Item 7. Reinvestment Plan Progress Report

Please refer to the attached first quarterly progress report on the application of proceeds received from the sale of shares of Robinsons Land Corporation in RL Commercial REIT, Inc. via secondary offering for the period covering September 14 to September 30, 2021, including the report of the external auditor.



**ROBINSONS LAND CORPORATION**

12<sup>th</sup> FLOOR, CYBERSCAPE ALPHA, SAPPHIRE AND GARNET ROADS, ORTIGAS CENTER, PASIG CITY  
TEL. NO.: 8397-1888

October 15, 2021

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City

Attention: **Hon. Vicente Graciano P. Felizmenio, Jr.**  
Director, Markets and Securities Regulation Department

**PHILIPPINE STOCK EXCHANGE, INC.**

6<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street, Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

**Subject: First Quarterly Progress Report on the Application of Proceeds from the Sale of Shares in RL Commercial REIT, Inc. via Secondary Offering**

Gentlemen:

In compliance with the disclosure requirements of the Philippine Stock Exchange, we submit herewith our first quarterly progress report on the application of proceeds received from the sale of shares of Robinsons Land Corporation in RL Commercial REIT, Inc. via secondary offering for the period covering September 14 to September 30, 2021. Further attached is the report of RLC's external auditor.

As of September 30, 2021, the remaining balance of the proceeds from the secondary offering amounts to Twenty Billion Two Hundred Sixty-Three Million Two Hundred Ninety-One Thousand Seven Hundred Ninety-Six Pesos and 59/100 (P20,263,291,796.59).

The details are as follows:

Gross proceeds as of September 14, 2021	P21,561,472,800.00
Less: Disbursements for IPO expenses	715,034,105.54
Disbursements for capital expenditures ( <i>Annex A</i> )	583,146,897.87
<b>Total Disbursements</b>	<b>1,298,181,004.41</b>
<b>Balance of proceeds as of September 30, 2021</b>	<b>P20,263,291,796.59</b>

Thank you.

Very truly yours,

**KERWIN MAX S. TAN**  
Chief Financial, Risk and Compliance Officer

**ATTY. IRIS FATIMA V. CERO**  
Notary Public for Pasig, San Juan, and Pateros  
Appointment No. 194, Extended until Dec. 31, 2021  
by virtue of Supreme Court En Banc Resolution dated July 1, 2021  
12F Cyberscape Alpha, Sapphire & Garnet Rds. Ortigas Center, Pasig City  
Roll of Attorneys No. 65837; June 21, 2016  
PTR No. 7247299; January 14, 2021; Pasig City  
IBP No. 134302; December 10, 2020; RSM Chapter  
MCLE Compliance No. VI - 0013539; April 14, 2021

**Republic of the Philippines;**  
City of Pasig

**OCT 15 2021**  
SUBSCRIBED AND SWORN to before me this 15 day of October, 2021, me his/her affiant personally appearing before me and exhibiting to me as proof of his/her identity and is known to me to be the person who executed and signed this document.

Doc. No.: 364;  
Page No.: 74;  
Book No.: 8;  
Series of 2021.



Annex A

**Disbursements for Capital Expenditures  
For the Period Covering September 14 to 30, 2021**

Date	Project Name	Amount
9/14-23/2021	SYNC - S Tower	P42,227,077.48
9/15-24/2021	The Residences at The Westin Manila Sonata Place	5,030,369.63
9/15-30/2021	Bloomfields General Santos	2,142,662.98
9/16/2021	RP Dumaguete Expansion Phase 1	848,036.33
9/16-29/2021	Galleria Residences - Tower 2	4,545,470.86
9/16-30/2021	Cebu Integrated Resort	176,637,323.58
9/17/2021	Iloilo Towers	37,223,461.91
9/17-24/2021	Galleria Residences - Tower 1	13,908,934.80
9/17-30/2021	Summit Hotel GenSan	13,773,815.68
9/20/2021	Acacia Escalades - Building B	223,585.71
9/20/2021	Cirrus	1,229,934.01
9/20/2021	Sierra Valley Gardens - Building 1 and 2	124,854,910.71
9/20/2021	The Magnolia Residences - Tower D	1,423,150.60
9/20-24/2021	The Sapphire Bloc - East Tower	56,178,854.00
9/20-30/2021	Westin Sonata Hotel	16,353,426.99
9/20-30/2021	Brighton Bacolod	430,191.99
9/24/2021	Opus	127,678.57
9/24/2021	RP Gapan	4,650,700.70
9/24/2021	RP La Union	7,155,935.02
9/24/2021	Summit Hotel Naga / Go Hotels Naga	1,911,354.34
9/24/2021	Montclair	55,691,381.25
9/24/2021	Gateway Regency Studios	3,824,927.13
9/24/2021	The Radiance Manila Bay - South Tower	5,806,927.95
9/29/2021	Robinsons DoubleDragon Corp.	6,946,785.65
<b>TOTAL</b>		<b>P583,146,897.87</b>





SyCip Gorres Velayo & Co.  
6760 Ayala Avenue  
1226 Makati City  
Philippines

Tel: (632) 8891 0307  
Fax: (632) 8819 0872  
ey.com/ph

**STRICTLY CONFIDENTIAL**

**REPORT OF FACTUAL FINDINGS**

**Robinsons Land Corporation**  
Level 2, Galleria Corporate Center  
EDSA corner Ortigas Avenue  
Quezon City, Metro Manila

Attention: **Mr. Kerwin Max S. Tan**  
Chief Financial, Risk and Compliance Officer

Dear Mr. Tan:

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report as at **September 30, 2021** covering periods from **September 14, 2021 to September 30, 2021** on the application of proceeds from the sale of your shares in **RL Commercial REIT, Inc.** via secondary offering of **Robinsons Land Corporation** (the "Company") on **September 14, 2021**. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures and results thereof are summarized as follows:

1. Obtain the Quarterly Progress on application of proceeds from the sale of your shares in RL Commercial REIT, Inc. via secondary offering (the "Schedule") and perform the following:
  - Check the mathematical accuracy of the Schedule;
  - Compare the net proceeds received in the Schedule to the bank statement and journal voucher noting the date received and amount recorded;
  - Compare the additions and disbursements in the Schedule with the schedule of application of proceeds;





- 2 -

- On a sample basis, trace additions and disbursements to the supporting documents such as progress billings, bank statements, invoices, and official receipts, and agree the amount to the accounting records;
- On a sample basis, inquire into and identify the nature of the additions and disbursements. Check if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the secondary offering.

We report our findings below:

1. We checked the mathematical accuracy of the Schedule. No exceptions noted.
2. We compared the net proceeds received in the Schedule to the bank statement and journal voucher noting the date received and amount recorded. No exceptions noted.
3. We compared the additions and disbursements in the Schedule with the schedule of application of proceeds. No exceptions noted.
4. On a sample basis, we traced additions and disbursements to the supporting documents such as progress billings, bank statements, invoices, and official receipts, and agreed the amount to the accounting records. We noted that the Company disbursed a total of ₱583,146,897.87 for the periods from September 14, 2021 up to September 30, 2021. No exceptions noted.
5. On a sample basis, we inquired into and identified the nature of the additions and disbursements. We checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the secondary offering. No exceptions noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.



- 3 -

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the offering and items specified above and do not extend to any financial statements of the Company taken as a whole.

**SYCIP GORRES VELAYO & CO.**

A handwritten signature in black ink, appearing to read 'Michael C. Sabado', is written over a light blue horizontal line.

Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0664-AR-4 (Group A)

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023

PTR No. 8534357, January 4, 2021, Makati City



### ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY City of Pasig ) S.S.

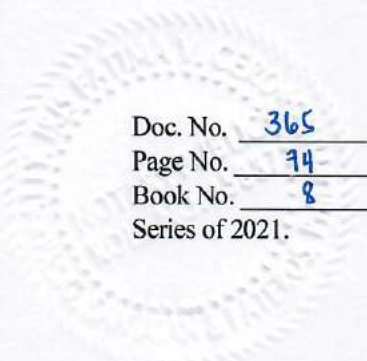
I certify that on OCT 15 2021, before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

Name	Competent Evidence of Identity	Date / Place Issued
Michael C. Sabado	P1178919B	March 25, 2019/DFA

who were identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that their signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 365 ;  
Page No. 74 ;  
Book No. 8 ;  
Series of 2021.

  
**ATTY. IRIS FATIMA V. CERO**  
Notary Public for Pasig, San Juan, and Pateros  
Appointment No. 194; Extended until Dec. 31, 2021  
by virtue of Supreme Court En Banc  
Resolution dated July 1, 2021  
12F Cyberscape Alpha, Sapphire &  
Garnet Rds. Ortigas Center, Pasig City  
Roll of Attorneys No. 65837; June 21, 2016  
PTR No. 7247299; January 14, 2021; Pasig City  
IBP No. 134302; December 10, 2020; RSM Chapter  
MCLE Compliance No. VI - 0013539; April 14, 2022