

RCREIT

A ROBINSONS LAND COMPANY

RL COMMERCIAL REIT, INC.

(Formerly Robinsons Realty and Management Corporation)

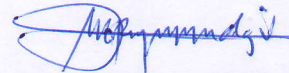
25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio, Pasig City

November 9, 2022

DECLARATION OF AUTHENTICITY

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

I, **MATIAS G. RAYMUNDO JR.**, designated as CFO and Compliance Officer of **RL Commercial REIT, Inc.** with contact number (632) 8397-1888 and office address at 25th Floor, Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Ortigas Center, Pasig City, do hereby certify the authenticity of the SEC Form 17-Q (Quarterly Report) with attached unaudited financial statements for the period ended September 30, 2022, submitted on November 9, 2022 online is true and correct to the best of my knowledge.



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)

Not applicable

(Telephone Number)

September 30, 2022

(Quarter Ended)

SEC Form 17Q

Form Type

Not applicable

Amendment Designation (if applicable)

Not Applicable

(Secondary License Type and File Number)

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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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
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Department requiring the report

	S	E	C
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Secondary License Type, If Applicable

	N	/	A
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COMPANY INFORMATION

Company's Email Address

corsec@robinsonslan.com

Company's Telephone Number

N/A

Mobile Number

09988400935

No. of Stockholders

19,705

Annual Meeting (Month / Day)

May 12

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Matias G. Raymundo Jr.

Email Address

jay.raymundo@rlcommercialreit.com.ph

Telephone Number/s

(+632) 8397-1888

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

12th Floor Robinsons Cyberscape Alpha cor. Garnet and Sapphire Road, Ortigas Center, Pasig City

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.

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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, 2022**

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. **Not Applicable**.....
Former name, former address, and 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>
Common Stock	10,726,804,330 shares

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 [☐]

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

See Exhibit II

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

See Exhibit I

PART II—OTHER INFORMATION

Item 3. Final Report on the Application of Proceeds from the Sale of Shares in RL Commercial REIT, Inc. via Secondary Offering

(see Exhibit III)

Item 4. Third Quarterly Progress Report on the Application of Proceeds from the Sale of Robinsons Cybergate Bacolod

(See Exhibit IV)

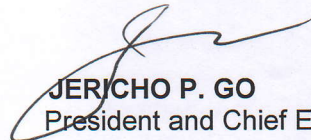
Item 5. Summary of All Real Estate Assets and Real Estate Transactions

(See Exhibit IV)

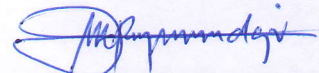
SIGNATURES

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


JERICHO P. GO
President and Chief Executive Officer

Issuer
Signature and Title
Date


MATIAS G. RAYMUNDO JR.
Chief Financial and Compliance Officer

SUBSCRIBED AND SWORN to before me
this NOV 09 2022 day of November, 2022 at Quezon City, Affiant
exhibiting to me his/her Competent
Government ID Number _____

DOC. NO. 269
PAGE NO. 55
BOOK NO. LXXI
SERIES OF 2022

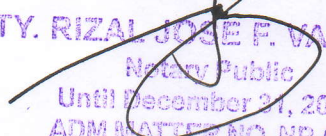

ATTY. RIZAL JOSE F. VALMORES
Notary Public
Until December 31, 2022
ADM. MATTER NO. NP-099
PTR No. 2160630/01-03-2022/QC
IBP No. 174175/01-03-2022/QC
Roll No. 28435 MCLE No. VI-0022267
Room 201 Margarita Bldg. # 28 Matalino St.,
Cor. Masikap Ext. Central Dist. Quezon City

EXHIBIT I

RL COMMERCIAL REIT, INC. (Formerly ROBINSONS REALTY AND MANAGEMENT CORPORATION) 3rd Quarter CY 2022 PERFORMANCE

I. Results of Operations

	For the Nine Months ended September 30		Horizontal Analysis		Vertical Analysis	
	2022	2021	Increase (Decrease)		2022	2021
REVENUE						
Rental income	3,340,866,003	585,547,800	2,755,318,203	471%	85%	81%
Income from dues	650,542,776	122,287,533	528,255,243	432%	17%	17%
Income from dues - net	47,947,861	10,393,790	37,554,071	361%	1%	1%
	4,039,356,640	718,229,123	3,321,127,517	462%	103%	100%
FAIR VALUE CHANGE IN INVESTMENT PROPERTIES						
Increase in fair value of investment properties	-	-	-	-	0%	0%
Straight-line adjustments	(131,604,907)	-	(131,604,907)	-	-3%	0%
Lease commissions	(11,152,735)	-	(11,152,735)	-	0%	0%
	(142,757,642)	-	(142,757,642)	-	-3%	0%
Other income	16,253,145	1,265,201	14,987,944	1185%	0%	0%
	3,912,852,143	719,494,324	3,193,357,819	444%	100%	100%
COSTS AND EXPENSES						
Direct operating costs	504,139,290	90,950,414	413,188,876	454%	13%	13%
General and administrative expenses	278,227,307	31,870,179	246,357,128	773%	7%	4%
Interest expense on lease liability	7,264,055	1,538,256	5,725,799	372%	0%	0%
	789,630,652	124,358,849	665,271,803	535%	20%	17%
OPERATING INCOME	3,123,221,491	595,135,475	2,528,086,016	425%	80%	83%
OTHER INCOME						
Interest Income	3,192,330	-	3,192,330	-	0%	0%
INCOME BEFORE INCOME TAX	3,126,413,821	595,135,475	2,531,278,346	425%	80%	83%
Provision (benefit) from income tax	638,466	-38,653,126	39,291,592	-102%	0%	-5%
NET INCOME / TOTAL COMPREHENSIVE INCOME	3,125,775,355	633,788,601	2,491,986,754	393%	80%	77%

Revenues

Total revenues for the nine months ended September 30, 2022 at ₱3,912.85 million is higher by 444% or ₱3,193.36 million than same period last year. Commercial operations of the Company started only in August 2, 2021, hence, this year's revenues is equivalent to full nine months, while last year's only composed of only almost two months. The increase was also due to the infusion of two new assets, Cybergate Bacolod in March 8, 2022 and Cyberscape Gamma in April 20, 2022.

Total rental income for the nine months ended September 30, 2022 at ₱3,340.87 million is higher by 471% or ₱2,755.32 million than same period of 2021, contributed by the initial portfolio of fourteen assets plus two newly infused assets, Cyberscape Bacolod and Cyberscape Gamma.

Income from dues pertains to recoveries from tenants for the usage of common areas and air-conditioning services. This is presented gross of related costs and expenses. It amounted ₱650.54 million for the nine months ended September 30, 2022 compared to ₱122.29 million in same period of 2021.

Income from dues - net pertains to fees for Common Use Service Area and air-conditioning services of the Condominium Units where the Company determined that it is acting as an agent for these services. It posted at ₱47.95 million for the nine months ended September 30, 2022 compared to ₱10.39 million in same period of 2021.

The fair value of the Company's investment properties is determined using the Income Approach by an external valuer. It is reduced by the application of the straight-line method of recognizing rental income and lease commissions for the period. For the nine months ended September 30, 2022, gain or loss

arising from the change in the fair value of investment properties amounted to nil; while straight-line adjustments in rent and lease commissions amounted to ₱131.60million and ₱11.15 million, respectively.

Other income, mainly composed of forfeitures, amounted to ₱16.25 million for the nine months ended September 30, 2022, versus ₱1.27 million in the same period of 2021.

Costs and Expenses

Direct operating costs amounted to ₱504.14 million for the nine months ended September 30, 2022 compared to ₱90.95 million of the same period last year. These consists of the costs directly attributed to operations such as management fees, repairs and maintenance, contracted services, utilities, amortization of right-of-use asset and accretion of interest expense.

General and administrative expenses amounted to ₱278.23 million for the nine months ended September 30, 2022, versus ₱31.87 million in the same period of 2021. These consist of rent expense for the land and building lease, taxes and licenses, insurance expense, advertising and promotions and other general and administrative expenses.

Interest expense on lease liability amounted to ₱7.26 million for the nine months ended September 30, 2022 compared to ₱1.54 million of the same period last year. It relates to the long-term land lease with Bases Conversion and Development Authority (BCDA) for Cyber Sigma.

Operating income (loss)

Operating income for the nine months ended September 30, 2022 amounted to ₱3,123.22 million versus ₱595.14 million in the same period of 2021, attributable to the commercial operations which started only in August 2021.

Interest income

Interest income for the nine months ended September 30, 2022 of ₱3.19 million is attributable to cash and short term investments placed in the bank.

Income before income tax

Income before income tax for the nine months ended September 30, 2022 amounted to ₱3,126.41 million versus ₱595.14 million in same period of 2021, attributable to the commercial operations that started only in August 2, 2021.

Provision for income tax

Provision for income tax is composed of final tax on interest income for the nine months ending September 30, 2022. The Company benefited from the income tax exemption as it distributed to shareholders equivalent to more than 90% of its distributable income.

Net income/Total comprehensive income

As a result of the foregoing, the Company's net income for the nine months ended September 30, 2022 amounted to ₱3,125.78 million, and ₱633.79 million in the same period of 2021.

II. Financial Position

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)	Horizontal Analysis Increase (Decrease)	Vertical Analysis 2022	Vertical Analysis 2021
ASSETS					
Current Assets					
Cash and cash equivalents	1,018,201,019	1,373,255,004	(355,053,985)	-26%	1%
Receivables	178,242,292	450,046,517	(271,804,225)	-60%	0%
Other Current assets	111,739,592	84,306,950	27,432,642	33%	0%
Total Current Assets	1,308,182,903	1,907,608,471	(599,425,568)	-31%	2%
Noncurrent Assets					
Investment properties	66,505,581,133	59,804,160,247	6,701,420,886	11%	98%
Other noncurrent assets	106,271,237	11,317,680	94,953,557	839%	0%
Total Noncurrent Assets	66,611,852,370	59,815,477,927	6,796,374,443	11%	98%
	67,920,035,273	61,723,086,398	6,196,948,875	10%	100%
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts and other payables	311,960,521	337,364,338	(25,403,817)	-8%	0%
Deposits and current liabilities	319,030,228	178,834,639	140,195,589	78%	0%
Total Current Liabilities	630,990,749	516,198,977	114,791,772	22%	1%
Noncurrent Liabilities					
Lease liability	254,904,862	247,640,807	7,264,055	3%	0%
Deposits and noncurrent liabilities	836,364,714	925,040,450	(88,675,736)	-10%	1%
Total Noncurrent Liabilities	1,091,269,576	1,172,681,257	(81,411,681)	-7%	2%
Total Liabilities	1,722,260,325	1,688,880,234	33,380,091	2%	3%
Equity					
Capital Stock	10,726,804,330	9,948,997,197	777,807,133	8%	16%
Additional paid-in capital	54,125,177,627	49,022,762,831	5,102,414,796	10%	80%
Retained earnings	1,345,792,991	1,062,446,136	283,346,855	27%	2%
Total Equity	66,197,774,948	60,034,206,164	6,163,568,784	10%	97%
	67,920,035,273	61,723,086,398	6,196,948,875	10%	100%

Assets

Total assets as of September 30, 2022 increased to ₱67,920.04 million from ₱61,723.09 million as of December 31, 2021.

Cash

The Company's cash ended at ₱1,018.20 million as of September 30, 2022, from ₱1,373.26 million in 2021. The decrease was mainly due to the acquisition of Cybergate Bacolod pursuant to the Deed of Sale executed between the Company and RLC last March 8, 2022, payment of security deposit for the land and building leases, and distribution of dividends.

Receivables

Receivables ended at ₱178.24 million as of September 30, 2022, from a ₱450.05 million in 2021. The decrease was due to the improvement in collection efficiency during the period.

Other current assets

Other current assets ended at ₱111.74 million as of September 30, 2022, from ₱84.31 million in 2021. The increase was due to the accumulation of creditable income tax which were not utilized yet as the Company benefited from tax exemption mainly due to the declaration and payout of dividends equivalent to more than 90% of its distributable income.

Investment properties

Investment properties ended at ₱66,505.58 million as of September 30, 2022, from ₱59,804.16 million in 2021. The increase was due to the acquisition of Cybergate Bacolod and Cyberscape Gamma, offset by the amortization of right-of-use asset.

Other noncurrent assets

Other noncurrent assets amounted to ₱106.27 million as of September 30, 2022, from ₱11.32 million in 2021. The increase was due to the payment of security deposit for the land and building leases.

Liabilities

The Company has no financial debt as of September 30, 2022 and December 31, 2021.

Total liabilities landed at ₱1,722.26 million as of September 30, 2022 and ₱1,688.88 million in 2021.

Accounts and other payables

Accounts and other payables were ₱311.96 million as of September 30, 2022 and ₱337.36 million in 2021. The decrease was due to the less accruals on utilities and other operating expenses.

Deposits and other current liabilities

The Company's deposits and other current liabilities were ₱319.03 million as of September 30, 2022 and ₱178.83 million in 2021. The increase was mainly due to the reclassification of deposits from lessees from noncurrent to current.

Lease liability

The Company's lease liability was ₱254.90 million as of September 30, 2022 and ₱247.64 million in 2021. The increase was due to the accretion of interest expense on lease liability.

Deposits and other noncurrent liabilities

The Company's deposits and other noncurrent liabilities were ₱836.36 million as of September 30, 2022 and ₱925.04 million in 2021. This consists of the noncurrent portion of deposits from lessees, unearned rental income, and deferred credits arising from the commercial operations. The decrease was mainly due to the reclassification of deposits from lessees from noncurrent to current.

Equity

Capital stock

Capital stock ended at ₱10,726.80 million as of September 30, 2022 and ₱9,949.0 million December 31, 2021. The increase was due to the issuance of shares to RLC in exchange for Cyberscape Gamma.

Additional paid-in capital

The Company recorded additional paid-in capital (APIC) of ₱54,125.18 million as of September 30, 2022 and ₱49,022.76 million as of December 31, 2021, net of stock issuance costs. The increase was caused by the asset-for-share swap relative to the infusion of Cyberscape Gamma at ₱5,888.0 million in exchange for 777,807,133 common shares with a par value of ₱1 each.

Retained Earnings

Retained earnings ended at ₱1,345.79 million as of September 30, 2022, from a ₱1,062.45 million in 2021 following the booking of net income amounting to ₱3,125.78 million, offset by cash dividend payout of ₱2,842.43 million.

III. Key Performance Indicators

A summary of key performance indicators of RCR are presented below. The Company employs analyses using comparisons and measurements based on the financial data for current periods against the same period of the past year.

The key performance indicators are as follows:

	As of September 30, 2022	As of December 31, 2021
Current ratio ¹	2.07	3.70
Acid test ratio (Quick ratio) ²	1.90	3.53
Debt-to-equity ratio ³	<i>RCR does not have any financial indebtedness as of September 30, 2022 and December 31, 2021</i>	
Asset-to-equity ratio ⁴	1.03	1.03
Net book value per share ⁵	₱6.17	₱6.03

	For the Period Ended September 30	
	2022	2021
Earnings per share ⁶	₱0.31	₱0.29
Interest rate coverage ratio ⁷	<i>RCR does not have any financial indebtedness as of September 30, 2022 and December 31, 2021</i>	
Net profit/ operating margin ⁸	0.80	0.83
Solvency ratio ⁹	<i>RCR does not have any financial indebtedness as of September 30, 2022 and December 31, 2021</i>	
Return on equity ¹⁰	0.06	0.06
Return on assets ¹¹	0.06	0.05

Notes:

- Current ratio** is computed as Current Assets over Current Liabilities
- Acid test ratio (Quick ratio)** is computed as Quick Assets over Current Liabilities (Quick Assets includes Cash & Cash equivalents and Receivables)
- Debt-to-equity ratio** is computed as the ratio of financial indebtedness (which for the applicable periods is equivalent to nil) to Total Shareholders' Equity
- Asset-to-equity ratio** is computed as Total Assets over Total Shareholders' Equity
- Net Book value per share** is computed as Total Shareholders' Equity over total common shares outstanding
- Earnings per share** is computed as Net Income over weighted average common shares outstanding
- Interest rate coverage ratio** is computed as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) over interest expensed and capitalized from financial indebtedness
- Net profit/operating margin** is computed as Operating Income over Total Revenues
- Solvency ratio** is computed Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) over Total Debt (Total debt includes short-term debt and long-term debt)
- Return on equity** is computed as Net Income (12-month basis) over Total Shareholders' Equity
- Return on assets** is computed as Net Income (12-month basis) over Total Assets

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

Unaudited Interim Condensed Financial Statements
As of September 30, 2022 and for the Nine Months Ended September 30, 2022 and 2021
*(With Comparative Audited Statement of Financial Position
as of December 31, 2021)*

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

UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	₱1,018,201,019	₱1,373,255,004
Receivables (Note 7, 13)	178,242,292	450,046,517
Other current assets (Note 8)	111,739,592	84,306,950
Total Current Assets	1,308,182,903	1,907,608,471
Noncurrent Assets		
Investment properties (Note 9)	66,505,581,133	59,804,160,247
Other noncurrent assets (Note 8)	106,271,237	11,317,680
Total Noncurrent Assets	66,611,852,370	59,815,477,927
	₱67,920,035,273	₱61,723,086,398
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 10, 13)	₱311,960,521	₱337,364,338
Deposits and other current liabilities (Note 11)	319,030,228	178,834,639
Total Current Liabilities	630,990,749	516,198,977
Noncurrent Liabilities		
Lease liability	254,904,862	247,640,807
Deposits and other current liabilities (Note 11)	836,364,714	925,040,450
Total Noncurrent Liabilities	1,091,269,576	1,172,681,257
Total Liabilities	1,722,260,325	1,688,880,234
Equity		
Capital stock (Note 12)	10,726,804,330	9,948,997,197
Additional paid-in capital (Note 12)	54,125,177,627	49,022,762,831
Retained earnings (Note 12)	1,345,792,991	1,062,446,136
Total Equity	66,197,774,948	60,034,206,164
	₱67,920,035,273	₱61,723,086,398

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	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE				
Rental income (Note 14)	₱1,193,224,393	₱585,547,800	3,340,866,003	₱585,547,800
Income from dues (Note 14)	244,874,709	122,287,533	650,542,776	122,287,533
Income from dues – net (Note 15)	14,465,659	10,393,790	47,947,861	10,393,790
	1,452,564,761	718,229,123	4,039,356,640	718,229,123
FAIR VALUE CHANGE IN INVESTMENT PROPERTIES				
Increase in fair value of investment properties	–	–	–	–
Straight-line adjustments	(37,885,601)	–	(131,604,907)	–
Lease commissions	(3,457,439)	–	(11,152,735)	–
	(41,343,040)	–	(142,757,642)	–
Other income (Note 16)	7,639,467	1,265,201	16,253,145	1,265,201
	1,418,861,188	719,494,324	3,912,852,143	719,494,324
COSTS AND EXPENSES				
Direct operating costs (Note 17)	176,430,234	90,950,414	504,139,290	90,950,414
General and administrative expenses (Note 17)	105,668,853	(13,471,126)	278,227,307	31,870,179
Interest expense on lease liability	2,460,858	1,538,256	7,264,055	1,538,256
	284,559,945	79,017,544	789,630,651	124,358,849
OPERATING INCOME	1,134,301,243	640,476,780	3,123,221,491	595,135,475
OTHER INCOME				
Interest Income	2,070,226	–	3,192,330	–
	1,136,371,469	640,476,780	3,126,413,821	595,135,475
INCOME BEFORE INCOME TAX				
PROVISION (BENEFIT) FOR (FROM) INCOME TAX	638,466	(38,653,126)	638,466	(38,653,126)
NET INCOME (LOSS)	1,135,733,003	679,129,906	3,125,775,355	633,788,601
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE INCOME	₱1,135,733,003	₱679,129,906	3,125,775,355	₱633,788,601
Basic and Diluted Earnings Per Share				
(Note 12)	₱0.11	₱0.31	₱0.31	₱0.29

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, 2022 AND 2021

For the Nine Months Ended September 30, 2022
(Unaudited)

	Capital Stock (Note 12)	Additional Paid-in Capital (Note 12)	Retained Earnings (Note 12)	Total Equity
Balances at January 1, 2022	₱9,948,997,197	₱49,022,762,831	₱1,062,446,136	₱60,034,206,164
Issuance of shares of stock	777,807,133	5,110,192,867	—	5,888,000,000
Stock issuance cost	—	(7,778,071)	—	(7,778,071)
Total comprehensive income for the period	—	—	3,125,775,355	3,125,775,355
Cash dividends	—	—	(2,842,428,500)	(2,842,428,500)
Balances at September 30, 2022	₱10,726,804,330	₱54,125,177,627	₱1,345,792,991	₱66,197,774,948

For the Nine Months Ended September 30, 2021
(Unaudited)

	Capital Stock (Note 12)	Additional Paid-in Capital (Note 12)	Retained Earnings (Note 12)	Total Equity
Balances at January 1, 2021	₱6,250,000	₱—	₱331,793	₱6,581,793
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 issuance cost	—	(99,239,972)	—	(99,239,972)
Total comprehensive income for the period	—	—	633,788,601	633,788,601
Balances at September 30, 2021	₱9,948,997,197	₱49,022,762,831	₱634,120,394	₱59,605,880,422

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 NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

	2022 (Unaudited)	2021 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱3,126,413,821	₱595,135,475
Adjustments for:		
Fair value change in investment properties	142,757,642	—
Amortization of right-of-use asset	21,953,599	4,744,551
Interest expense on lease liability	7,264,055	1,538,256
Interest income	(3,192,330)	—
Operating income before working capital changes	3,295,196,787	601,418,282
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables	140,199,318	(580,806,819)
Other current assets	(27,432,642)	(14,192,444)
Increase (decrease) in:		
Accounts payable and other payables	(36,556,553)	175,990,284
Deposits and other liabilities	51,519,853	1,090,172,621
Net cash generated from operations	3,422,926,763	1,272,581,924
Interest received	(638,466)	—
Income tax paid	3,192,330	—
Net cash flows provided by operating activities	3,425,480,627	1,272,581,924
CASH FLOWS USED INVESTING ACTIVITIES		
Additions to investment properties	(835,374,484)	(8,954,762)
Increase in other noncurrent assets	(94,953,557)	(375,654,835)
Net cash flows used in investing activities	(930,328,041)	(384,609,597)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payment of stock issuance costs	(7,778,071)	(99,239,972)
Receipt of subscriptions receivable	—	18,750,000
Payment of dividends	(2,842,428,500)	—
Net cash flows used in financing activities	(2,850,206,571)	(80,489,972)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(355,053,985)	807,482,355
CASH AND CASH EQUIVALENTS AT JANUARY 1	1,373,255,004	—
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30	₱1,018,201,019	₱807,482,355

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) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 16, 1988 primarily to acquire by purchase, lease or otherwise, and to own, develop, sell, mortgage, lease, and hold for investment or otherwise, real estate of all kinds. It is a subsidiary of Robinsons Land Corporation (RLC or Parent Company), while JG Summit Holdings, Inc. (JGSHI) is the Ultimate Parent Company.

On April 15, 2021, the Board of Directors (BOD) and stockholders of the Company approved the amendments to the Company's Articles of Incorporation (AOI) resulting to 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, Ortigas Center, 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.

Further, a Comprehensive Deed of Assignment was executed between the Company and RLC on April 15, 2021 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 the 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 (9,923,997,183) shares of the Assigned Properties at One Peso (₱1.00) per share with an aggregate par value 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 consisted of: (i) the buildings and related immovable property in respect of Cyberscape Alpha, Cyberscape Beta, Tera Tower, Cyber Sigma, Exxa-Zeta Tower, Cybergate Cebu, Galleria Cebu, Luisita BTS 1, Cybergate Naga and Cybergate Delta 1 (the Buildings); and (ii) 96 condominium units in Robinsons Equitable Tower and 31 condominium units in Robinsons Summit Center (Condominium Units).

Robinsons Cybergate 2 and Robinsons Cybergate 3 properties were not included in the Assigned Properties since these will not be transferred to the Company. The lease agreements between the Company and RLC for these properties were executed on July 16, 2021.

On August 2, 2021, SEC approved the amendments to the Company's AOI and the Property-for-Share Swap. The Property-for-Share Swap was accounted for by the Company as an acquisition asset as it did not constitute a business combination.

Subsequent to the approval of the increase in authorized capital stock by the SEC, fourteen (14) shares were issued to the directors of the Company.

Starting from the SEC's approval of AOI and the Property-for-Share Swap, RL Fund Management, Inc. (RFMI or Fund Manager) and RL Property Management, Inc. (RPMI or Property Manager) handled the fund management and property management functions of the Company (see Note 13). The accounting and administrative functions of the Company were being performed by the employees of RLC prior to SEC approval.

On September 14, 2021, the Company completed its initial public offering, and its common shares were listed and currently traded in the Philippine Stock Exchange (PSE) as a Real Estate Investment Trust (REIT) entity.

As a REIT entity, the Company is entitled to the following: (a) not subject to 2% minimum corporate income tax (MCIT); (b) exemption from value-added tax (VAT) and documentary stamp tax (DST) on the transfer of property in exchange of its shares; (c) deductibility of dividend distribution from its taxable income; and (d) fifty percent (50%) of the standard DST rate on the transfer of real property into the Company, including the sale or transfer of any and all security interest thereto, provided they have complied with the requirements under Republic Act (RA) No. 9856 and Implementing Rules and Regulations (IRR) of RA No. 9856.

The Company's principal executive office is located at 25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio, Ortigas Center, Pasig City.

The financial statements of the Company as of September 30, 2022 and for the nine months ended September 30, 2022 and 2021 were authorized for issue by the BOD on November 8, 2022.

2. Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis, except for investment properties that have been measured at fair value. The financial statements are presented in Philippine Peso (₱), which is also the Company's functional currency. All amounts are rounded to the nearest peso unit unless otherwise indicated.

The accompanying financial statements have been prepared under the going concern assumption. The Company believes that its businesses would remain relevant despite challenges posed by the COVID-19 pandemic.

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRs include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC)

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards effective starting January 1, 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

- 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 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not applicable to the Company since it has no property and equipment.

- 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. The amendments are not expected to have a material impact on the Company.

- *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. The amendments are not expected to have a material impact on the Company.

- *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. The amendments are not expected to have a material impact on the Company.

Effective beginning on or after January 1, 2023

- *Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Company.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Company.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

Effective beginning on or after January 1, 2024

- 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. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Company is currently assessing the impact the amendments will have on current practice.

Effective beginning on or after January 1, 2025

- 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

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The new standard is not applicable to the Company since it has no 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 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.

The amendments are not applicable to the Company since it has no subsidiaries, associates and joint ventures.

4. Summary of Significant Accounting Policies

Revenue Recognition

The Company is in the business of leasing its investment property portfolio. The Company's non-lease performance obligations include common area management and administration of utility services.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

Income from dues

Income from dues are recognized when the CUSA and air-conditioning services are rendered. CUSA and air-conditioning charges are computed based on rates stated in the executed contract of lease multiplied by the gross leasable area occupied by the tenant.

Income from dues - net

Income from dues - net are recognized when the related services are rendered. CUSA and air-conditioning services in excess of actual charges and consumption are recorded as revenue. Income from dues is presented net of related costs and expenses.

Other income

Other income is recognized when the related services have been rendered and the right to receive payment is established.

Disaggregated revenue information

The non-lease component of the Company's revenue arises from income from CUSA, air-conditioning dues and utilities. The Company's performance obligations are to ensure that common areas are available for general use of its tenants and to provide for uninterrupted air-conditioning and utility services such as water and electricity (see Note 14).

Allocation of transaction price to performance obligation

Each of the non-lease component is considered a single performance obligation, therefore it is not necessary to allocate the transaction price. These services are capable of being distinct from the other services and the transaction price for each service is separately identified in the contract.

Timing of revenue recognition

Revenue from common area charges and utilities dues are recognized over time since the tenants simultaneously receives and consumes the services provided by the Company. The Company determined that the output method best represents the recognition pattern for revenue from utilities dues since this is recognized based on the actual consumption of the tenants.

Income outside the scope of PFRS 15

Rental income

The Company's investment properties are leased out to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term and may include contingent rents based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

Rental income is not recognized when the Company waives its right to collect rent and other charges under a lease concession. This is recognized as a rent concession and reported as a variable payment in the Company's statement of comprehensive income.

Costs and Expenses

Costs and expenses are recognized in the statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statement of financial position as an asset.

Leases

The Company assesses whether a contract is, or contains a lease, at the inception of a contract. This assessment involves the exercise of judgment about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of the asset and whether the Company has the right to direct the use of the asset.

The Company as lessor - operating lease

Leases where the Company does not transfer substantially all the risks and benefits of the ownership of the assets are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are capitalized as a leased asset and subsequently expensed through change in fair value of the leased asset. Contingent rents are recognized as revenue in the period in which they are earned.

The Company as lessee - operating lease

Except for short-term leases and leases of low-value assets, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee.

Right-of-use asset

The Company recognizes ROU asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost

of ROU asset includes the amount of lease liability recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and any estimated costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the remaining lease term.

ROU asset is subject to impairment. Refer to the accounting policies on impairment of nonfinancial assets section.

Lease liability

At the commencement date of the lease, the Company recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date if the interest rate implicit to the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Current and Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on a current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or,
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- Is due to be settled within 12 months after the reporting period; or,

- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash

Cash includes cash in bank. Cash in bank is stated at face amount and earns interest at the prevailing bank deposit rates.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at its transaction price.

In order for a debt financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that passes the 'solely payments of principal and interest' on the principal amount outstanding (SPPI criterion). This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) (FVOCI with recycling)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) (FVOCI with no recycling)

- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash in bank and receivables.

The Company has no financial assets under FVOCI with or without recycling and FVTPL categories.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts and other payables (excluding taxes payables), lease liability and security deposits.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. This category generally applies to accounts and other payables, deposits and other liabilities.

The Company does not have any outstanding loans and borrowings as of September 30, 2022 and 2021.

Derecognition of Financial Instruments

Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of group of similar financial assets) is primarily derecognized when (i.e., removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Impairment of Financial Assets

The Company recognizes an allowance for expected credit loss (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For cash in bank, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, where there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from a reputable credit rating agency to determine whether the debt instrument has significantly increased credit risk and to estimate ECL.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors

specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due since security deposits are equivalent to 90 days which are paid at the start of the lease term which will cover any defaults. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: - valuation techniques for which the lowest level input that it is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements 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.

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

Customers' Deposits

Deposits from lessees

Deposits from lessees which includes security deposits that are initially at fair value. After initial recognition, customers' deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the 'Deposits and other liabilities' in the statement of financial position), and amortized on a straight-line basis over the lease term. Amortization of deferred credits and accretion of discount are recorded in profit or loss under 'Rental income' and 'Interest expense' account, respectively.

Other Assets

Other assets include prepaid taxes, creditable withholding taxes and others.

Prepaid taxes

Prepaid taxes are carried at cost less the amortized portion.

Creditable withholding taxes

Creditable withholding taxes represent the amount withheld by the payee. These are recognized upon collection of the related income and utilized as tax credits against income tax due.

Other assets

Other assets are carried at costs less impairment losses, if any.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

The net amount of VAT payable to taxation authority is included as part of 'Accounts and other payables' in the statements of financial position.

Investment Properties

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the Company. Investment properties are initially measured at cost but are subsequently remeasured at fair value at each reporting date, which reflects market conditions at the reporting date. Cost comprises the purchase price and any directly attributable costs in developing and improving the properties. Cost also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day-to-day servicing of an investment property. The fair value of investment properties is

determined using income approach by an external valuer. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. The fair value reported in the financial statements is reduced by the application of the straight-line method of recognizing rental income and lease commissions.

The Company's investment properties consist mainly of office properties.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

For transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the property and equipment policy up to the date of change in use.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that the Company's investment properties, ROU asset, other current assets and other noncurrent asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the statement of comprehensive income.

Equity

Capital stock and additional paid-in capital (APIC)

Capital stock is measured at par value for all shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to APIC. Direct costs incurred related to equity issuance are chargeable to APIC. If APIC is not sufficient, the excess is charged against retained earnings.

Stock issuance costs

Stock issuance costs are incremental costs directly attributable to the issuance or subscription of new shares which are shown in equity as deduction, net of tax, from the proceeds. Costs that relate to the new stock market listing, or otherwise are not incremental costs directly attributable to issuing new share, are recorded as expense in the statement of comprehensive income.

Retained earnings

Retained earnings represent accumulated earnings of the Company, net of dividend distributions, if any.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Incentive Under REIT Law

The Company is granted an exemption under the REIT Law provided that it meets certain conditions (e.g., distribution of minimum required earning equivalent to at least 90% of distributable income).

Under the tax incentive scheme, the Company can choose to operate within one or two tax regimes (a “full tax” regime or a “no tax” regime) depending on whether profits are retained or distributed.

The Company availed of the tax-free incentive and no deferred taxes have been recognized on temporary differences.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing net income for the year attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to common equity holders of the Company by the weighted average number of common shares issued and outstanding during the year after giving effect to assumed conversion of potential common shares.

Net Asset Value Per Share (NAV)

The NAV is calculated by dividing NAV by the total outstanding shares of the Company. The NAV is the total assets and investible funds held by the Company less total liabilities (see Note 12).

Segment Reporting

The Company’s lease operation is its reportable segment.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the

passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

5. Summary of Significant Accounting Estimates, Judgments and Assumptions

The preparation of the accompanying financial statements in compliance with PFRSs requires management 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. Actual results could differ from such estimates.

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.

Judgments

In the process of applying the accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements.

Principal versus agent considerations

The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Company determined that it is acting as an agent because the promise of the Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Company, are primarily responsible for the provisioning of the utilities while the Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Company acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Company has the discretion on how to price the CUSA and air-conditioning charges.

For the provision of CUSA and air conditioning of the Condominium Units, the Company acts as an agent because the promise of the Company to the tenants is to arrange for the CUSA and air-conditioning services to be provided by the condominium corporations. The condominium corporations, and not the Company, are primarily responsible for the provisioning of the CUSA and air-conditioning charges. The price is based on the actual rate charged by the condominium corporations plus a certain percentage mark-up as administration charges.

Operating lease commitments - Company as lessor

The Company has entered into office property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Company has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases. In determining significant risks and benefits of ownership, the Company considered, among others, the significance of the lease term as compared with the estimated useful life of the related asset.

A number of the Company's operating lease contracts are accounted for as noncancelable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Company considers, among others, the significance of the penalty, including the economic consequence to the lessee (see Note 18).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for an entity that does not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the entity's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

The Company's lease liability amounted to ₱254.90 million and ₱247.64 million as of September 30, 2022 and December 31, 2021 respectively.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due of various customer segments that have similar loss pattern.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation rate) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The amount of ECLs is sensitive to changes in circumstances including COVID-19 impact and

forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The carrying value of the Company's trade receivables amounted to ₱178.24 million and ₱450.05 million as of September 30, 2022 and December 31, 2021, respectively (see Note 7).

Impairment of nonfinancial assets

The Company assesses impairment on its nonfinancial assets (i.e., investment properties and other assets) and considers the following important indicators:

- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results; and,
- Significant negative industry or economic trends including the impact of COVID-19.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that may affect the carrying amount of the assets.

The carrying values of the Company's investment properties, ROU asset, other current assets and other noncurrent asset as of September 30, 2022 and December 31, 2021 are disclosed in Notes 8 and 9. No impairment was recognized for the Company's nonfinancial assets.

Fair value determination of investment properties

The Company measures its investment properties using the fair value method. The Company engages an external valuer to determine the fair value. The external valuer determines the fair value of the Company's investment properties through the Income Approach using the discounted cash flow model which is a method where the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value.

Investment properties amounted to ₱66,505.58 million and ₱59,804.16 million as of September 30, 2022 and December 31, 2021, respectively.

6. Cash and cash equivalents

This account consists of:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash on hand and in bank	₱518,201,019	₱1,373,255,004
Short-term investments	500,000,000	—
	₱1,018,201,019	₱1,373,255,004

Cash in bank earns interest at the prevailing bank deposit rates. Short-term investments are invested for varying periods of up to three months and earn interest at the prevailing short-term investment rates.

7. Receivables

This account consists of:

	September 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Trade receivables (Notes 13 and 14)	₱174,915,911	₱348,517,131
Receivable from a related party (Note 13)	–	101,459,386
Others	3,326,381	70,000
	₱178,242,292	₱450,046,517

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 pertains to tenants' payments collected by RLC on behalf of the Company pursuant to the Comprehensive Deed of Assignment (see Note 1) and cash advances. These are due and demandable.

Others are composed of the receivables or claims of the Company from different utility providers, banks, insurance services, employee advances that are settled through payroll deduction or expense liquidation and down payment to contractors and suppliers.

No provision for ECL was recognized as of September 30, 2022 and 2021.

8. Other Assets

Other Current Assets

This account consists of:

	September 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Prepaid taxes	₱73,123,142	₱79,988,044
Creditable withholding taxes	38,616,450	4,318,906
	₱111,739,592	₱84,306,950

Prepaid taxes pertain to the unamortized portion of advance payments for real property taxes.

Creditable withholding taxes represent the amount withheld by the Company. These are recognized upon collection of the related receivable and are utilized as tax credits against income tax due.

Other Noncurrent Asset

This account consists of:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Security deposit	₱93,624,072	₱—
Reserve fund	12,647,165	11,317,680
	₱106,271,237	₱11,317,680

Security deposit represents the deposit made in relation to the land and building lease with RLC.

Reserve fund pertains to amounts billed by Robinsons Equitable Tower Condominium Corporation (RETCC) to the Company which shall be used by RETCC for the defrayment of its capital expenditures.

9. Investment Properties

This account consists of:

	September 30, 2022 (Unaudited)		
	Building and Building Improvements	Right-of-Use Assets (Note 18)	Total
Cost			
Balance at beginning of period	₱59,270,197,244	₱546,105,837	₱59,816,303,081
Additions	6,723,374,485	—	6,723,374,485
Balance at end of period	65,993,571,729	546,105,837	66,539,677,566
Accumulated Depreciation			
Balance at beginning of period	—	12,142,834	12,142,834
Amortization (Note 17)	—	21,953,599	21,953,599
Balance at end of period	—	34,096,433	34,096,433
Net Book Value	₱65,993,571,729	₱512,009,404	₱66,505,581,133

	December 31, 2021 (Audited)		
	Building and Building Improvements	Right-of-Use Assets (Note 18)	Total
Cost			
Balance at beginning of year	₱—	₱—	₱—
Additions	59,156,562,359	546,105,837	59,702,668,196
Fair value change	113,634,885	—	113,634,885
Balance at end of year	59,270,197,244	546,105,837	59,816,303,081
Accumulated Depreciation			
Balance at beginning of year	—	—	—
Amortization	—	12,142,834	12,142,834
Balance at end of year	—	12,142,834	12,142,834
Net Book Value	₱59,270,197,244	₱533,963,003	₱59,804,160,247

On April 15, 2021, the Company and RLC executed a Comprehensive Deed of Assignment wherein RLC assigns, transfers, and conveys several properties to the Company in the form of buildings and

condominium units, excluding the land wherein the buildings and the condominium units are situated, with a total value of ₱59,046.00 million in exchange of shares (see Note 1).

On March 8, 2022, the Company entered into a Deed of Sale with RLC for the acquisition of Robinsons Cybergate Bacolod for ₱734.00 million, exclusive of VAT. The Company incurred costs directly attributable to the purchase amounting to ₱9.18 million of transfer tax and documentary stamp tax.

On April 20, 2022, the Company entered into a Deed of Assignment with RLC for the infusion of Robinsons Cyberscape Gamma for ₱5,888.00 million. The Company incurred costs directly attributable to the infusion amounting to ₱56.05 million of transfer tax and other fees (see Note 12).

Investment properties consist mainly of office buildings that are held to earn rentals. The aggregate fair value of the Company's investment properties as of September 30, 2022 and December 31, 2021 amounted to ₱66,505.58 million and ₱59,804.16 million, respectively. The fair values of the investment properties were determined by independent professionally qualified appraisers and exceeded their carrying costs.

Rental income derived from investment properties amounted to ₱3,340.87 million and ₱585.55 million for the nine months ended September 30, 2022 and 2021 (see Note 14).

Property operations and maintenance costs arising from investment properties amounted to ₱504.14 million and ₱90.95 million for the nine months ended September 30, 2022 and 2021 (see Note 17).

There are no investment properties as of September 30, 2022 and December 31, 2021 that are pledged as security to liabilities. The Company has no restrictions on the realizability of its investment properties. Except for contracts awarded, there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

10. Accounts Payable and Other Payables

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Accounts payable (Note 13)	₱177,907,015	₱179,507,108
Accrued expenses	79,033,185	82,608,096
Taxes payable	55,020,321	75,249,134
	₱311,960,521	₱337,364,338

Accounts payable pertains to unpaid billings from RPMI and RFMI related to management fees (see Note 13) and other payables in the normal course of business. These are noninterest bearing and are due and demandable.

Accrued expenses include accruals for utilities, repairs and maintenance, contracted services and other expenses which are yet to be billed by the contractors and providers. These are noninterest bearing and are normally settled within one year.

Taxes payable consists of amounts payable to taxing authority pertaining to output taxes, expanded withholding taxes and documentary stamp taxes.

11. Deposits and Other Liabilities

This account consists of:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Deposits from lessees	₱891,871,433	₱840,876,871
Unearned rental income	152,579,375	152,764,530
Deferred credits	110,944,134	110,233,688
	1,155,394,942	1,103,875,089
Less current portion	319,030,228	178,834,639
	₱836,364,714	₱925,040,450

The current portion of these accounts follows:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Deposits from lessees	₱220,904,254	₱106,646,344
Unearned rental income	60,029,630	41,931,124
Deferred credits	38,096,344	30,257,171
	₱319,030,228	₱178,834,639

Deposits from lessees

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 (3) months' rent and refunded to the lessee at the end of the lease term.

The rollforward analysis of deposits from lessees follows:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Gross Amount		
Balance at beginning of period	₱951,996,306	₱—
Additions	52,765,743	951,996,306
Balance at end of period	1,004,762,049	951,996,306
Unamortized Discount		
Balance at beginning of period	111,119,435	—
Additions	10,698,132	122,993,449
Accretion (Note 17)	(8,926,951)	(11,874,014)
Balance at end of period	112,890,616	111,119,435
Net Amount	891,871,433	840,876,871
Less current portion	220,904,254	106,646,344
	₱670,967,179	₱734,230,527

Unearned rental income

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

Simultaneous with the SEC approval of the Property-for-Share Swap on August 2, 2021, RLC transferred to the Company the deposits from lessees and unearned rental income related to the leased

properties amounting to ₱947.14 million and ₱167.35 million, respectively.

Deferred credits

Deferred credits pertain to the difference between the nominal value of the deposits from lessees and their fair values. This is initially measured at fair value and subsequently amortized using the straight-line method.

The rollforward analysis of deferred credits follows:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period	₱110,233,688	₱—
Additions	10,698,132	122,993,449
Amortization	(9,987,686)	(12,759,761)
Balance at end of period	110,944,134	110,233,688
Less current portion	38,096,344	30,257,171
	₱72,847,790	₱79,976,517

12. Equity

The details of the Company's common shares as of September 30, 2022 and December 31, 2021 follow:

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Shares	Amount	Shares	Amount
Authorized - at ₱1 par value				
Balances at beginning of year	39,795,988,732	₱39,795,988,732	100,000,000	₱100,000,000
Increase in authorized capital stock (a)	—	—	39,695,988,732	39,695,988,732
Balances at end of year	39,795,988,732	₱39,795,988,732	39,795,988,732	₱39,795,988,732
Issued and outstanding				
Balances at beginning of year	9,948,997,197	₱9,948,997,197	6,250,000	₱6,250,000
Collection of subscription receivable (b)	—	—	18,750,000	18,750,000
Issuance of new shares (a)	777,807,133	777,807,133	9,923,997,197	9,923,997,197
Balances at end of year	10,726,804,330	₱10,726,804,330	9,948,997,197	₱9,948,997,197
Net asset value per share		₱6.17		₱6.03

- (a) On April 15, 2021, the BOD and stockholders of the Company approved the increase in its 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 August 2, 2021, the SEC approved the increase in authorized capital stock.
- (b) In 2021, the Company received a total of ₱18.75 million from RLC representing its payment for its unpaid subscription. Accordingly, a total of Eighteen Million Seven Hundred Fifty Thousand (18,750,000) shares were issued.

Initial Public Offering (IPO) and Additional Issuance of Shares

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, to cover the Company's IPO.

The Company was listed on the Main Board of the PSE on September 14, 2021 at an initial listing price of ₱6.45 per share.

On August 15, 2022, SEC has issued its approval of the valuation of Gamma in the amount of ₱5,888.00 million to be applied as payment for the additional issuance of 777,807,133 common shares at par value of ₱1.00 each from unissued portion of the present authorized capital stock.

Additional Paid-In Capital (APIC)

The Company recorded APIC amounting to ₱49,022.76 million, net of stock issuance costs. The Company incurred transaction costs incidental to the IPO that are directly attributable to the issuance or subscription of new shares amounting to ₱99.24 million in 2021.

On August 15, 2022, the Company recorded APIC amounting to ₱5,102.41 million, net of stock issuance costs, following the approval of the SEC. The Company incurred transaction costs incidental to the issuance of additional shares amounting to ₱7.78 million.

Dividend Declaration

On February 4, 2022, the Company's BOD approved the declaration of cash dividends of ₱0.092 per outstanding common share to stockholders on record date as of February 18, 2022. The cash dividend was paid on February 28, 2022.

On May 10, 2022, the Company's BOD approved the declaration of its first regular cash dividends for calendar year 2022 covering the period January 1 to March 31, 2022 at ₱0.0965 per outstanding common share to stockholders on record date as of May 26, 2022. The cash dividend was paid on May 31, 2022.

On August 10, 2022, the Company's BOD approved the declaration of its second regular cash dividends for calendar year 2022 covering the period April 1 to June 30, 2022 at ₱0.0972 per outstanding common share to stockholders on record date as of August 23, 2022. The cash dividend was paid on August 31, 2022.

Distributable Income

The computation of the distributable income of the Company as of September 30, 2022 is shown below:

Total comprehensive income	₱3,125,775,355
Add: Fair value change in investment properties	142,757,642
Distributable income	₱3,268,532,997

The fair value of the Company's investment properties is determined using the Income Approach by an external valuer. It is reduced by the application of the straight-line method of recognizing rental income and lease commissions for the period. For the nine months ending September 30, 2022, gain or loss arising from the change in the fair value of investment properties amounted to nil; while

straight-line adjustments in rent and lease commissions amounted to ₱131.60 million and ₱11.15 million, respectively, totaling ₱142.76 million.

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's sources of capital include all the components of equity totaling ₱66,197.77 million and ₱60,034.21 million as of September 30, 2022 and December 31, 2021, respectively.

The Company is subject to external capital requirement as a REIT to have a minimum paid-up capital of ₱300.00 million in compliance with Republic Act No. 9856 and implementing rules and regulations of REIT Act of 2009.

13. Related Party Transactions

Related party transactions are made under the normal course of 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.

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

	September 30, 2022 (Unaudited)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
Rental income/receivable (a)	₱29,712,956	₱8,401,452	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
Under common control of Ultimate Parent Company				
Rental income/receivable (a)	₱282,439,530	₱49,763,064	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
Parent Company				
Rental income/receivable (a)	₱232,150,883	₱2,935,036	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment

(forward)

Parent Company

Rent expense/payable (Note 18)	₱155,740,537	(₱46,045,724)	Noninterest bearing; due and demandable	Unsecured
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Under common control of Parent Company

Management fees/accounts payable (b)	₱348,045,862	(₱127,385,814)	Noninterest bearing; due and demandable	Unsecured
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Under common control of Ultimate Parent Company

Cash in bank (Note 6)	₱518,101,019	–	Interest bearing at prevailing market rate	Unsecured; no impairment
Short-term investments (Note 6)	₱500,000,000	–	Interest bearing at prevailing market rate	Unsecured; no impairment

	December 31, 2021 (Audited)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Under common control of Ultimate Parent Company				
Rental income/receivable (a)	₱171,465,677	₱99,463,184	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
Parent Company				
Rental income/receivable (a)	₱42,010,017	₱13,935,823	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
Parent Company				
Related party receivable (Note 7)	₱94,877,593	₱101,459,386	Noninterest bearing; due and demandable	Unsecured; no impairment
Parent Company				
Rent expense (Note 18)	₱76,424,470	₱–		
Under common control of Parent Company				
Management fees/accounts payable (b)	₱181,971,378	(₱127,386,814)	Noninterest bearing; due and demandable	Unsecured
Under common control of Ultimate Parent Company				
Cash in bank (Note 6)	₱1,373,240,004	–	Noninterest bearing	Unsecured; no impairment

Significant transactions with related parties are as follows:

(a) Rental income

The revenue generated from related party lessees amounted to ₱544.30 million and ₱73.90 million for the nine months ended September 30, 2022 and 2021.

The lease term generally ranges three (3) to five (5) years and the lease rates are based on prevailing market lease rates.

(b) *Management fees*

Management fees pertain to the amounts billed by RPMI and RFMI, entities both under common control of the Parent Company, pursuant to the Management Agreements entered into by the Company with RLC.

RPMI handles the property management functions of the Company starting September 14, 2021, in exchange for a fee equivalent to 3.00% of gross rental income for the year plus 2.00% of earnings before interest, taxes, depreciation, and amortization (EBITDA) before deduction of fees payable to Fund Manager and the Property Manager, provided that such fee shall not exceed 1.00% of the net asset value of the properties being managed. Fee is exclusive of VAT and is subjected for review every 5 years.

RFMI handles the fund management functions of the Company starting September 14, 2021, in exchange for a fee computed based on 0.10% of deposited property value and fair value of leasehold assets for the year plus 3.50% of EBITDA before deduction of fees payable to the Fund Manager and the Property Manager for the year plus 1.00% of acquisition price for every acquisition made plus 0.50% of the selling price for every property divested. Fee is exclusive of VAT and is subjected to review every 5 years.

The Company incurred management fees amounting to ₱348.05 million and ₱66.16 million for the nine months ended September 30, 2022 and 2021.

Terms and Conditions of Transactions with Related Parties

Outstanding balances at yearend are unsecured, noninterest-bearing and settlement occurs in cash, unless otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recognized any impairment losses on amounts receivables from related parties as of September 30, 2022 and December 31, 2021. This assessment is undertaken each financial period through a review of the financial position of the related party and the market in which the related party operates.

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

14. Rental Income and Income from Dues

Rental income

This account consists of rental income for the nine months ended September 30, 2022 and 2021 from:

	2022	2021
	(Unaudited)	(Unaudited)
Office, retail and parking spaces	₱3,330,878,318	₱585,547,800
Amortization of deferred credits (Note 11)	9,987,685	—
	₱3,340,866,003	₱585,547,800

Rental income from office, retail and parking includes income from the straight-line method of recognizing rental income amounting to ₱136.60 million for the nine months ended September 30, 2022 (nil for the nine months ended September 30, 2021).

Income from dues

Income from dues pertains to recoveries from tenants for the usage of common areas, air-conditioning services. This is presented gross of related costs and expenses.

Set out below is the disaggregation of the Company's revenue from income from dues or non-lease component for the nine months ending September 30, 2022 and 2021:

	2022 (Unaudited)	2021 (Unaudited)
Income from dues:		
CUSA	₱628,223,030	₱118,731,119
Air-conditioning	22,319,746	3,556,414
	₱650,542,776	₱122,287,533

15. Income from Dues - Net

Income from dues - net pertain to CUSA and air-conditioning services of the Condominium Units where the Company determined that it is acting as an agent for these services (see Note 5). This account consists of the following for the nine months ending September 30, 2022 and 2021:

	2022 (Unaudited)	2021 (Unaudited)
Dues	₱106,666,987	₱16,591,772
Less direct costs	(58,719,1256)	(6,197,982)
	₱47,947,861	₱10,393,790

16. Other Income

This account pertains to miscellaneous income earned from forfeitures and penalties charged to tenants for late payments, gain from insurance claims, and others. Other income amounted to ₱16.25 million and ₱1.27 million for the nine months ended September 30, 2022 and 2021.

17. Costs and ExpensesDirect Operating Costs

This account consists of the following for the nine months ended September 30, 2022 and 2021:

	2022 (Unaudited)	2021 (Unaudited)
Management fees (Notes 10 and 13)	₱348,046,061	₱66,160,725
Repairs and maintenance	63,642,944	6,891,367
Contracted services	52,444,831	10,371,329
Amortization (Note 9)	21,953,599	4,744,551
Utilities - net (Note 5)	9,124,904	2,782,442
Accretion of interest expense (Note 11)	8,926,951	—
	₱504,139,290	₱90,950,414

Utilities - net pertains to net recoveries from tenants for the usage of light and water. Set out below is the disaggregation of the Company's utility dues billed to tenants in 2022 and 2021:

	2022 (Unaudited)	2021 (Unaudited)
Utility dues:		
Light	₱513,513,634	₱48,655,092
Water	12,428,198	2,426,934
Costs:		
Light	(517,760,090)	(51,068,683)
Water	(15,446,385)	(2,795,785)
Diesel and other charges	(1,860,261)	–
	(₱9,124,904)	(₱2,782,442)

General and Administrative Expenses

This account consists of the following for the six months ended September 30, 2022 and 2021:

	2022 (Unaudited)	2021 (Unaudited)
Rent expense (Note 18)	₱155,740,537	₱27,707,368
Taxes and licenses	75,648,085	1,235,369
Insurance expense	15,955,495	1,040,975
Professional fees	2,941,296	33,333
Supplies expense	2,792,400	429,714
Advertising and promotions	1,661,658	799,386
Communication	310,638	31,844
Others	23,177,198	592,190
	₱278,227,307	₱31,870,179

Others pertain to travel and transportation, bank charges, representation and entertainment, garbage fees and other expenses which are individually not material.

18. Lease Commitments and Contingencies

The Company as lessor - operating lease

The Company has entered into commercial property leases on its investment property portfolio. These noncancelable leases have remaining noncancelable lease terms of between one (1) and 10 years. All leases include a clause that enables upward revision of the rental charge on an annual basis based on prevailing market conditions.

Total rent income amounted to ₱3,340.87 million and ₱585.55 million for the nine months ended September 30, 2022 and 2021, respectively.

The Company as lessee - operating lease

Building and Land Lease Agreements with RLC

On July 16, 2021, the Company entered into long-term building lease agreements with RLC for the lease of the Robinsons Cybergate 1 and Robinsons Cybergate 2 and long-term land lease agreements for the lease of land where Cyberscape Alpha, Cyberscape Beta, Tera Tower, Exxa-Zeta Tower,

Robinsons Cybergate Cebu, Robinsons Galleria Cebu, Robinsons Place Luisita 1, Cybergate Naga and Cybergate Delta 1 are situated.

These lease agreements are effective starting August 2, 2021 with lease terms up to ninety-nine (99) years and monthly rental fee equivalent to seven percent (7%) of the monthly rental income of the aforementioned properties.

On March 8, 2022, the Company entered into long-term land lease agreement for the lease of land where Cybergate Bacolod is situated. The lease agreement is effective starting March 8, 2022 with lease terms up to fifty (50) years, renewable for a term of another twenty-five (25) years. This is subject to a monthly rental fee equivalent to seven percent (7%) of the monthly rental income of Cybergate Bacolod.

On April 20, 2022, the Company entered into long-term land lease agreement for the lease of land where Cyberscape Gamma is situated. The lease agreement is effective starting April 20, 2022 with lease terms up to fifty (50) years, renewable for a term of another twenty-five (25) years. This is subject to a monthly rental fee equivalent to seven percent (7%) of the monthly rental income of Cyberscape Gamma.

Land Lease Agreement with BCDA

Simultaneous with the execution of Comprehensive Deed of Assignment, RLC assigned to the Company its rights, interests and obligations as a lessee including prepaid rent under the 25-year opening lease agreement it entered into with Bases Conversion and 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. The lease is payable at a fixed yearly rent of ₱50.00 million, subject to 3% annual escalation rate.

On August 2, 2021, RLC also transferred to the Company the remaining prepaid rent related to this lease agreement amounting to ₱302.42 million. Lease payment will commence in March 2031.

The rollforward analysis of lease liability for the nine months ended September 30, 2022 and December 31, 2021 follows:

	September 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Balance at beginning of year	₱247,640,807	₱—
Additions	—	₱243,688,599
Interest expense on lease liability	7,264,055	3,952,208
	₱254,904,862	₱247,640,807

The following are the amounts recognized in the statements of comprehensive income for the nine months ending September 30, 2022 and 2021 from the above lease agreements as lessee:

	2022	2021
	(Unaudited)	(Unaudited)
Amortization of right-of-use asset (Notes 9 and 17)	₱21,953,599	₱4,744,551
Accretion of interest expense on lease liability	7,264,055	1,538,256
Total amounts recognized in the statement of comprehensive income	₱29,217,654	₱6,282,807

19. Income Taxes

Provision for income tax amounting to ₱0.64 million for the nine months ending September 30, 2022 represents the final tax on interest income. Meanwhile, the Company recognized benefit from income tax amounting to ₱38.65 million in the same period last year.

20. Categories and Fair Values of Financial Assets and Financial Liabilities

15.1 Carrying Amounts and Fair Values by Category

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.

15.2 Fair Value Hierarchy

In accordance with PFRS 13, Fair Value Measurement, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally accepted pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument is observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

The Company has no financial assets or financial liabilities measured at fair value as of September 30, 2022 and December 31, 2021.

21. Events After Reporting Period

On November 8, 2022, the Company declared its third regular cash dividends for calendar year 2022 covering the period July 1 to September 30, 2022 at ₱0.0974 per outstanding common share, following the approval of the BOD in their regular meeting held on the same date. The cash dividends will be payable on November 29, 2022 to stockholders of record as of November 22, 2022.

22. COVID-19

The Company is cognizant of COVID-19's potential material impact on its financial performance, the execution of its plans and strategies, and its customers and employees should the situation persist in the longer-term. Nevertheless, the Company's stable recurring revenues and cashflows on the back of its strong business portfolio consisting of high quality assets with a wide geographic dispersion and resilient clientele bases, supported by its robust balance sheet with zero debt position the Company to continuously capture growth despite the unprecedented business environment.

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

AGING OF RECEIVABLES

As of September 30, 2022

	Neither Past		Past Due But Not Impaired				Past Due and Impaired
	Total	Due Nor Impaired	Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	
Trade	₱174,915,911	₱102,850,551	₱72,065,360	₱—	₱—	₱—	₱—
Intercompany receivable	—	—	—	—	—	—	—
Others	3,326,381	3,326,381	—	—	—	—	—
	₱178,242,292	₱106,176,932	₱72,065,360	₱—	₱—	₱—	₱—

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

FINANCIAL SOUNDNESS INDICATORS

	As of September 30, 2022		As of December 31, 2021	
Current Ratio				
<div>Current Assets</div> <div>Current Liabilities</div>	<div>1,308,182,903</div> <div>630,990,749</div>	2.07	<div>1,907,608,471</div> <div>516,198,977</div>	3.70
Acid test Ratio (Quick Ratio)				
<div>Quick Assets</div> <div>Current Liabilities</div>	<div>1,196,443,311</div> <div>630,990,749</div>	1.90	<div>1,823,301,521</div> <div>516,198,977</div>	3.53
Solvency Ratio				
Not applicable. The Company has no debt as of September 30, 2022 and December 31, 2021				
Asset-to-Equity Ratio				
<div>Total Assets</div> <div>Total Equity</div>	<div>67,920,035,273</div> <div>66,197,774,948</div>	1.03	<div>61,723,086,398</div> <div>60,034,206,164</div>	1.03
Debt-to-Equity Ratio				
RCR does not have any financial indebtedness as of September 30, 2022 and December 31, 2021.				
Book Value Per Share				
<div>Total Equity</div> <div>Number of Shares Outstanding</div>	<div>66,197,774,948</div> <div>10,726,804,330</div>	₱6.17	<div>60,034,206,164</div> <div>9,948,997,197</div>	₱6.03

For the Period Ended September 30				
	2022		2021	
Return on Assets				
Net Income (12-month basis)	<u>4,170,938,923</u>	0.06	<u>1,678,952,169</u>	0.05
Total Assets	<u>67,920,035,273</u>		<u>30,864,834,096</u>	
Return on Equity				
Net Income (12-month basis)	<u>4,170,938,923</u>	0.06	<u>1,678,952,169</u>	0.06
Total Shareholders' Equity	<u>66,197,774,948</u>		<u>30,020,393,979</u>	
Interest Coverage Ratio				
<i>RCR does not have any financial indebtedness as of September 30, 2022 and 2021.</i>				
Debt Service Coverage Ratio				
<i>RCR does not have any financial indebtedness as of September 30, 2022 and 2021.</i>				
Operating Margin Ratio				
Operating Profit	<u>3,123,221,491</u>	0.80	<u>595,135,475</u>	0.83
Total Revenues	<u>3,912,852,143</u>		<u>719,494,324</u>	
Earnings Per Share				
Net Income	<u>3,125,775,355</u>		<u>633,788,601</u>	
Weighted Average No. of Shares	<u>10,082,905,385</u>	₱0.31	<u>2,172,254,907</u>	₱0.29

Exhibit V

Item 5. Summary of All Real Estate Assets and Real Estate Transactions

A. Real Estate Assets

As of 30 September 2022, RL Commercial REIT, Inc.'s portfolio of real estate assets is composed of the following:

Property	Location	Cost (in pesos, millions)	Total Gross		Occupancy Rate	Remaining Land and Bldg. Lease Term (in years)	Rental Income (in pesos, millions)	Gross Revenues (in pesos, millions)
			Leasable Area (in sqm)	Occupied GLA (in sqm)				
Robinsons Equitable Tower	Pasig City	3,426.51	14,365	14,215	99%	not applicable	125.32	138.92
Robinsons Summit Center	Makati City	11,477.17	31,394	29,309	93%	not applicable	457.88	477.30
Cyberscape Alpha	Pasig City	8,555.6	49,902	49,902	100%	98	389.98	430.84
Cyberscape Beta	Pasig City	7,806.06	42,245	41,861	99%	97	336.40	381.43
Tera Tower	Quezon City	6,070.04	35,087	35,087	100%	97	223.00	268.55
Cyber Sigma	Taguig City	5,839.56	49,970	49,970	100%	18	437.78	483.17
Exxa-Zeta Tower	Quezon City	11,869.14	74,584	73,090	98%	98	436.19	536.64
Cyberscape Gamma	Pasig City	5,944.05	44,797	42,371	95%	50	165.22	202.81
Cybergate Center 2	Mandaluyong City	6,854.15	43,672	43,672	100%	97	260.90	333.79
Cybergate Center 3	Mandaluyong City	7,899.6	44,614	44,387	99%	98	312.79	396.83
Cybergate Cebu	Cebu City	677.43	6,866	6,866	100%	97	20.80	32.29
Galleria Cebu	Cebu City	944.44	8,851	8,851	100%	98	34.72	46.79
Luisita BTS 1	Tarlac City	621.6	5,786	5,786	100%	98	28.94	35.27
Cybergate Naga	Naga City	690.35	6,069	6,069	100%	98	24.58	34.20
Cybergate Delta 1	Davao City	1,317.15	11,910	11,910	100%	98	56.80	72.62
Cybergate Bacolod	Bacolod City	744.83	10,367	9,322	90%	50	29.58	41.42

B. Real Estate Transactions for the period covering 01 January 2022 to 30 September 2022

On 08 March 2022, the Company entered into a Deed of Sale with RLC for the acquisition of Robinsons Cybergate Bacolod for ₱734.00 million, exclusive of VAT. The Company incurred costs directly attributable to the purchase amounting to ₱9.18 million of transfer tax and documentary stamp tax.

On April 20, 2022, the Company entered into a Deed of Assignment with RLC for the infusion of Robinsons Cyberscape Gamma for ₱5,888.00 million. The Company incurred costs directly attributable to the infusion amounting to ₱56.05 million of transfer tax and other fees. On August 15, 2022, SEC has issued its approval of the valuation of Gamma in the amount of ₱5,888.00 million to be applied as payment for the additional issuance of 777,807,133 common shares at par value of ₱1.00 each from unissued portion of the present authorized capital stock.

September 13, 2022

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.

6th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City
Attention: **Ms. Alexandra D. Tom Wong**
Head, Disclosure Department

Subject: Final Report on the Application of Proceeds from the Sale of Shares in RL Commercial REIT, Inc. ("RCR") via Secondary Offering

Gentlemen:

In compliance with the disclosure requirements of the Philippine Stock Exchange, we submit herewith Robinsons Land Corporation's (RLC) final report on the application of proceeds received from the sale of its shares in RCR via secondary offering as of and for the period ended September 13, 2022. Further attached is the report of RLC's external auditor, SyCip Gorres Velayo & Co.

On September 14, 2021 and October 13, 2021, RLC received gross proceeds from the sale of its share in RCR via secondary offering amounting to Twenty-One Billion Five Hundred Sixty-One Million Four Hundred Seventy-Two Thousand Eight Hundred Pesos (**₱21,561,472,800.00**) and overallotment shares amounting to One Billion Eight Hundred Sixty-Seven Million Five Hundred Eighty-Eight Thousand Four Hundred Seventy Pesos (**₱1,867,588,470**), respectively. With this, the total amount received is Twenty-Three Billion Four Hundred Twenty-Nine Million Sixty-One Thousand Two Hundred Seventy Pesos (**₱23,429,061,270.00**).

As of September 13, 2022, RLC had **FULLY** disbursed the total proceeds amounting to Twenty-Three Billion Four Hundred Twenty-Nine Million Sixty-One Thousand Two Hundred Seventy Pesos (**₱23,429,061,270.00**) in accordance with its Reinvestment Plan. Of this amount, Seven Hundred Forty-Seven Million Five Hundred Forty-Two Thousand Sixteen and 33/100 Pesos (**₱747,542,016.33**) were spent for IPO expenses and the balance of Twenty-Two Billion Six Hundred Eighty-One Million Five Hundred Nineteen Thousand Two Hundred Fifty-Three and 67/100 Pesos (**₱22,681,519,653.67**) were disbursed for its Capital Expenditures in the Philippines as stated in its Reinvestment Plan.

The details are as follows:

Gross proceeds as of September 14, 2021	₱21,561,472,800.00
Add: Receipt of proceeds from overallotment shares	1,867,588,470.00
Total Proceeds	₱23,429,061,270.00
Less: Disbursements for Initial Public Offering expenses	747,542,016.33
Disbursements for capital expenditures:	
September 14, 2021 to December 31, 2021 (Annex A)	5,660,231,893.96
January 1, 2022 to to March 31, 2022 (Annex B)	4,710,115,065.99
April 1, 2022 to June 30, 2022 (Annex C)	6,759,284,275.33
July 1, 2022 to September 13, 2022 (Annex D)	5,551,888,018.39
Balance of proceeds as of September 13, 2022	₱ -

Thank you.

SUBSCRIBED AND SWORN to before me this SEP 13 2022 day of SEPTEMBER,
affiant personally appearing before me and exhibiting to me his/her AS MA. CLARISSE S. OSTERIA
as proof of his/her identity and is known to me to be the Notary Public for Pasig, San Juan, and Pateros
person who executed and signed this Appointment No. 136; until Dec. 31, 2023
12F Cyberscape Alpha, Sapphire &
Garnet Roads, Ortigas Center, Pasig City
Roll of Attorneys No. 69885; June 1, 2017
PTP No. 8207772; January 24, 2022; Pasig City
BP No. 171121; December 21, 2021; Makati Chante
CLE Compliance No. VII-0015450; April 14, 2021

Very truly yours,

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

**Disbursements for Capital Expenditures
For the Period Covering September 14, 2021 to December 31, 2021**

Date	Project Name	Amount
9/14/2021-12/21/2021	SYNC - S Tower	201,347,986.59
9/15/2021-12/24/2021	The Residences at The Westin Manila Sonata Place	78,946,281.80
9/15/2021-12/16/2021	Bloomfields General Santos	5,019,445.38
9/16/2021-11/29/2021	RP Dumaguete Expansion Phase 1	16,764,387.75
9/16/2021-12/29/2021	Galleria Residences - Tower 2	64,929,744.84
9/16/2021-12/31/2021	NuStar Hotel and Mall (Cebu Integrated Resort)	1,415,218,429.31
9/17/2021-12/20/2021	Iloilo Towers	184,393,895.23
9/17/2021-12/29/2021	Galleria Residences - Tower 1	44,009,287.63
9/17/2021-12/31/2021	Summit Hotel GenSan	90,160,215.72
9/20/2021-12/22/2021	Acacia Escalades - Building B	37,962,056.18
9/20/2021-12/14/2021	Cirrus	104,029,037.30
9/20/2021-12/21/2021	Sierra Valley Gardens - Building 1 and 2	203,881,390.31
9/20/2021-12/20/2021	The Magnolia Residences - Tower D	10,491,260.37
9/20/2021-12/23/2021	The Sapphire Bloc - East Tower	178,613,597.87
9/20/2021-12/24/2021	Westin Sonata Hotel	116,982,352.25
9/20/2021-11/09/2021	Brighton Bacolod	2,833,267.22
9/24/2021-12/22/2021	Opus	82,012,732.70
9/24/2021-12/20/2021	RP Gapan	186,074,322.33
9/24/2021-12/20/2021	RP La Union	70,861,908.75
9/24/2021-12/14/2021	Summit Hotel Naga / Go Hotels Naga	20,406,740.76
9/24/2021-12/20/2021	Montclair	143,703,798.80
9/24/2021-12/20/2021	Gateway Regency Studios	83,427,173.55
9/24/2021-12/23/2021	The Radiance Manila Bay - South Tower	12,413,910.06
9/29/2021	Robinsons Double Dragon Square (Robinsons Double Dragon Corp.)	6,946,785.65
10/05/2021-12/20/2021	GBF 1 & 2	340,518,163.97
10/06/2021-12/23/2021	Galleria Residences - Tower 3	48,172,184.03
10/08/2021-12/23/2021	Springdale Angono (SPA2)	37,222,550.10
10/11/2021-12/07/2021	Southsquare Village	5,345,062.20
10/11/2021-12/20/2021	RP Antipolo Expansion	136,176,861.48
10/11/2021-12/21/2021	RLX Mexico	134,061,540.12
10/11/2021-12/20/2021	Land acquisition (Pasig City)	594,655,186.75
11/15/2021	Terrazo At Robinsons Vineyard	826,473.21
11/29/2021-12/20/2021	Land acquisitions (various locations)	299,615,863.75
12/20/2021	Aurelia Residences (Shang Robinsons Properties, Inc.)	702,208,000.00
TOTAL		₱5,660,231,893.96

Disbursements for Capital Expenditures
For the Period Covering January 01, 2022 to March 31, 2022

Date	Project Name	Amount
2/16/2022	Brighton Bacolod	148,500.00
3/28/2022	RLX San Fernando	63,500,000.00
01/03/2022-03/28/2022	GBF 1 & 2	290,136,167.90
01/03/2022-03/31/2022	NuStar Hotel and Mall (Cebu Integrated Resort)	1,168,007,142.01
01/04/2022-03/28/2022	Summit Hotel Naga / Go Hotels Naga	12,172,614.10
01/06/2022-03/28/2022	Iloilo Towers	120,207,946.35
01/06/2022-03/30/2022	SYNC - S Tower	132,726,891.22
01/06/2022-03/30/2022	Cirrus	88,470,675.25
01/06/2022-03/30/2022	Sierra Valley Gardens - Building 1 and 2	31,530,057.46
01/10/2022-03/14/2022	Grand Tierra Ph2	6,098,245.12
01/10/2022-03/15/2022	Land acquisitions (Visayas/Mindanao)	477,319,705.36
01/10/2022-03/16/2022	Springdale Angono (SPA2)	7,506,048.01
01/10/2022-03/21/2022	Summit Hotel GenSan	38,464,254.52
01/10/2022-03/21/2022	The Magnolia Residences - Tower D	4,035,901.62
01/10/2022-03/28/2022	The Residences at The Westin Manila Sonata Place	44,393,857.23
01/10/2022-03/28/2022	Galleria Residences - Tower 2	27,683,003.14
01/10/2022-03/28/2022	Galleria Residences - Tower 1	14,539,032.24
01/10/2022-03/28/2022	Acacia Escalades - Building B	12,627,150.78
01/10/2022-03/28/2022	Opus	207,640,300.96
01/10/2022-03/30/2022	Galleria Residences - Tower 3	42,552,562.29
01/10/2022-03/31/2022	Gateway Regency Studios	42,455,930.44
01/17/2022-03/28/2022	RP Antipolo Expansion	28,115,816.33
01/17/2022-03/28/2022	RP Gapan	78,265,321.63
01/17/2022-03/28/2022	Montclair	214,148,645.92
01/24/2022-03/01/2022	RP Dumaguete Expansion Phase 1	7,595,661.33
01/24/2022-03/21/2022	Southsquare Village	6,070,965.37
01/24/2022-03/21/2022	Westin Sonata Hotel	76,374,156.09
01/24/2022-03/28/2022	The Sapphire Bloc - East Tower	149,472,605.40
01/25/2022-03/01/2022	The Radiance Manila Bay - South Tower	4,692,361.42
01/31/2022-03/21/2022	RP La Union	19,849,976.23
01/31/2022-03/28/2022	Bridgetowne Complex	32,698,204.92
02/10/2022-02/14/2022	Bloomfields General Santos	1,723,851.06
02/11/2022-03/25/2022	Land acquisitions (various locations)	1,175,889,600.00
02/18/2021-03/10/2022	RLX Calamba	83,001,914.29
TOTAL		₱4,710,115,065.99

Disbursements for Capital Expenditures
For the Period Covering April 01, 2022 to June 30, 2022

Date	Project Name	Amount
04/01/2022-06/16/2022	Acacia Escalades - Building B	33,994,871.32
04/01/2022-06/20/2022	Land acquisitions (Visayas/Mindanao)	143,696,631.65
04/01/2022-06/23/2022	Summit Hotel Naga / Go Hotels Naga	6,739,253.94
04/01/2022-06/27/2022	Opus	280,142,948.53
04/01/2022-06/30/2022	NuStar Hotel and Mall (Cebu Integrated Resort)	1,049,098,457.76
04/01/2022-06/30/2022	Montclair	281,916,809.56
04/04/2022-06/04/2022	RP Antipolo Expansion	79,894,842.02
04/04/2022-06/13/2022	The Magnolia Residences - Tower D	5,257,628.86
04/04/2022-06/13/2022	The Radiance Manila Bay - South Tower	9,351,209.82
04/04/2022-06/20/2022	Iloilo Towers	165,529,752.97
04/04/2022-06/20/2022	Sierra Valley Gardens - Building 1 and 2	192,557,180.42
04/04/2022-06/20/2022	Springdale Angono (SPA2)	27,440,607.74
04/04/2022-06/20/2022	The Residences at The Westin Manila Sonata Place	74,598,114.00
04/04/2022-06/20/2022	RP La Union	22,379,808.76
04/04/2022-06/27/2022	Cirrus	141,679,481.56
04/04/2022-06/27/2022	Summit Hotel GenSan	55,412,380.29
04/04/2022-06/27/2022	Galleria Residences - Tower 1	72,992,074.25
04/04/2022-06/27/2022	Gateway Regency Studios	56,438,461.08
04/04/2022-06/27/2022	RP Gapan	142,451,217.39
04/04/2022-06/29/2022	Galleria Residences - Tower 3	64,573,834.11
04/04/2022-06/29/2022	The Sapphire Bloc - East Tower	175,592,621.89
04/04/2022-06/30/2022	Galleria Residences - Tower 2	48,768,755.07
4/6/2022	Brighton Angono (BTPA)	1,383,584.14
04/08/2022-06/23/2022	Westin Sonata Hotel	99,604,351.93
04/11/2022-06/29/2022	RP Dumaguete Expansion Phase 1	9,521,781.18
04/11/2022-05/30/2022	Terrazo At Robinsons Vineyard	4,034,241.39
04/11/2022-06/06/2022	Grand Tierra Ph2	10,427,552.86
04/11/2022-06/20/2022	Southsquare Village	1,773,288.14
04/11/2022-06/22/2022	Bloomfields General Santos	6,652,368.40
04/12/2022-06/27/2022	RLX Calamba	77,311,923.58
04/19/2022-06/24/2022	GBF 1 & 2	407,630,733.73
04/21/2022-06/13/2022	SYNC - S Tower	113,044,097.02
4/25/2022	RLX Mexico	7,928,571.43
05/12/2022-06/30/2022	Land acquisitions (various locations)	1,901,585,511.35
6/13/2022	Sierra Valley	14,717,609.46
06/20/2022-06/27/2022	Bridgetowne Complex	99,621,717.73
6/30/2022	Land acquisition (Pasig City)	873,540,000.00
TOTAL		P6,759,284,275.33

Disbursements for Capital Expenditures
For the Period Covering July 01, 2022 to September 13, 2022

Date	Project Name	Amount
7/11/2022	Brighton Angono (BTPA)	45,535.71
07/01/2022-08/31/2022	NuStar Hotel and Mall (Cebu Integrated Resort)	501,943,743.76
07/01/2022-08/31/2022	Iloilo Towers	107,736,410.71
07/04/2022-07/25/2022	Acacia Escalades - Building B	4,501,035.36
07/04/2022-08/22/2022	The Magnolia Residences - Tower D	24,972,278.80
07/04/2022-08/22/2022	Galleria Residences - Tower 1	16,390,303.16
07/04/2022-08/24/2022	Summit Hotel GenSan	21,462,753.10
07/04/2022-08/24/2022	Galleria Residences - Tower 3	37,692,680.68
07/04/2022-08/25/2022	Summit Hotel Naga / Go Hotels Naga	1,827,460.36
07/04/2022-08/30/2022	Galleria Residences - Tower 2	42,443,473.28
07/04/2022-08/30/2022	Westin Sonata Hotel	58,403,932.49
07/04/2022-08/31/2022	RP Antipolo Expansion	42,828,308.71
07/04/2022-08/31/2022	The Residences at The Westin Manila Sonata Place	106,855,230.11
07/04/2022-08/31/2022	Sierra Valley	11,833,129.93
07/05/2022-08/19/2022	RP Dumaguete Expansion Phase 1	9,910,403.09
07/05/2022-08/22/2022	Springdale Angono (SPA2)	5,228,227.93
07/05/2022-08/31/2022	SYNC - S Tower	114,688,835.31
07/07/2022-08/19/2022	The Sapphire Bloc - East Tower	146,215,532.57
07/07/2022-08/25/2022	Sierra Valley Gardens - Building 1 and 2	78,078,189.25
07/07/2022-08/26/2022	Montclair	100,266,367.81
07/07/2022-08/31/2022	RP Gapan	109,858,591.20
07/08/2022-07/31/2022	Bloomfields General Santos	4,913,275.90
07/08/2022-08/26/2022	GBF 1 & 2	196,354,049.13
07/08/2022-08/30/2022	Gateway Regency Studios	61,691,857.84
07/08/2022-08/31/2022	Cirrus	142,504,802.08
07/11/2022-08/11/2022	RP La Union	2,750,126.20
07/11/2022-08/30/2022	Opus	132,593,707.87
07/14/2022-08/25/2022	Bridgetowne Complex	109,152,010.23
07/14/2022-08/26/2022	Land acquisitions (various locations)	239,807,082.13
07/18/2022-08/24/2022	The Radiance Manila Bay - South Tower	9,556,363.83
07/21/2022-08/31/2022	RLX Calamba	108,003,706.93
07/25/2022-08/18/2022	Terrazo At Robinsons Vineyard	1,378,612.93
8/30/2022	Integrated Development	3,000,000,000.00
TOTAL		₱5,551,888,018.39



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 Final Progress Report as of **September 13, 2022** covering periods from **September 14, 2021 to September 13, 2022** on the application of proceeds from the sale of your shares in **RL Commercial REIT, Inc.** via secondary offering and over-allotment of **Robinsons Land Corporation** (the "Company") on **September 14, 2021** and **October 13, 2021**, respectively. 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 Final 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;
 - 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 ₱22,681,519,256 for the periods from September 14, 2021 up to September 13, 2022 for the projects below. No exceptions noted.

Project Name	Amount
Cebu Integrated Resort	₱4,134,267,773
NCR: Makati/Mandaluyong/Quezon/San Juan City	3,181,642,315
Integrated Development	3,000,000,000
Pasig City	1,468,195,187
GBF 1 & 2	1,234,639,115
Visayas/Mindanao	756,284,590
Montclair	740,035,622
Opus	702,389,690
Shang Robinsons Properties, Inc	702,208,000
The Sapphire Bloc - East And South Towers	649,894,358
Iloilo Towers	577,868,005
Sync - S And Y Towers	561,807,810
RP Gapan	516,649,453
Sierra Valley Gardens - Building 1 & 2	506,046,817
Cirrus	476,683,996
Westin Sonata Hotel	351,364,793
The Residences at ahe Westin Manila Sonata Place	304,793,483
Cavite/Laguna/Batangas/Rizal/Quezon	299,987,489
RP Antipolo Expansion	287,015,829
RLX Calamba	268,317,545
Gateway Regency Studios	244,013,423
Bridgetowne Complex	241,471,933
Summit Hotel Gensan	205,499,604
Galleria Residences - Tower 3	192,991,261
Galleria Residences - Tower 2	183,824,976
Galleria Residences - Tower 1	147,930,697

(Forward)

Project Name	Amount
RLX Mexico	₱141,990,112
RP La Union	115,841,820
Acacia Escalades - Building B	89,085,114
Springdale Angono (Spa 1&2)	77,397,434
RLX San Fernando	63,500,000
The Magnolia Residences - Tower D	44,757,070
RP Dumaguete Expansion Phase 1	43,792,233
Summit Hotel Naga/Go Hotels Naga	41,146,069
The Radiance Manila Bay - South Tower	36,013,845
Sierra Valley	26,550,739
Bloomfields General Santos	18,308,941
Grand Tierra Ph2	16,525,798
Southsquare Village	13,189,316
Robinsons Doubledragon Corp	6,946,786
Terrazo At Robinsons Vineyard	6,239,328
Brighton Bacolod	2,833,267
Brighton Angono (BTPA)	1,577,620
Total	₱22,681,519,256

5. On a sample basis, we inquired into and identified the nature of the additions and disbursements. We have noted the Amended Reinvestment Plan dated August 5, 2022 included the proceeds from the sale of shares in RL Commercial REIT, Inc. We also 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.



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.

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. 8854360, January 3, 2022, Makati City

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.


I certify that on SEP 13 2022, 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. 321 ;
Page No. 64 ;
Book No. 11 ;
Series of 2022.


ATTY. MA. CLARISSA S. OSTERIA
Notary Public for Pasig, San Juan, and Pateros
Appointment No. 136; until Dec. 31, 2023
12F Cyberscape Alpha, Sapphire &
Garnet Roads, Ortigas Center, Pasig City
Roll of Attorneys No. 69885; June 1, 2017
PTP No. 8207772; January 24, 2022; Pasig City
IBP No. 171121; December 21, 2021; Makati Charte
MCLE Compliance No. VII-0015450; April 14, 2021



ROBINSONS LAND CORPORATION

YOUR DREAMS. OUR FOUNDATION.

LEVEL 2 GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY
TEL. NO.: (632) 8397-1888

October 12, 2022

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.

6th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City

Attention: **Ms. Alexandra D. Wong**
Head, Disclosure Department

Subject: Third Quarterly Progress Report on the Application of Proceeds from the Sale of Robinsons Cybergate Bacolod

Gentlemen:

In compliance with the disclosure requirements of the Philippine Stock Exchange, we submit herewith Robinsons Land Corporation's (RLC) third quarterly progress report on the application of proceeds received from the sale of Robinsons Cybergate Bacolod to RL Commercial REIT, Inc. for the third quarter of calendar year 2022 covering July 1 to September 30, 2022. Robinsons Cybergate Bacolod is an office development located in Bacolod City, Negros Occidental. Further attached is the report of RLC's external auditor.

As of September 30, 2022, the remaining balance of the proceeds from the sale amounts to Five Hundred Six Million One Hundred Thirty-Nine Thousand Two Hundred Sixty-Three Pesos and 64/100 (**P506,139,263.64**).

The details are as follows:

Gross proceeds as of March 8, 2022	P822,080,000.00
Less: Disbursements for cost directly attributable to the sale	44,040,000.00
Disbursements for capital expenditures:	
March 8 to 31, 2022 (Annex A)	17,310,372.91
April 1, 2022 to June 30, 2022 (Annex B)	101,759,899.41
July 1, 2022 to September 30, 2022 (Annex C)	152,830,464.04
Balance of proceeds as of September 30, 2022	P506,139,263.64

Thank you
SUBSCRIBED AND SWORN to before me this OCT 12 2022 day of
affiant personally appearing before me and exhibiting to
me his/her _____ issued on
as proof of his/her identity and is known to me to be the
person who executed and signed this document.

ATTY. MA. CLARISSE S. OSTERIA

Notary Public for Pasig, San Juan, and Pateros
Appointment No. 136; until Dec. 31, 2023

12F Cyberscape Alpha, Sapphire &
Garnet Roads, Ortigas Center, Pasig City

Roll of Attorneys No. 69885; June 1, 2017

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IBP No. 171121; December 21, 2021; Makati Chapter

Very truly yours

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

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Book No.: 11
Dates of 2022

Annex A

**Disbursements for Capital Expenditures
For the Period Covering March 8 to 31, 2022**

Date	Project Name	Amount
3/21-28/2022	Robinsons Metro East Redevelopment and The Link	₱17,310,372.91
TOTAL		₱17,310,372.91

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Annex B

**Disbursements for Capital Expenditures
For the Period Covering April 1, 2022 to June 30, 2022**

Date	Project Name	Amount
4/11-6/20/2022	Robinsons Metro East Redevelopment and The Link	₱19,353,317.88
4/7-6/24/2022	Robinsons Manila Redevelopment	82,406,581.53
TOTAL		₱101,759,899.41

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**Disbursements for Capital Expenditures
For the Period Covering July 1, 2022 to September 30, 2022**

Date	Project Name	Amount
7/1-9/2/2022	Robinsons Metro East Redevelopment and The Link	₱30,305,674.23
7/1-9/26/2022	Robinsons Manila Redevelopment	28,431,485.55
7/1-9/26/2022	Robinsons Place Pagadian	94,093,304.26
TOTAL		₱152,830,464.04

Set

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:

Robinsons Land Corporation (the "Company") Amended its Reinvestment Plan on August 5, 2022. Under its Amended Reinvestment Plan, the Company included additional covered projects and amended its planned use of proceeds for some projects. In relation to the Amended Reinvestment Plan, we have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report as at **September 30, 2022** covering period from **July 1, 2022 to September 30, 2022** on the application of proceeds received by the Company from the sale of Robinsons Cybergate Bacolod to RL Commercial REIT, Inc. ("RCR") on **March 8, 2022**. 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 Report on application of proceeds from the sale of Robinsons Cybergate Bacolod (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 sale of Robinsons Cybergate Bacolod.

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.

The details are as follows:

Gross proceeds as of March 8, 2022	₱822,080,000
Less: Disbursements for cost directly attributable to the sale	44,040,000
Disbursements for capital expenditures:	
March 8 to 31, 2022	17,310,373
April 1, 2022 to June 30, 2022	101,759,899
July 1, 2022 to September 30, 2022	152,830,464
Balance of proceeds as of September 30, 2022	₱506,139,264

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 amounts to the accounting records. We noted that the Company disbursed a total of ₱152,830,464 for the period from July 1, 2022 up to September 30, 2022. No exceptions noted.

Project Name	Amount
Robinsons Place Pagadian	₱94,093,304
Robinsons Metro East Redevelopment and The Link	30,305,674
Robinsons Manila Redevelopment	28,431,486
Total	₱152,830,464

5. On a sample basis, we inquired into and identified the nature of the additions and disbursements. We also checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the sale of Robinsons Cybergate Bacolod. No exceptions noted.

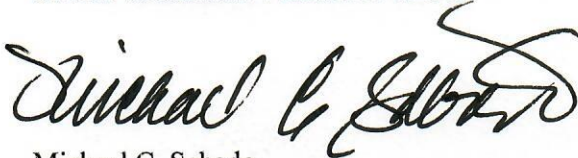
- 3 -

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.

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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 sale and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.



Michael C. Sabado
Partner

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