

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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(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
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Form Type

A	A	F	S
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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

<p>Company's Email Address</p> <p>corp.secretary@robinsonsland.com</p>	<p>Company's Telephone Number</p> <p>N/A</p>	<p>Mobile Number</p> <p>0998-8400935</p>
<p>No. of Stockholders</p> <p>20,263</p>	<p>Annual Meeting (Month / Day)</p> <p>May 12</p>	<p>Fiscal Year (Month / Day)</p> <p>12/31</p>

CONTACT PERSON INFORMATION

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

<p>Name of Contact Person</p> <p>Mr. Matias G. Raymundo Jr.</p>	<p>Email Address</p> <p>jay.raymundo@rlcommercialreit.com.ph</p>	<p>Telephone Number/s</p> <p>8397-1888</p>	<p>Mobile Number</p> <p>N/A</p>
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CONTACT PERSON'S ADDRESS

<p>25th Floor Robinsons Cyberscape Alpha cor. Garnet and Sapphire Road, Ortigas Center, Pasig City</p>
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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

SEC Number 151309
File Number _____

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

(Company's Full Name)

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

(Company's Address)

N/A

(Telephone Number)

DECEMBER 31

(Calendar Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

N/A

Amendment Designation (if applicable)

December 31, 2022

Period Ended Date

N/A

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended : **December 31, 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** (SEC Use Only)
Province, Country or other Industry Classification Code:
jurisdiction of incorporation or
organization

7. **25F Robinsons Cyberscape Alpha, Sapphire and
Garnet Roads, Brgy. San Antonio, Pasig City** **1600**
Address of principal office Postal Code

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

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

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

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

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

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
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:

Philippine Stock Exchange

Common Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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 []

13. Aggregate market value of the voting stock held by non-affiliates:

₱21,358,586,229

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes No **Not applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

2022 Audited Financial Statements (incorporated as reference for Items 9 & 11 of SEC Form 17-A)

Final Report on the Application of Proceeds from the Sale of Shares in RL Commercial REIT, Inc. via Secondary Offering (incorporated as reference for Items 9 & 11 of SEC Form 17-A)

Final Report on the Application of Proceeds from the Sale of Robinsons Cybergate Bacolod (incorporated as reference for Items 9 & 11 of SEC Form 17-A)

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

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 wholly-owned subsidiary of Robinsons Land Corporation (RLC, Parent Company or Sponsor), while JG Summit Holdings, Inc. (JGSHI) is the Ultimate Parent Company.

The Company's registered office address and principal place of business is at 25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio, Ortigas Center, Pasig City.

On April 15, 2021, the Board of Directors (the Board or 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 consists of: (i) the buildings and related immovable property in respect of Cyberscape Alpha, Cyberscape Beta, Tera Tower, Cyber Sigma, Exxa-Zeta Tower, Robinsons Cybergate Cebu, Robinsons Galleria Cebu, Robinsons Place Luisita 1, Cybergate Naga and Cybergate Delta 1 (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 are 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 will be accounted by the Company as an acquisition asset as it does not constitute a business combination.

Subsequent to the approval of the increase in authorized capital stock by the SEC, fourteen (14) shares will be 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) will handle the fund manager functions and property management functions of the Company. The accounting and administrative functions of the Company are being performed by the employees of RLC prior to SEC approval.

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

On March 8, 2022, the Company entered into a Deed of Sale with RLC for the acquisition of Robinsons Cybergate Bacolod, excluding the land where the building is situated, for Seven Hundred Thirty Four Million Pesos (₱734,000,000), exclusive of value-added-tax. Robinsons Cybergate Bacolod is the 15th asset acquired by the Company. It is located in Bacolod City, Negros Occidental with a gross leasable area of 10,367 sqm.

On April 20, 2022, a Deed of Assignment was executed between the Company and RLC for the assignment, transfer, and conveyance by RLC of Robinsons Cyberscape Gamma, excluding the land where the building is situated, with a value of Five Billion Eight Hundred Eighty Eight Million Pesos (₱5,888,000,000), in exchange for the issuance of Seven Hundred Seventy Seven Million Eight Hundred Seven Thousand One Hundred Thirty Three (777,807,133) shares. Robinsons Cyberscape Gamma is the 16th asset acquired by RCR. It is located in Pasig City, Metro Manila with a gross leasable area of 44,797 sqm.

On August 17, 2022, RCR received the Certificate of Approval of Valuation dated August 15, 2022 from the SEC for the Property-for-Share Swap certifying that the valuation of the Property in the amount of Five Billion Eight Hundred Eighty Eight Million Pesos (₱5,888,000,000) to be applied as payment for the issuance of 777,807,133 shares at par value of ₱1.00 each from unissued portion of the present authorized capital stock with additional paid-in capital of Five Billion One Hundred Ten

Million One Hundred Ninety Two Thousand Eight Hundred Sixty Seven Pesos (₱ 5,110,192,867).

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.

b) Business

RCR, a company designated by RLC to operate as a REIT, leases to a diversified tenant base, a high-quality portfolio of 16 commercial real estate assets across the Philippines with an aggregate gross leasable area (GLA) of 480,479 sqm as of December 31, 2022. The portfolio consists of commercial spaces primarily leased for office purposes, with minimal retail spaces on some of the Properties to support the needs of the office tenants.

The principal investment mandate of RCR is to focus on investing on a long-term basis in a diversified portfolio of income-producing commercial real estate assets, leased primarily for office purposes, and strategically located in major central business districts (CBDs) and key cities and urban areas across the Philippines. The Company intend to maintain a high occupancy rate by targeting a diversified tenant base, with an emphasis on tenants primarily engaged in providing essential services, such as information technology and business process management (IT-BPM) services including business process outsourcing (BPO) services, to secure stable occupancy and income from operations.

c) Competition

The Company believes that competition for office space is principally on the basis of location, quality and reliability of the project's design and equipment, reputation of the developer, supply of comparable space, changing needs of business users, and PEZA registration.

The Company believes that its primary competitors in Metro Manila for commercial spaces primarily used for office purposes include Ayala Land, Inc. and its REIT subsidiary, AREIT, DoubleDragon Properties and its subsidiary, DDMPR, Megaworld Corporation and its subsidiary, MREIT, SM Prime Holdings, Inc. and Filinvest Land, Inc. and its subsidiary, FILRT.

In Naga and Tarlac, no other major developers yet but competitors include local developers in the city.

In Cebu, major competitors include Ayala Land, Filinvest, Megaworld and other local developers.

In Davao, major competitors include Ayala Land, Filinvest, Megaworld, and SM Prime Holdings and other local developers.

In Bacolod, major competitors include Ayala Land, Megaworld and other local developers.

The Company competes on the basis of the strategic locations of its buildings, including their proximity to the malls and residences as part of its mixed-use developments and accessibility to public transportation. The Company believes that the Properties benefit from the Sponsor's established reputation of good quality, ease of doing business, and completing projects on time, which makes the Properties among the most preferred choices of the IT-BPM industry as well as local and multinational companies. The Company is committed to providing an excellent customer experience and satisfaction by offering and maintaining office projects of high quality and reliability, meeting the evolving needs of its customers.

d) Sources and Availability of Raw Materials and Suppliers

Presently, the major suppliers of the Company are primarily third-party companies in charge of particular building functions. These include manpower services, such as but not limited to sanitation (garbage hauling), housekeeping, pest control, engineering, technical maintenance, other related maintenance services, and security. The contracts with these third parties are non-exclusive arrangements and some contracts are secured with a performance bond, which shall be cancelled or released only upon performance of all contractual and statutory duties and obligations. Contractors are likewise required to obtain and maintain at their own expense and throughout the term of the contracts, sufficient liability insurance issued by an insurance company acceptable to us. We are not dependent upon one or a limited number of suppliers.

e) Customers

RCR has a broad base of customers, comprised of both local and foreign, and institutional clients. The Company is not dependent on a single or a few customers, the loss or any of which would have a material adverse effect on the business taken as a whole.

f) Employees and Labor

The employees of the Property Manager will be responsible for supervising, managing, leasing, operating, and maintaining the Properties in the Company's Portfolio pursuant to the terms of the Property Management Agreement. The employees of the Fund Manager will be responsible for implementing the Company's investment strategies and managing the assets. As such, the Company does not have and will not be directly hiring its own employees. In addition, the Sponsor will provide certain services to the Company, including IT services as well as operational and administrative functions incurred in the normal operations of a business. The Company, the Property Manager, and the Fund Manager are in compliance with all minimum compensation and benefit standards, as well as applicable labor and employment regulations.

g) Industry Risk

The Company is highly dependent on the performance of the Philippine property market and the state of the Philippine economy because all of its Properties are located in the Philippines. The demand for, and prevailing prices of office leases are directly

related to the strength of the Philippine economy and the overall levels of business activity in the Philippines. In particular, the growth of the real estate sector has been mainly driven by the fast-growing IT-BPM sector, which is vulnerable to global economic changes, low interest rates and robust remittances from OFWs. As the fastest growing sector in the Philippine real estate industry, the IT-BPM outsourcing sector drives office space demand, which fuels the performance and profitability of the Company's Properties. The growth of the IT-BPM sector is heavily dependent on the availability of information and communications technology (ITC) hubs across the Philippines, which provide sufficient labor supply and upgraded talent ecosystem, good ITC infrastructure and service capabilities, efficient cost and overall business environment, as a product of sound macroeconomic fundamentals and geopolitical climate in the country.

Many factors contribute to fluctuations in the Philippine property market including the general demand and supply of properties which may cause asset price bubbles (i.e. when there is a gross imbalance between the supply and demand in the property market causing unusual increase in asset prices followed by a drastic drop in prices when the bubble bursts), increases and decreases in interest rates, inflationary pressures, Government-related real estate policies and other factors beyond the Company's control. In particular, the global economic downturn resulting from the COVID-19 pandemic has resulted in an economic slowdown and negative business sentiment, which may have an adverse effect on the outlook on the Philippine property market and lead to an adverse change in the Philippines' macroeconomic situation generally, which could materially and adversely affect the Company's results of operations. Thus, the Company is directly affected by the risks that affect the Philippine property market as a whole. The Company cannot foresee when the disruptions of business activities caused by the outbreak of COVID-19 will cease. Any decline in the value of land or real estate in the Philippines may lead to a downward revaluation of the Company Properties and a decrease in its rental rates.

Considerable economic and political uncertainties currently exist in the Philippines that could have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company's business. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's Properties. Because all of the Properties are located in the Philippines and because the Company does not currently expect to invest in real estate outside of the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, and weaker performance of the country's property development market generally could materially adversely affect its business, prospects, results of operations and financial condition.

Item 2. Properties

The table below provides details of each property as indicated. All of the properties were developed by the Sponsor, RLC.

Location		Year Completed	Registration / Certification	Office Grade (1)	GLA (sqm)	% of Total Portfolio GLA	Appraised Value (P million)(2)	Title to Asset	Title to Land
Metro Manila									
Assigned Properties									
Robinsons Equitable Tower	Ortigas CBD, Pasig City	1999	PEZA	A	14,365	3.0%	3,136.0	Freehold over 96 units(3)	Subdivided interest in land
Robinsons Summit Center	Makati CBD, Makati City	2001	PEZA	A	31,394	6.5%	9,776.0	Freehold over 31 units(4)	Subdivided interest in land
Cyberscape Alpha	Ortigas CBD, Pasig City	2014	PEZA	A	49,902	10.4%	7,226.0	Building owned	Land leased from Sponsor for 99 years
Cyberscape Beta	Ortigas CBD, Pasig City	2014	PEZA	A	42,245	8.8%	5,761.0	Building owned	Land leased from Sponsor for 98 years
Tera Tower.....	Bridgetowne Complex IT Park, Quezon City	2015	PEZA, LEED Gold	A / Prime	35,087	7.3%	4,595.0	Building owned	Land leased from Sponsor for 98 years
Cyber Sigma .	McKinley West, Fort Bonifacio, Taguig City	2017	PEZA	A	49,970	10.4%	5,417.0	Building owned	Land leased from BCDA for 25 years(5)
Exxa-Zeta Tower	Bridgetowne Complex IT Park, Quezon City	2018	PEZA, LEED Silver	A / Prime	74,584	15.5%	9,906.0	Building owned	Land leased from Sponsor for 99 years
Cyberscape Gamma	Pasig City	2018	PEZA	A	44,797	9.3%	5,944.1	Building owned	Land leased from Sponsor for 50 years(6)
Cybergate Center Building Leases									
Robinsons Cybergate Center 2	Cybergate Complex IT Park, Mandaluyong City	2007	PEZA	A	43,672	9.1%	5,614.0	Building leased from Sponsor	N/A
Robinsons Cybergate Center 3	Cybergate Complex IT Park, Mandaluyong City	2008	PEZA	A	44,614	9.3%	6,455.0	Building leased from Sponsor	N/A
Outside Metro Manila									
Assigned Properties									
Robinsons Cybergate Cebu	Cebu City	2011	PEZA	B	6,866	1.4%	472.0	5/F to 7/F owned	Land leased from Sponsor for 98 years
Galleria Cebu	Cebu City	2017	PEZA	A	8,851	1.8%	859.0	3/F to 4/F owned	Land leased from Sponsor for 99 years
Luisita BTS 1..	Robinsons Luisita Complex, Tarlac City	2018	PEZA	B	5,786	1.2%	524.0	Building owned	Land leased from Sponsor for 99 years
Cybergate Naga	Robinsons Place Naga Complex, Naga City	2018	PEZA	B	6,069	1.3%	673.0	3/F to 5/F owned	Land leased from Sponsor for 99 years
Cybergate	Robinsons	2018	PEZA	B	11,910	2.5%	1,152.0	Building	Land leased

	Location	Year Completed	Registration / Certification	Office Grade ⁽¹⁾	GLA (sqm)	% of Total Portfolio GLA	Appraised Value (P million) ⁽²⁾	Title to Asset	Title to Land
Delta 1.....	Cyberpark Davao, Davao City							owned	from Sponsor for 99 years
Robinsons Cybergate Bacolod	Robinsons Cybergate Bacolod, Bacolod City	2018	PEZA	B	10,367	2.2%	744.8	Building owned	Land leased from Sponsor for 50 years ⁽⁶⁾
Total					480,479	100.0 %	68,254.9		

Notes:

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

The Company's properties are described as follows:

- 1. Robinsons Equitable Tower.** This is a Grade A, PEZA-registered, 45-storey office tower with four basement levels developed by Robinsons Land Corporation and located in the Ortigas Center CBD, Pasig City, Metro Manila. The Company owns 27.2% of the units/ 96 office condominium units and 38 parking slots in the Robinsons Equitable Tower with an aggregate GLA of 14,365 sqm. As a condominium owner, the Company also owns an undivided interest in the land on which the Robinsons Equitable Tower is located.
- 2. Robinsons Summit Center.** This is a Grade A, PEZA-registered, 37-storey office tower with four basement levels located along Ayala Avenue in the Makati City CBD, Metro Manila. The Company owns 31 office condominium units and 301 parking slots, together with certain machinery and equipment in the Robinsons Summit Tower with an aggregate GLA of 31,394 sqm. As a condominium owner, the Company also owns an undivided interest in the land on which the Robinsons Summit Tower is located.
- 3. Cyberscape Alpha.** This is a Grade A, PEZA-registered, 25-storey building with seven basement levels and a roof deck, located along Sapphire and Garnet Roads within the Ortigas Center CBD, Pasig City, Metro Manila with an aggregate GLA of 49,902 sqm. The building has three hotel floors with an approximate area of 6,320 sqm occupied by GO Hotels and retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. The Company owns the Cyberscape Alpha Building; in addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 99-year term at a land lease rate that is 7% of Cyberscape Alpha's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.
- 4. Cyberscape Beta.** This is a Grade A, PEZA-registered, 37-storey building with four basement levels, a mezzanine and a roof deck, located along Topaz and Ruby Roads within the Ortigas

Center CBD, Pasig City, Metro Manila. The building has an aggregate GLA of 42,245 sqm comprising retail spaces located at the ground and mezzanine floors and office spaces located from the 9th to the 37th levels. The Company owns the Cyberscape Beta building; in addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 98-year term at a land lease rate that is 7% of Cyberscape Beta's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.

- 5. Tera Tower.** This is a PEZA-registered, LEED Gold certified, Prime Grade, 20-storey building with one basement level and a roof deck, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City, Metro Manila and in proximity to the Ortigas Center CBD. The building has retail support at the ground floor and office spaces located at the 6th to 20th floors with an aggregate GLA of 35,087 sqm. The Company owns the Tera Tower; in addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 98-year term at a land lease rate that is 7% of Tera Tower's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.
- 6. Cyber Sigma.** This is a Grade A, PEZA-registered, 20-storey office development, located in Lawton Avenue, McKinley West, Fort Bonifacio, Taguig City, Metro Manila and in proximity to the Bonifacio Global City and Makati City CBDs. The office project has an aggregate GLA of 49,970 sqm. The Company owns the Cyber Sigma building. The building is located on land leased by the Sponsor from the Bases Conversion Development Authority (BCDA) under a 25-year term lease agreement which commenced in 2014, and which the Sponsor assigned to the Company. There are no adverse claims on the land leased from BCDA. The lease is renewable for another 25 years and includes an Option to Purchase the land and its improvements from BCDA on the 24th year of the initial lease period.
- 7. Exxa-Zeta Tower.** This is a PEZA-registered, LEED Silver certified, Prime Grade, twin tower office building located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City, Metro Manila and in proximity to the Ortigas Center CBD. The Exxa Tower and the Zeta Tower each have 20 storeys and share a common retail area spanning two floors and podium parking floors from second to the fifth floors. The Exxa Tower has GLA of 39,280 sqm while Zeta Tower has GLA of 35,303 for a combined aggregate GLA of 74,584 sqm. The Company owns the Exxa-Zeta Tower; in addition, the Company executed an agreement with the Sponsor to lease the land where the buildings stand for a 99-year term at a land lease rate that is 7% of Exxa-Zeta Tower's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the towers are located.
- 8. Robinsons Cyberscape Gamma.** This is a 37-storey building, located along Topaz and Ruby Roads within the Ortigas CBD. This is interconnected with Cyberscape Beta via its Ground, Mezzanine and parking floors. The building has a gross leasable area of 44,797 sqm. The Company owns the Cyberscape Gamma; in addition, the Company executed an agreement with the Sponsor to lease the land where the buildings stand for 50-year term at a land lease rate that is 7% of Cyberscape Gamma's Rental Income per month. The lease is renewable for another 25 years upon terms and conditions mutually acceptable to both parties. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.
- 9. Robinsons Cybergate Center 2.** This is a Grade A, PEZA-registered, 27-storey office building, located in Robinsons Cybergate Complex, a mixed-use development located along the major

thoroughfare of EDSA corner Pioneer Street in Mandaluyong City, Metro Manila. The office building has a GLA of 43,672 sqm and is owned by the Sponsor. Both the building and the land where Robinsons Cybergate Center 2 is located are owned by the Sponsor. The Company entered into an agreement with the Sponsor to lease the Robinsons Cybergate Center 2 building for 98 years at a building lease rate that is 7% of Robinsons Cybergate Center 2's Rental Income per month. Subject to such lease, the Sponsor will continue to own the building and the land where the building is located. Under applicable law, the maximum lease term is 99 years. In those cases where two Properties are in the same vicinity, such as Robinsons Cybergate Center 2 and Robinsons Cybergate Center 3, the lease terms are a combination of 99 years and 98 years such that the lease would not expire at the same time. The Cybergate Center Buildings are adjacent to a mall and fall under a single tax title. As such, the Sponsor decided to carve-out and lease the Cybergate Center Buildings, which are office buildings, to avoid subjecting potential REIT investors to the uncertainty of the retail market at this time.

10. Robinsons Cybergate Center 3. This is a Grade A, PEZA-registered, 27-storey office building, located in Robinsons Cybergate Complex, a mixed-use development located along the major thoroughfare of EDSA corner Pioneer Street in Mandaluyong City, Metro Manila. The office building has a GLA of 44,614 sqm and is owned by the Sponsor. Both the building and the land where Robinsons Cybergate Center 2 is located are owned by the Sponsor. The Company entered into an agreement with the Sponsor to lease the Robinsons Cybergate Center 3 building for 99 years at a building lease rate that is 7% of Robinsons Cybergate Center 3's Rental Income per month. Subject to such lease, the Sponsor will continue to own the building and the land where the building is located. Under applicable law, the maximum lease term is 99 years. In those cases where two Properties are in the same vicinity, such as Robinsons Cybergate Center 2 and Robinsons Cybergate Center 3, the lease terms are a combination of 99 years and 98 years such that the lease would not expire at the same time. The Cybergate Center Buildings are adjacent to a mall and fall under a single tax title. As such, the Sponsor decided to carve-out and lease the Cybergate Center Buildings, which are office buildings, to avoid subjecting potential REIT investors to the uncertainty of the retail market at this time.

11. Robinsons Cybergate Cebu. This is a PEZA-registered, seven-storey building with three basement levels and roof deck, mixed-used building located in Fuente Osmena Circle, Cebu City in the province of Cebu. The Fuente Osmena Circle is a famous landmark in Cebu City and is surrounded by commercial establishments such as hotels, restaurants, banks, convenience stores, offices and shopping centers. The building has a retail mall at the ground floor and three floors of office space. The three floors of office space (i.e., the fifth to seventh floors) with an aggregate GLA of 6,866 sqm and related machinery and improvements to the building are owned by the Company. The rest of the building will continue to be owned by the Sponsor. In addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 98-year term at a land lease rate that is 7% of Robinsons Cybergate Cebu's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.

12. Galleria Cebu. This is a Grade A, PEZA-registered, office development integrated with the Robinsons Galleria Cebu mall located in General Maxilom Avenue, corner Sergio Osmena Boulevard, Cebu City in the province of Cebu. The four-storey building has a retail mall and office space with two basement levels and a roof deck. The two floors of office space (i.e., the third and fourth floor) with an aggregate GLA of 8,851 sqm and related machinery and improvements to the Robinsons Galleria Cebu building are owned by the Company. The rest of the building will continue to be owned by the Sponsor. In addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 99-year term at

a land lease rate that is 7% of Galleria Cebu's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.

- 13. Luisita BTS 1.** This is a PEZA-registered, three-storey build to suit office development dedicated to one IT-BPM tenant located in the Robinsons Luisita Complex, McArthur Highway, Barangay San Miguel, Tarlac City in the province of Tarlac. The Luisita Complex is a mix of commercial, industrial and residential developments and accessible from other areas of Tarlac province and Central Luzon. The building was custom built to suit the requirements of the tenant and has a GLA of 5,786 sqm. The Company owns the Luisita BTS 1 building. In addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 99-year term at a land lease rate that is 7% of Luisita BTS 1's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.
- 14. Cybergate Naga.** This is a PEZA-registered, five-storey office development located in the Robinsons Place Naga complex in Roxas Avenue, Naga City in the province of Camarines Sur. The three floors of office space (i.e., the third to fifth floors) with an aggregate GLA of 6,069 sqm and related machinery and improvements to the Cybergate Naga building are owned by the Company. The rest of the building will continue to be owned by the Sponsor. In addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 99-year term at a land lease rate that is 7% of Cybergate Naga's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.
- 15. Cybergate Delta 1.** This is a Grade A, PEZA-registered, five-storey office development located in Robinsons Cyberpark Davao along J.P. Laurel Avenue, Davao City in the province of Davao. The building has an aggregate GLA of 11,910 sqm. The Company owns the Cybergate Delta 1 building. In addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 99-year term at a land lease rate that is 7% of Cybergate Delta 1's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.
- 16. Robinsons Cybergate Bacolod.** This is a PEZA-registered development located in Barangay Singcang, Bacolod City in the province of Negros Occidental. The two (2) floors of office space with an aggregate GLA of 10,367 sqm and related machinery and improvements to the Cybergate Bacolod building are owned by the Company. In addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 50-year term at a land lease rate that is 7% of Cybergate Bacolod's rental income per month. The lease is renewable for another 25 years upon terms and conditions mutually acceptable to both parties. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.

Item 3. Legal Proceedings

None of the Company, its directors or executive officers, the Fund Manager, the Property Manager and/or the Properties are currently involved in any material litigation nor, to the best of the Company's knowledge, is any material litigation currently contemplated or threatened against it, the Fund Manager or the Property Manager or involving any of the Properties.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the calendar year covered by this report.

Item 5. Regulatory and Environmental Matters

REAL ESTATE LAWS

The REIT Law

Republic Act No. 9856 or the Real Estate Investment Trust Act of 2009 lapsed into law on December 17, 2009. Pursuant to Section 22 of the said law, the Philippine SEC approved the implementing rules and regulations of the Real Estate Investment Trust Act of 2009 on May 13, 2010. Under the REIT Law, a REIT is a stock corporation established primarily for the purpose of owning income-generating real estate assets. Although designated as a trust, the REIT Law explicitly provides that a REIT is not a “trust” as contemplated under other existing laws and regulations. Instead, the term is used for the sole purpose of adopting the internationally accepted description of the company in accordance with global best practices.

On January 20, 2020, the Philippine SEC issued Memorandum Circular No. 1, Series of 2020 (the “**Revised REIT IRR**”), amending the existing REIT regulations by, among other things, modifying the minimum public ownership of a REIT, incorporating a reinvestment of proceeds policy, imposing additional corporate governance mechanisms into a REIT, and adding qualifications of a REIT fund manager and property manager. The regulatory amendment was published in a newspaper of general circulation on January 23, 2020 and became effective on February 7, 2020.

Minimum Requirements of a REIT

In order to be considered a REIT and to benefit from the incentives under the law, the shares of a REIT must be registered with the Philippine SEC in accordance with the SRC and listed with the PSE in accordance with its Listing and Disclosure Rules and its Amended Listing Rules for REITs (the “**PSE Rules**”). The procedure for the registration and listing of such shares as a REIT shall comply with the applicable registration and listing rules and regulations of the SEC and the PSE, in addition to the specific requirements under the REIT Law and the PSE Rules.

Pursuant to the SRC and PSE Rules, a REIT must meet the following requirements:

1. A REIT must be incorporated as a stock corporation with a minimum paid-up capital of ₱300,000,000 at the time of incorporation which can be either in cash and/or property;
2. Its Articles of Incorporation and By-Laws must provide that all the shares of stock of the REIT shall be issued in the form of uncertificated securities;
3. It must be a public company and to be considered as such, maintain its status as a listed company; and upon and after listing, have at least 1,000 public shareholders each owning at least 50 shares of any class of shares who in the aggregate own at least one-third (1/3) of the outstanding capital stock of the REIT;

4. It must appoint a fund manager that is independent from the REIT and its sponsor(s)/promoter(s), and is in compliance with the Fit and Proper Rule of the Philippine SEC for a REIT and the Revised REIT IRR;
5. It must appoint a property manager who is independent from the REIT and its sponsor/promoter(s), and is in compliance with the Fit and Proper Rule of the Philippine SEC for a REIT and the Revised REIT IRR;
6. At least 1/3 or at least two (2), whichever is higher, of the Board of Directors of the REIT must be independent directors;
7. It must have such organization and governance structure that is consistent with the Revised Code of Corporate Governance and pertinent provisions of the SRC and hold such meetings as provided for in its constitutive documents pursuant to the Corporation Code;
8. It must submit a reinvestment plan and a firm undertaking on the part of its sponsors/promoters which transferred income-generating real estate to the REIT to reinvest in real estate or infrastructure projects in the Philippines any monies realized by such sponsors/promoters from (a) the subsequent sale of REIT shares or other securities issued in exchange of income-generating real estate transferred by such sponsors/promoters to the REIT; or (b) the sale of any income-generating real estate to the REIT;
9. A REIT must distribute at least 90% of its distributable income annually, as dividends to its shareholders not later than the last working day of the fifth (5th) month following the close of the fiscal year of the REIT, subject to the conditions provided in Rule 4, Section 4 of the Revised REIT IRR;
10. The REIT shall also appoint an independent and duly accredited Property Valuer in accordance with Rule 9, Section 1 of the Revised REIT IRR; and
11. The REIT may only invest in certain allowable investments as will be further discussed in detail below.

Allowable Investments of a REIT

The REIT Law and the Revised REIT IRR limit the allowable investment of a REIT to the following:

12. Real Estate, whereby 75% of the total value of the REIT's assets reflecting the fair market value of total assets held ("**Deposited Property**") must be invested in, or consist of, income-generating real estate and 35% of which must be located in the Philippines. Should a REIT invest in income-generating real estate located outside of the Philippines, the same should not exceed 40% of its Deposited Property and only upon special authority from the Philippine SEC. An investment in real estate may be by way of direct ownership or a shareholding in a domestic special purpose vehicle constituted to hold/own real estate. The real estate to be acquired by the REIT should have a good track record for three years from date of acquisition. An income-generating real estate is defined under the REIT Law to mean real property which is held for the purpose of generating a regular stream of income such as rentals, toll fees, user's fees, ticket sales, parking fees and storage fees;

13. Real estate-related assets, wherever the issuers, assets, or securities are incorporated, located, issued or traded;
14. Evidence of indebtedness of the Republic of the Philippines and other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines (i.e., treasury bills, fixed rate treasury notes, retail treasury bonds denominated in either Philippine or in foreign currency, and foreign currency linked notes);
15. Bonds and other evidence of indebtedness issued by: (a) the government of any foreign country with which the Philippines maintains diplomatic relations, with a credit rating obtained from a reputable credit rating agency or a credit rating agency acceptable to the Philippine SEC that is at least two notches higher than that of ROP bonds; and (b) supranationals (or international organizations whose membership transcends national boundaries or interests, e.g. International Bank for Reconstruction and Development or the Asian Development Bank);
16. Corporate bonds or non-property privately-owned domestic corporations duly registered with the Philippine SEC with a current credit rating of at least "A" by an accredited Philippine rating agency;
17. Corporate bonds of a foreign non-property corporation registered in another country provided that said bonds are duly registered with the Philippine SEC and the foreign country grants reciprocal rights to Filipinos;
18. Commercial papers duly registered with the Philippine SEC with a current investment grade credit rating based on the rating scale of an accredited Philippine rating agency at the time of investment;
19. Equities of a non-property company listed in a local or foreign stock exchange, provided that these stocks shall be issued by companies that are financially stable, actively traded, possess good track record of growth and have declared dividends for the past 3 years;
20. Cash and cash equivalent items;
21. Collective investment schemes duly registered with the Philippine SEC or organized pursuant to the rules and regulation of the BSP, provided that: (i) the collective investment scheme must have a track record of performance at par with or above the median performance of pooled funds in the same category as appearing the prescribed weekly publication of the Net Asset Value Per Unit of the Collective Investment Scheme units; and (ii) new collective investment schemes may be allowed provided that its fund manager has at least a three-year track record in managing pooled funds;
22. Offshore mutual funds with ratings acceptable to the Philippine SEC; and
23. Synthetic Investment Products, provided that (i) it shall not constitute more than five percent (5%) of its investible funds; (ii) availment is solely for the purpose of hedging risk exposures of the existing investments of the REIT; (iii) it shall be accounted for in accordance with the PFRS; (iv) it shall be issued by authorized banks or non-bank financial institutions in accordance with the rules and regulations of the BPS and/or the Philippine SEC; and (iv) its use shall be disclosed in the REIT Plan and under special authority from the Philippine SEC.

Taxation of REITs

Income Tax

Under Revenue Regulations No. 13-2011, as amended by Revenue Regulations No. 3-2020 and by Republic Act No. 11534, otherwise known as the CREATE Law (the “**CREATE Law**”), a REIT shall be taxable on all income derived from sources within and without the Philippines at the applicable income tax rate of 25% as provided under Section 27(A) of the National Internal Revenue Code, as amended (the “**Tax Code**”), on its taxable net income as defined in the REIT Law and Revenue Regulations No. 13-2011, as amended, provided, that in no case shall it be subject to minimum corporate income tax.

Under the REIT Law, taxable net income means the pertinent items of gross income specified in Section 32 of the Tax Code less (a) all allowable deductions enumerated in Section 34 of the Tax Code (itemized or optional standard deductions) and (b) the dividends distributed by a REIT out of its own Distributable Income as of the end of the taxable year as (i) dividends to owners of the Shares and (ii) dividends to owners of the preferred shares pursuant to their rights and limitations specified in the Articles of Incorporation of the REIT. Furthermore, for purposes of computing the taxable net income of a REIT, the dividends allowed as deductions during the taxable year pertain to dividends actually distributed by a REIT from its distributable income at any time after the close of but not later than the last day of the fifth month from the close of the taxable year. Dividends distributed within this prescribed period shall be considered as paid on the last day of REIT’s taxable year.

In computing the income tax due of a REIT, the formula to be used shall be as follows:

Gross Income	(as defined under Section 32 of the Tax Code)
Less:	
Allowable Deductions	(as provided under Section 34 of the Tax Code, whether itemized or Optional Standard Deduction)
<hr/>	
Dividends Paid	(as defined under Revenue Regulations No. 13-2011, as amended)
<hr/>	
Taxable Net Income	
x 25%	
<hr/>	
Income Tax Due	

Under Revenue Regulations No. 3-2020, a REIT shall maintain its status as public company from the year of its listing, at the latest and thereafter, and shall comply with the provisions of its submitted Reinvestment Plan, as certified by the Philippine SEC. Otherwise, the dividend payment shall not be allowed as a deduction from its taxable income. For purposes of Revenue Regulations No. 3-2020, a “public company” is a company listed with the Exchange and which, upon and after listing, has at least 1,000 public shareholders each owning at least 50 shares of any class and who, in the aggregate, own at least one-third (1/3) of the outstanding capital stock of the REIT. Furthermore, upon the occurrence of any of the following events, a REIT shall be subject to income tax on its taxable net income as defined in the Tax Code instead of its taxable net income as defined in the REIT Law: (a) failure to maintain its status as a public company as defined in the REIT Law; (b) failure to maintain the listed status of the investor securities on the PSE and the registration of the investor securities by the Philippine SEC; (c) failure to distribute at least 90% of its Distributable Income as required by the REIT Law; (d) failure to comply with the Reinvestment Plan, as certified by the Philippine SEC; or (e) any

combination of the foregoing. A curing period of 30 days shall be observed from the time of the occurrence of any of the abovementioned events. The Philippine SEC shall determine the appropriate compliance by the REIT within the curing period, the result of which shall be immediately communicated to the BIR.

A REIT availing of tax incentives under the REIT Law shall not be entitled to avail of incentives for the same types of taxes that may be available under special laws. Moreover, under Revenue Regulations No. 3-2020, as a condition for the availment of tax incentives, the REIT must comply with its Reinvestment Plan, as certified by the Philippine SEC. The Certification from the Philippine SEC that the REIT is compliant with its Reinvestment Plan must be submitted by the REIT as an attachment to its annual income tax return and audited financial statements on or before April 15 (or on the 15th day of the 4th month following the close of the fiscal year).

Creditable Withholding Tax

Income payments received by a REIT which are subject to the expanded withholding tax shall be subject to a lower creditable withholding tax of 1%.

Transfer Taxes

The sale or transfer of real property to a REIT, including the sale or transfer of any and all security interest thereto, shall be subject to 50% of the applicable Documentary Stamp Tax ("**DST**"). Moreover, all applicable registration and annotation fees relative or incidental thereto shall be 50% of the applicable registration and annotation fees. Both incentives can be availed by an unlisted REIT, provided it is listed with the PSE within two years from the initial availment of the incentives.

The 50% of the applicable DST shall be due and demandable together with the applicable surcharge, penalties, and interest thereon reckoned from the date such tax should have been paid upon the occurrence of any of the following events: (a) failure to list with the PSE within a period of two years from the date of initial availment; (b) failure to maintain its status as a public company as defined in the REIT Law; (c) failure to maintain the listed status of the investor securities on the PSE and the registration of the investor securities with the Philippine SEC; (d) failure to distribute at least 90% of its Distributable Income required under the REIT Law; or (e) failure to comply with the Reinvestment Plan, as certified by the Philippine SEC. A curing period of 30 days shall be observed from the time of the occurrence of any of the abovementioned events. The Philippine SEC shall determine the appropriate compliance by the REIT within the curing period, the result of which shall be immediately communicated to the BIR.

Value Added Tax

The gross sales from any disposal of real property or gross receipts from the rental of such real property by the REIT shall be subject to Value Added Tax ("**VAT**"). The REIT shall not be considered as a dealer in securities and shall not be subject to VAT on its sale, exchange, or transfer of securities forming part of its real estate-related assets.

On January 29, 2020, the BIR issued Revenue Regulations No. 3-2020 amending certain provisions of Revenue Regulations No. 13-2011, implementing the tax provisions of the REIT Law. Pursuant to Revenue Regulations No. 3-2020, the transfer of property to a REIT in exchange for its shares is exempt from VAT, as well as income tax and DST, if made pursuant to a tax-free exchange under Section 40(C)(2) of the Tax Code.

Tax-Free Exchange

Under Revenue Regulations No. 13-2011, as amended by Revenue Regulations No. 3-2020, transfers or exchanges of real property for shares of stock in a REIT falling under Section 40(C)(2) of the Tax Code shall have the following tax consequences: (a) the transferor shall not recognize any gain or loss on the transfer of the property to a REIT, and shall not be subject to capital gains tax, income tax, or creditable withholding tax on the transfer of such property to a REIT; (b) the transfer of property to a REIT in exchange for its shares is exempt from VAT as provided under Section 109(X), in relation to Section 40(C)(2) of the Tax Code; and (c) the transfer would be exempt from DST as provided under Section 199 of the Tax Code.

In general, Section 15 of Revenue Regulations No. 13-2011 provides that unless otherwise provided in the REIT Law, the internal revenue taxes under the Tax Code shall apply.

On January 2018, Republic Act No. 10963 otherwise known as the Tax Reform for Acceleration and Inclusion Act (the "**TRAIN Law**") was passed, and Section 86 thereof provides for a repealing clause enumerating the laws or provisions of laws that are repealed and the persons and/or transactions affected made subject to the changes in the VAT provisions of Title IV of the Tax Code, as amended. The REIT Law is not part of this enumeration. On March 15, 2018, the BIR issued Revenue Regulations No. 13-2018 amending the consolidated VAT rules under Revenue Regulations No. 16-2005. Among other things, Revenue Regulations No. 13-2018 inserted as among the VAT exempt transactions the transfer of property pursuant to Section 40(C)(2) of the Tax Code implementing Section 34 of the TRAIN Law.

On January 29, 2020, the BIR issued Revenue Regulations No. 3-2020 amending certain provisions of Revenue Regulations No. 13-2011, implementing the tax provisions of the REIT Law. Pursuant to Revenue Regulations No. 3-2020, the transfer of property to a REIT in exchange for its shares is exempt from VAT as provided under Section 109(X) of the Tax Code.

Previous tax regulations required entities entering into tax-free exchanges to obtain a confirmation or ruling from the BIR that a transaction would qualify as a tax-free exchange. On April 11, 2021, Republic Act No. 11534, otherwise known as the CREATE Law (the "**CREATE Law**"), took effect. The CREATE Law expanded the list of tax-free exchanges and reiterated the VAT exemption of these transactions. It also removed the requirement of confirmation. Now, prior confirmation of the tax-free nature of an exchange under Section 40(C)(2) of the Tax Code need not be obtained from the BIR for purposes of availing of the tax exemption. As such, at present, only a tax clearance ("**CAR**") need be obtained from the relevant Revenue District Office to effect the transfer of assets and issuance of shares through a tax-free exchange.

Reportorial Requirements and Other Matters

Under Revenue Regulations No. 13-2011, every quarter, a REIT is required to submit to the Large Taxpayers Regular Audit Division 3 ("**LTRAD 3**") a sworn statement containing the list of its shareholders, their Tax Identification Number, their shareholdings, and the percentage that their shareholding represents.

As a withholding agent, the REIT is required to file withholding tax returns and remit withholding taxes on all income payments that are subject to withholding pursuant to the provisions of the Tax Code and its implementing regulations.

A REIT shall, in addition to the existing requirements under the Tax Code and its implementing regulations, and the requirements contained in the above paragraphs, submit to LTRAD 3, annually on or before April 15 (or on the 15th day of the 4th month following the close of the fiscal year) the following:

- a certification by a responsible person designated by the Philippine SEC that the REIT is compliant with the minimum public ownership requirement;
- a schedule of dividend payments indicating the name, address, amount of investment, classification of shares, amount of dividends, final tax-due of each investor, and a sworn statement that the minimum ownership requirement was maintained at all times;
- a certified true copy of the Philippine passport, or Certificate of Recognition issued under Republic Act No. 9255 of an overseas Filipino investor;
- a certified true copy of the employment contract of an overseas Filipino investor;
- a copy of the contract between the REIT and its fund manager;
- a copy of the contract between the REIT and its property manager;
- a written report on the performance of the REIT's funds and properties;
- any amendment(s) to the REIT Plan as approved by the Philippine SEC;
- a copy of the valuation report prepared by the REIT's appointed property valuer; and
- original/certified true copy of the Certification from the Philippine SEC that the REIT is compliant with its Reinvestment Plan, duly received by the BIR.

In case of each failure to file an information return, statement, or list, or to keep any record, or to supply any information required by Revenue Regulations No. 13-2011, unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall upon notice and demand by the Philippine SEC, payment by the person failing to file, keep, or supply the same of ₱1,000 for each such failure; provided, however, that the aggregate amount to be imposed for all such failures during a calendar year shall not exceed ₱25,000.

Tax Incentives

A REIT enjoys the following tax incentives:

24. A tax deduction for dividends paid, in addition to the allowable deductions provided for under the Tax Code, to arrive at its taxable net income. For a REIT to enjoy this tax incentive, it should maintain its status as a "public company," observe the mandatory 90% dividend pay-out requirement of distributable income to shareholders, and submit a sworn statement that the minimum ownership requirements for the relevant years were maintained at all times.
25. Exemption from the minimum corporate income tax ("**MCIT**"), as well as documentary stamp tax ("**DST**") on the sale, barter, exchange, or other disposition of listed investor

securities through the PSE, including cross or block sales with prior approval of the PSE. It is also exempted from paying the initial public offering (“**IPO**”) tax on its initial and secondary offering of its investor securities. Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act, permanently repealed the IPO tax.

26. A lower creditable withholding tax rate of 1% of its receipt of income payments. It also benefits from the 50% reduction on the amount of DST due on sale or transfer of real property to a REIT, including the sale or transfer of any and all security interest, and applicable registration and annotation fees incidental to such transfers.

Shareholders of a REIT enjoy the following tax incentives:

1. Dividends paid by a REIT to resident citizens and aliens are subject to 10% final tax. However, if the dividends are received by overseas Filipino investors, such dividends shall be exempt from the payment of income or any withholding tax. Such exemption shall be enjoyed by overseas Filipino workers for a period of seven years from the effectivity of the BIR regulations implementing the tax provisions of REIT Act. Revenue Regulations No. 13-2011 was published in a newspaper of general circulation on July 27, 2011 and took effect fifteen (15) days after that, or on August 11, 2011.
2. In general, dividends received from a REIT shall be subject to a final tax of 10%. However, dividends received by a domestic corporation or a resident foreign corporation from REITs are not subject to income tax or withholding tax. A non-resident alien individual or a non-resident foreign corporation may claim a preferential withholding tax rate of less than 10% pursuant to an applicable tax treaty.

Applicability of Income Taxation Incentive and DST Tax Incentive

Section 11 of Revenue Regulations No. 13-2011, as amended by Revenue Regulations No. 3-2020, provides that, in order for a REIT to qualify for the income taxation incentive and the DST incentive on the transfer of real property, a REIT must be a public company, it must distribute at least 90% of its distributable income, and it must comply with its Reinvestment Plan, as certified by the Philippine SEC. The Certification from the Philippine SEC that the REIT is compliant must be submitted as an attachment to its annual income tax return and audited financial statements on or before April 15 (or on the 15th day of the 4th month following the close of the fiscal year).

Conversely, for a REIT to qualify for the DST incentive on the transfer of real property, it should be listed with the PSE within two years from the date of its initial availment of the incentive (i.e., the date of the execution of the transfer documents) and maintain its listed status. While unlisted, the REIT in addition to all other presently existing requirements for the issuance of a Certificate Authorizing Registration (“**CAR**”), shall execute an undertaking that it shall list within 2 years from the date of its initial availment of the incentive.

The 50% of the applicable DST given as an incentive shall nevertheless be due and demandable together with the applicable surcharge, penalties, and interest thereon reckoned from the date such taxes should have been paid upon the occurrence of any of the following events, subject to the rule on curing period when applicable: (a) failure of a REIT to list with the PSE within 2 years from the date of its initial availment of this incentive; (b) failure of a REIT to maintain its status as a public company; (c) failure of a REIT to maintain the listed status of the investor securities on the PSE and the registration of the investor securities by the Philippine SEC; and (d) failure of a REIT to distribute at least 90% of its Distributable Income.

Revocation of Tax Incentives

Under Revenue Regulations No. 13-2011, as amended by Revenue Regulations No. 3-2020, a REIT shall be subject to the applicable taxes, plus interests and surcharges, under the Tax Code upon the occurrence of any of the following events, subject to the rule on curing period where applicable: (a) failure of a REIT to maintain its status as a public company; (b) failure of a REIT to maintain the listed status of the investor securities on the PSE and the registration of the investor securities by the Philippine SEC; (c) failure of a REIT to distribute at least 90% of its Distributable Income; (d) failure of a REIT to list with the PSE within the two-year period from date of initial availment of DST incentive; (e) revocation or cancellation of the registration of the securities of a REIT; and (f) failure of a REIT to comply with the Reinvestment Plan as certified by the Philippine SEC and to submit the original or certified true copy of the Certification from the Philippines SEC, duly received by the BIR, as an attachment to its annual income tax return and audited financial statements on or before April 15 (or on the 15th day of the 4th month following the close of the fiscal year).

Delisting and its Tax Consequences

In the event that a REIT is delisted from the PSE, whether voluntarily or involuntarily for failure to comply with the provisions of the REIT Law or the rules of the PSE, the tax incentives granted under the REIT Law shall be *ipso facto* revoked and withdrawn as of the date the delisting becomes final and executory.

Any tax incentive that has been availed of by the REIT thereafter shall be refunded to the Government within 90 days from the date when the delisting becomes final and executory, with the applicable interests and surcharges under the Tax Code and Section 19 of the REIT Law.

Upon revocation due to delisting, an assessment notice shall be prepared to recover the deficiency income tax and DST due from a REIT. The deficiency taxes shall immediately become due and demandable and collection thereof shall be enforced in accordance with the provisions of the Tax Code.

This shall be without prejudice to the penalties to be imposed by the BIR. If the delisting is for causes highly prejudicial to the interest of the investing public such as violation of the disclosure and related party transactions of the REIT Law or insolvency of the REIT due to mismanagement or misappropriation, conversion, wastage, or dissipation of its corporate assets, the responsible persons shall refund to the REIT's investors at the time of final delisting the book value/acquisition cost of their shares.

Nationality Restriction

The Philippine Constitution and Philippine statutes set forth restrictions on foreign ownership of companies engaged in certain activities.

The ownership of private lands in the Philippines is reserved for Philippine Nationals and Philippine corporations at least 60% of whose capital stock is owned by Philippine Nationals. The prohibition is rooted in Sections 2, 3 and 7 of Article XII of the 1987 Philippine Constitution, which states that, save in cases of hereditary succession, no private lands shall be transferred or conveyed except to individuals, corporations or associations qualified to acquire or hold lands of the public domain. In turn, the nationality restriction on the ownership of private lands is further underscored by Commonwealth Act No. 141 which provides that no private land shall be transferred or conveyed except to citizens of the Philippines or to

corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

Furthermore, the Foreign Investments Act and the Eleventh Regular Foreign Investment Negative List categorize the ownership of private lands as a partly-nationalized activity, such that the operation, ownership, or both thereof is partially reserved for Filipinos. Thus, landholding companies may have a maximum of 40% foreign equity.

As of the date of this REIT Plan, the Company has interests in land. As such, foreign shareholdings in our Company may not exceed 40% of our Company's total issued and outstanding capital stock.

Property Registration

The Philippines has adopted a system of land registration, which evidences land ownership that is binding on all persons. Title to registered lands cannot be lost through possession or prescription. Presidential Decree No. 1529, as amended, otherwise known as the Property Registration Decree, codified the laws relating to land registration to strengthen the Torrens system and streamline and simplify registration proceedings and the issuance of certificates of title.

After proper surveying, application, publication, service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration.

Similarly, in an administrative proceeding, the land is granted to an applicant by DENR through issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents (i.e. homestead, sales and free patent) must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer or encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new transfer certificate of title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

Zoning and Land Use

Land use may be limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the Department of Agrarian Reform ("**DAR**"), land classified for agricultural purposes as of, or after, June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Local Government Code

Republic Act No. 7160, as amended, otherwise known as the Local Government Code (“**LGC**”) establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states that every local government unit (“**LGU**”) shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, though its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of prosperity, and the promotion of morality, peace, good order, comfort, convenience, and general welfare for the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

An ordinance may be repealed by a subsequent ordinance expressly repealing or declaring it as invalid. An ordinance may also be repealed by implication by a subsequent ordinance that is inconsistent or contrary, in whole or in part, to the previous ordinance. Under the LGC, the *Sangguniang Panlalawigan* (provincial council) has the power to review ordinances passed by a component city council and can declare ordinances invalid, in whole or in part, if it finds that the lower council exceeded its authority in enacting the ordinance.

Real Estate Sales on Installments

The provisions of Republic Act No. 6552, or the Maceda Law, apply to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units but excluding industrial and commercial lots). Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two years of installments, the buyer is entitled to the following rights in case he/she defaults in the payment of succeeding installments:

1. To pay, without additional interest, the unpaid installments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of installment payments made. However, the buyer may exercise this right only once every five years during the term of the contract and its extensions, if any.
2. If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50% of the total payments made, and in cases where five years of installments have been paid, an additional 5% every year (but with a total not to exceed 90% of the total payments); provided that the actual cancellation of the contract shall take place after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

Down payments, deposits, or options on the contract shall be included in the computation of the total number of installment payments made.

In the event that the buyer has paid less than two years of installments, the seller shall give the buyer a grace period of not less than 60 days from the date the installment became due.

If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Anti-Money Laundering Act

On January 29, 2021, Republic Act No. 11521 was enacted, amending certain provisions of Republic Act No. 9150, otherwise known as the Anti-Money Laundering Act ("**AMLA**"). The necessary changes were likewise incorporated in the 2018 Implementing Rules and Regulations through the Anti-Money Laundering Council's ("**AMLC**") Regulatory Issuance A, B, and C No.1 Series of 2021 which took effect on January 31, 2021. In particular, Republic Act No. 11521 revised the list of "Covered Persons" under the AMLA to include real estate brokers and developers. As such, real estate brokers and developers are now required to submit a covered transaction report involving any single cash transaction exceeding ₱7,500,000.00 or its equivalent in any other currency.

Further, RA11521 provides the following suspicious transactions with Covered Persons, regardless of the amounts involved, where any of the following circumstances exist:

- "1. There is no underlying legal or trade obligation, purpose or economic justification;
2. The client is not properly identified;
3. The amount involved is not commensurate with the business or financial capacity of the client;
4. Taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the Act;
5. Any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered person;
6. The transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or
7. Any transaction that is similar or analogous to any of the foregoing."

Under the AMLA, Covered Persons shall subject covered transaction and suspicious transaction reports to the AMLC, and shall identify and record the true identity of their customers, whether permanent or occasional, and whether natural or juridical persons, or legal arrangements based on official documents. To comply with this, such Covered Persons are obligated to implement appropriate systems of collecting and recording identification information and identification documents, and shall implement and maintain a system of verifying the true identity of their clients, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted, and provided by the customer, using reliable and independent sources, documents, data, or information. All records of transactions and records of closed accounts are required to be maintained and stored for five years from the date of a transaction or after their closure, respectively.

Relevantly, a REIT is allowed by the implementing rules and regulations of the REIT Act to develop property, provided it complies with the parameters under the rules (e.g., it must hold in fee simple the developed property for at least three years from date of completion, and the prospects for the real estate upon completion can be reasonably expected to be favorable). As a developer, a REIT may be obligated to comply with the provisions of the AMLA, as amended. Failing to report to the AMLC all covered and suspicious transactions within the

prescribed periods may expose real estate developers to penalties.

Department of Human Settlements and Urban Development Act

Republic Act No. 11201, otherwise known as "Department of Human Settlements and Urban Development Act" was signed by the President on February 14, 2019. The Implementing Rules and Regulations of the Act was approved on July 19, 2019. This Act created the Department of Human Settlements and Urban Development ("**DHSUD**") through the consolidation of the Housing and Urban Development Coordinating Council ("**HUDCC**") and the Housing and Land Use Regulatory Board ("**HLURB**"), simultaneously with the reconstitution of HLURB into Human Settlement Adjudication Commission ("**HSAC**"). The functions of the HUDCC and the planning and regulatory functions of HLURB shall be transferred to and consolidated in the DHSUD, while the HSAC shall assume and continue to perform the adjudication functions of HLURB.

The DHSUD shall:

1. Act as the primary national government entity responsible for the management of housing, human settlement and urban development;
2. Be the sole and main planning and policy-making, regulatory, program, coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to an affordability of basic human needs. The following functions of HLURB are transferred to DHSUD:
 - a. The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and implement their CLUPs and ZOs;
 - b. The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to PD 957, as amended, BP 220 and other related laws; and
 - c. The registration, regulation and supervision of Homeowners Associations, including the imposition of fines for violations, pursuant to RA 9904, Section 26 of RA 8763 in relation to Executive Order No. (EO) 535, series of 1979, and other related laws; and
 - d. The adjudicatory mandate of the HLURB.
3. Develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

All existing policies, and rules and regulations of the HUDCC and the HLURB shall continue to remain in full force and effect unless subsequently revoked, modified or amended by the DHSUD or the HSAC, as the case may be.

All applications for permits, licenses and other issuances pending upon the effectivity of the

Act and filed during the transition period shall continue to be acted upon by the incumbents until transition shall have been completed.

All cases and appeals pending with the HLURB shall continue to be acted upon by the HLURB Arbiters and the Board of Commissioners, respectively, until transition shall have been completed and the Commission's operations are in place. Thereafter, the Regional Adjudicators and the Commission shall correspondingly assume jurisdiction over those cases and appeals. All decisions of the Commission shall thenceforth be appealable to the Court of Appeals under Rule 43 of the Rules of Court.

The transition period shall commence upon the effectivity of the Implementing Rules and Regulations and shall end on December 31, 2019. Thereafter, the Act shall be in full force and effect.

Fire Code

Republic Act No. 9514, or the Fire Code of the Philippines ("**R.A. 9514**"), aims to ensure public safety and prevent and suppress all kinds of destructive fires. It provides that building owners or administrators must comply with the following:

1. Inspection requirements;
2. Safety measures for hazardous materials;
3. Safety measures for hazardous operation/processes;
4. Provision on fire safety construction, protective and warning system; and
5. Abatement of fire hazards.

In addition, R.A. 9514 provides for penalties for violation of its provisions.

Real Property Taxation

Real property taxes are payable annually based on the property's assessed value. Under the LGC, the assessed value of property and improvements vary depending on the location, use and the nature of the property. An additional special education fund tax of 1% of the assessed value of the property may also be levied annually by the local government unit. The basic real property tax and any other tax levied on real property constitute a lien on the property subject to tax, superior to all liens, charges or encumbrances in favor of any person, irrespective of the owner or possessor thereof, enforceable by administrative or judicial action, and may only be extinguished upon payment of the tax and the related interests and expenses. Should the reasonableness or correctness of the amount assessed be questioned, a protest in writing may be filed with the treasurer of the local government unit, but the taxpayer must first pay the tax, and the tax receipts shall be annotated with the words "paid under protest."

Special Economic Zone Act

The Philippine Economic Zone Authority ("**PEZA**"), is a government corporation that operates, administers and manages designated special Ecozones around the country. Ecozones, which are generally created by proclamation of the President of the Philippines subject to the evaluation and recommendation of PEZA, are areas earmarked by the Government for development into balanced agricultural, industrial, commercial, and tourist/recreational

regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. Under R.A. No. 7916, as amended (the "**Special Economic Zone Act of 1995**"), an Ecozone enterprise, on the other hand, includes, among others, export enterprises, domestic market enterprises, pioneer enterprises, facilities enterprises, and developers or operators. Generally, enterprises registered with PEZA and PEZA facility developers and operators enjoy fiscal and non-fiscal incentives such as an income tax holiday, and duty-free importation of equipment, machinery, and raw materials. In order to avail of such incentives however, enterprises are required to comply with the obligations under the Special Economic Zone Act of 1995 as well as directives PEZA may issue and conditions stipulated in the registration. Further, there are reportorial requirements to comply with such as the submission of financial documents (Audited Financial Statements, Income Tax Returns).

An Ecozone developer or operator refers to a business entity or concern duly registered with or licensed by PEZA to develop, operate, and maintain an Ecozone or any or all of the component industrial estates, export processing zones, free trade zones, or tourist or recreational centers and the required infrastructure facilities and utilities such as light and power systems, water supply and distribution systems, sewerage and drainage systems, pollution control devices, communication facilities, paved road networks, administration buildings, and other facilities as may be required by PEZA. An Ecozone developer or operator may be an information technology park developer or operator, among other types of developers or operators.

Foreign Investment Laws and Restrictions

Foreign Investments Act of 1991

Republic Act No. 7042, otherwise known as the Foreign Investments Act of 1991 ("**Foreign Investments Act**"), liberalized the entry of foreign investment into the Philippines. As a general rule, there are no restrictions on extent of foreign ownership of export enterprises. In domestic market enterprises, foreigners can invest as much as one hundred percent (100%) equity except in areas included in the Foreign Investment Negative List. The latest Foreign Investment Negative List (Eleventh) maintains the prohibition of foreign equity for retail trade enterprises with paid-up capital of less than \$2,500,000 under R.A. 8762.

For the purpose of complying with nationality laws, the term "Philippine National" is defined under the Foreign Investments Act as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly owned by citizens of the Philippines;
- a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code of the Philippines, of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or

- a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

For as long as the percentage of Filipino ownership of the capital stock of the corporation is at least 60% of the total shares outstanding and voting, the corporation shall be considered as a 100% Filipino-owned corporation. A corporation with more than 40% foreign equity may be allowed to lease private land for a period of 25 years, renewable for another 25 years.

Land Ownership

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of owning land in the Philippines. Article XII, Section 7 of the Philippine Constitution, in relation to Article XII, Section 2 of the Philippine Constitution and Chapter 5 of Commonwealth Act No. 141, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

Registration of Foreign Investments and Exchange Controls

Under current BSP regulations, an investment in Philippine securities (such as the Offer Shares) must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and/or the remittance of dividends, profits and earnings derived from such shares is to be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance will be sourced outside the Philippine banking system, registration with the BSP is not required. BSP Circular No. 471 issued on January 24, 2005 subjects foreign exchange dealers and money changers to RA No. 9160 (the Anti-Money Laundering Act of 2001, as amended) and requires these non-bank sources of foreign exchange to require foreign exchange buyers to submit supporting documents in connection with their application to purchase foreign exchange for purposes of capital repatriation and remittance of dividends.

Registration of Philippine securities listed in the PSE may be done directly with a custodian bank duly designated by the foreign investor. A custodian bank may be a universal or commercial bank or an offshore banking unit registered with the BSP to act as such and appointed by the investor to register the investment, hold shares for the investor, and represent the investor in all necessary actions in connection with his investments in the Philippines. Applications for registration must be accompanied by: (i) purchase invoice, subscription agreement and proof of listing on the PSE (either or both); (ii) original certificate of inward remittance of foreign exchange and its conversion into Philippine Pesos through an authorized agent bank in the prescribed format; and (iii) authority to disclose ("**Authority to Disclose**") in the prescribed format. The Authority to Disclose allows the custodian bank to disclose to the BSP any information that may be required to comply with post-audit requirements for the registration of Peso-denominated investments.

Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately and in full through the Philippine banking system, net of applicable tax, without need of BSP approval. Capital repatriation of investments in listed securities is permitted upon presentation of the BSP registration document ("**BSRD**") or BSRD Letter-Advice from the registering custodian bank and the broker's sales invoice, at the exchange rate prevailing at the time of purchase of the foreign exchange from the banking system. Remittance of dividends is permitted upon presentation of: (1) the BSRD or BSRD Letter-Advice; (2) the cash dividends notice from the PSE and the

Philippine Depository and Trust Corporation (formerly the Philippine Central Depository) showing a printout of cash dividend payment or computation of interest earned; (3) the copy of the corporate secretary's sworn statement attesting to the board resolution covering the dividend declaration and (4) the detailed computation of the amount applied for in the format prescribed by the BSP. For direct foreign equity investments, the latest audited financial statements or interim financial statements of the investee firm covering the dividend declaration period need to be presented in addition to the documents enumerated above. Pending reinvestment or repatriation, divestment proceeds, as well as dividends of registered investments, may be lodged temporarily in interest-bearing deposit accounts. Interest earned thereon, net of taxes, may also be remitted in full. Remittance of divestment proceeds or dividends of registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor's custodian bank.

The foregoing is subject to the power of the BSP, with the approval of the President of the Philippines, to suspend temporarily or restrict the availability of foreign exchange, require licensing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee during a foreign exchange crisis, when an exchange crisis is imminent, or in times of national emergency. Furthermore, there can be no assurance that the foreign exchange regulations issued by the BSP will not be made more restrictive in the future.

The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor.

Labor and Employment

Labor Code of the Philippines

The Department of Labor and Employment ("**DOLE**") is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines ("**Labor Code**") and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

On March 16, 2017, Department Order No. 174 (2017) ("**D.O. 174**") was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labor Code. It has reiterated the policy that Labor-only Contracting is absolutely prohibited where: (1) (a) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision, work premises, among others; and (b) the contractor's or subcontractor's employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (2) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. Subsequently, DOLE issued Department Circular No. 1 (2017) clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, IT Infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services, and back office operations or support.

Occupational Safety and Health Standards Law

On August 17, 2018, Republic Act No. 11058 or the Occupational Safety and Health Standards Law was signed into law. It mandates employers, contractors or subcontractors and any

person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency.

An employer, contractor or subcontractor who willfully fails or refuses to comply with the Occupational Safety and Health Standards shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 8282 to ensure coverage of employees following procedures set out by the law and the Social Security System (“**SSS**”). Under the said law, social security coverage is compulsory for all employees under 60 years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Employers are likewise required to ensure enrollment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the DOH tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by the Republic Act No. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is employer-employee relationship.

Under the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997 must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the Pag-IBIG Fund the respective contributions of the employees under the prescribed schedule.

Philippine Competition Act

Republic Act. No. 10667, or the Philippine Competition Act (“**PCA**”), is the primary competition policy of the Philippines. This is the first anti-trust statute in the Philippines and it provides the competition framework in the Philippines. The PCA was enacted to provide free and fair competition in trade, industry and all commercial economic activities. To implement its objectives, the PCA provides for the creation of a Philippine Competition Commission (the “**PCC**”), an independent quasi-judicial agency with powers to conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties. To conduct a search and seizure, the PCC must apply for a warrant with the relevant court. It aims to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities.

The PCA prohibits and imposes sanctions on:

- (1) anti-competitive agreements between or among competitors, which restrict competition as to price, or other terms of trade and those fixing price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation; and those which have the object or effect of substantially preventing, restricting or lessening competition;
- (2) practices which are regarded as abuse of dominant position, by engaging in conduct that would substantially prevent, restrict or lessen competition; and
- (3) merger or acquisitions which substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services, or breach the thresholds provided in the Implementing Rules and Regulations ("**PCA IRR**") without notice to the PCC.

On February 21, 2019, the PCC issued PCC Advisory No. 2019-001, effective March 1, 2019, amending the PCA IRR. It increased the thresholds to ₱5.6 billion for the Size of Person and ₱2.2 billion for the Size of Transaction, as defined in the PCA IRR. Under the Advisory, as to joint venture transactions, notification is mandatory if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱2.2 billion; or (b) the gross revenues generated in the Philippines by the assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱2.2 billion. The revised thresholds under PCC Advisory No. 2019-001 shall not apply to mergers or acquisitions pending review by the PCC; notifiable transactions consummated before the effectivity of PCC Advisory 2019-001 (i.e. March 1, 2019); and, transactions which are already subject of a decision by the PCC. Notably, the Bayanihan 2 Act exempts mergers or acquisitions with transaction values below ₱50 billion from mandatory review for a period of two years from the effectivity of the Bayanihan 2 Act. Such transactions are likewise exempt from the PCC's *motu proprio* review for a period of one year from the effectivity of the Bayanihan 2 Act.

On November 22, 2017, the PCC published the 2017 Rules on Merger Procedures ("**Merger Rules**") which provides the procedure for the review or investigation of mergers and acquisition pursuant to the Philippine Competition Act. The Merger Rules provides, among others, that parties to a merger that meets the thresholds in Section 3 of Rule 4 of the IRR are required to notify the PCC within 30 days from the signing of definitive agreements relating to the notifiable merger.

Under the PCA and the IRR, a transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of one percent (1%) to five percent (5%) of the value of the transaction. Criminal penalties for entities that enter into these defined anti-competitive agreements include: (i) a fine of not less than ₱50 million but not more than ₱250 million; and (ii) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱100 million to ₱250 million may be imposed on entities found violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the **PCC** or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

Revised Corporation Code

Republic Act No. 11232 or the Revised Corporation Code ("**Revised Corporation Code**") was signed into law on February 20, 2019 and became effective on March 8, 2019. Among the salient features of the Revised Corporation Code are:

- corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation.
- the Code allows the creation of a "One Person Corporation" ("**OPC**"), which is a corporation composed of a single stockholder, provided that, only natural person, trust or an estate may form such. No minimum authorized capital stock is also required for an **OPC**, unless provided for under special laws.
- material contracts between the Corporation and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds (2/3) of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.
- the right of stockholders to vote in the election of directors or trustees, or in shareholders meetings, may now be done through remote communication or *in absentia* if authorized by the corporate by-laws. However, as to corporations vested with public interest, these votes are deemed available, even if not expressly stated in the corporate by-laws. The shareholders who participate through remote communication or *in absentia* are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or *in absentia*, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option; and
- in case of transfer of shares of listed companies, the Commission may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Commission.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

Environmental Laws

Environmental Impact Statement System

Undertakings or operations on any declared environmentally critical project or area are required to obtain an Environmental Compliance Certificate ("**ECC**") prior to commencement. The Department of Environment and Natural Resources ("**DENR**"), through its regional offices or through the Environmental Management Bureau (the "**EMB**"), determines whether a project is environmentally critical or located in an environmentally critical area and processes

all applications for an ECC. As a requirement for the issuance of an ECC, an environmentally critical project must submit an Environment Impact Statement ("**EIS**") to the EMB, which is a result of a positive determination by the EMB on the preventive, mitigating and enhancement measures adopted addressing possible adverse consequences of the project to the environment. The EIS refers to the document, prepared and submitted by the project proponent and/or the Environmental Impact Assessment Consultant which provides for a comprehensive study of the significant impacts of a project to the environment. On the other hand, a non-environmentally critical project in an environmentally critical area is generally required to submit an Initial Environmental Examination (the "**IEE**") to the proper EMB regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required in addition to the IEE.

The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas. While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socioeconomic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC.

The issuance of an ECC is a Philippine government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the abandonment phase of the project. Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures.

PART II. OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

RCR's common stock is traded in the PSE under the stock symbol "RCR".

Data on the quarterly price movement of its shares as of end of each quarter are as follows:

Quarter	2022		
	High	Low	Close
First	7.40	7.30	7.35
Second	6.24	6.10	6.20
Third	5.44	5.25	5.31
Fourth	5.88	5.83	5.85

The market capitalization of RCR as of end of 2022, based on the closing price of ₱5.85/share, was approximately ₱62.75 billion.

The price information as of the close of the latest practicable trading date March 30, 2023 is ₱5.88 per share.

Item 7. Dividends

Following the listing of RCR's common stock in the Philippine Stock Exchange on September 14, 2021, RCR has adopted a dividend policy to maintain an annual cash dividend payout ratio of at least 90% of Distributable Income for the preceding fiscal year, subject to compliance with the requirements of the REIT Law and the Revised REIT IRR. RCR likewise intends to declare and pay out dividends on a quarterly basis each year as allowed under Rule 4 Section 4 of the Revised REIT IRR.

On May 10, 2022, RCR declared its first regular cash dividends for calendar year 2022 covering the period January 1, 2022 to March 31, 2022 at ₱0.0965 per outstanding common share, following the approval of the Board of Directors in their regular meeting held on the same date. The cash dividends were paid on May 31, 2022 to stockholders of record as of May 26, 2022.

On August 9, 2022, RCR declared its second regular cash dividends for calendar year 2022 covering the period April 1, 2022 to June 30, 2022 at ₱0.0972 per outstanding common share, following the approval of the Board of Directors in their regular meeting held on the same date. The cash dividends were paid on August 31, 2022 to stockholders of record as of August 23, 2022.

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

On February 6, 2023, RCR declared its fourth regular cash dividends for calendar year 2022 covering the period October 1, 2022 to December 31, 2022 at ₱0.0976 per outstanding common share, following the approval of the Board of Directors in their regular meeting held

on the same date. The cash dividends were paid on February 28, 2023 to stockholders of record as of February 20, 2023.

For 2022, RCR declared total dividends amounting to Four Billion Eighteen Million Eight Hundred Forty Seven Thousand Six Hundred Three Pesos (₱4,018,847,603), representing 91% of the Distributable Income for the year 2022.

Net Loss		(5,569,287,139)	
Add: Fair value change in investment properties			
Decrease in fair value of investment properties	9,801,940,918		
Straight-line adjustments	155,916,060		
Lease commissions	17,948,231	9,975,805,209	
Distributable Income			4,406,518,070
Dividends Distributed			
Dividends paid on May 31, 2022	960,078,230		
Dividends paid on August 31, 2022	967,042,528		
Dividends paid on November 29, 2022	1,044,790,742		
Dividends paid on February 28, 2023	1,046,936,103	4,018,847,603	
Dividend Payout Ratio, as % of distributable income			91%

Item 8. Principal Shareholders

Robinsons Land Corporation (RLC), RCR's controlling shareholder, owns approximately 66.14% of RCR's outstanding shares as at December 31, 2022.

The following table sets forth the shareholders and their corresponding number of shares held as of December 31, 2022:

	Name of Stockholders	Number of Shares Subscribed	% of Total Outstanding Shares
1	Robinsons Land Corporation	7,094,391,706	66.14%
2	PCD Nominee Corporation (Filipino)	3,187,371,898	29.72%
3	PCD Nominee Corporation (Non-Filipino)	443,111,608	4.13%
4	Lester Ang Lao	500,000	0.00%
5	Artemio V. Panganiban	470,002	0.00%
6	Jose Anmer Paredes Jaimes	265,500	0.00%
7	Moises Dominic Carandang	265,500	0.00%
8	Dean Ang Lao Jr. or Lester Ang Lao	200,000	0.00%
9	Manuel I. Gutierrez or Martina Maria Elizabeth Y. Gutierrez	153,000	0.00%
10	Myra P. Villanueva	30,000	0.00%
11	Mercedes Del Rosario or Miguel Carlos Del Rosario or Paolo Jose Del Rosario	10,000	0.00%
12	Eugene Del Rosario	10,000	0.00%
13	Milagros P. Villanueva	10,000	0.00%
14	Michael Dionido Lavado	7,000	0.00%
15	Myrna P. Villanueva	5,000	0.00%
16	Marietta V. Cabreza	2,500	0.00%
17	Jennifer T. Ramos	600	0.00%
18	Kerwin Max S. Tan	4	0.00%
19	Frederick D. Go	4	0.00%
20	Wilfredo Paras	2	0.00%
21	Lance Y. Gokongwei	2	0.00%
22	Cesar Luis F. Balte	2	0.00%
23	Jericho P. Go	2	0.00%
	Total	10,726,804,330	100.00%

Item 9. Management Discussion and Analysis of Financial Condition and Results Of Operation

Results of Operations and Financial Condition

i. Year Ended December 31, 2022 versus same period in 2021

	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2022	2021	Increase (Decrease)		2022	2021
REVENUE						
Rental income	4,494,005,288	1,731,008,218	2,762,997,070	160%	-100%	83%
Income from dues	877,656,456	328,937,576	548,718,880	167%	-19%	16%
Income from dues - net	64,323,284	22,139,614	42,183,670	191%	-1%	1%
	5,435,985,028	2,082,085,408	3,353,899,620	161%	-120%	100%
FAIR VALUE CHANGE IN INVESTMENT PROPERTIES						
Increase in fair value of investment properties	(9,801,940,918)	113,634,885	(9,915,575,803)	-8.73k%	217%	5%
Straight-line adjustments	(155,916,060)	(103,965,874)	(51,950,186)	50%	3%	-5%
Lease commissions	(17,948,231)	(4,111,896)	(13,836,335)	336%	0%	0%
	(9,975,805,209)	5,557,115	(9,981,362,324)	-179.61k%	221%	0%
Other income	28,573,832	281,172	28,292,660	10k%	-1%	0%
	(4,511,246,349)	2,087,923,695	(6,599,170,044)	-316%	100%	100%
COSTS AND EXPENSES						
Direct operating costs	686,381,076	277,486,208	408,894,868	147%	-15%	13%
General and administrative expenses	373,182,257	127,533,110	245,649,147	193%	-8%	6%
Interest expense on lease liability	9,724,913	3,952,208	5,772,705	146%	0%	0%
	1,069,288,246	408,971,526	660,316,720	161%	-24%	20%
INCOME (LOSS) BEFORE INCOME TAX	(5,580,534,595)	1,678,952,169	(7,259,486,764)	-432%	124%	80%
INTEREST INCOME	14,059,314	-	14,059,314	0%	0%	0%
PROVISION FOR INCOME TAX	(2,811,858)	-	(2,811,858)	0%	0%	0%
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	(5,569,287,139)	1,678,952,169	(7,248,239,308)	-432%	123%	80%

Despite the headwinds on the office business, RCR outperformed target adjusted funds from operations per REIT Plan on the back of stable revenue stream and operational efficiency.

Revenues

For the year 2022, RCR generated ₱5,436.0 million revenues, ₱613.2 million or 13% higher vs. REIT Plan, and ₱3,353.9 million or 161% higher than 2021. This is attributable to the stable high occupancy of RCR's sixteen (16) assets and the yield accretive acquisitions of Cybergate Bacolod and Cyberscape Gamma.

Rental income increased by 160% from ₱1,731.0 million in 2021 to ₱4,494.0 million in 2022. The increase was primarily attributable to the addition of Cybergate Bacolod and Cyberscape Gamma in the portfolio beginning March 2022 and April 2022, respectively. Also, last year's performance of the initial fourteen (14) assets covered only five (5) months beginning August 2021, while this year's covered full twelve (12) months.

Income from dues and income from dues-net both increased by 167% and 191%, from ₱328.9 million to ₱877.7 million and ₱22.1 million to ₱64.3 million in 2021 and 2022, respectively. Increase was also mainly due to the aforementioned reason on the increase in rental income.

Other income composed of penalties for late payment, forfeitures, among others, also increased from ₱0.2 million in 2021 to ₱28.6 million in 2022.

The Company recognized a net decrease in fair value change in investment properties by ₱9,975.8 million in 2022, while a net increase by ₱5.5 million in 2021. The movement was mainly due to the decrease in fair market values caused by the rising interest rates.

Costs and Expenses

Costs and expenses posted at ₱1,069.3 million in 2022 from ₱409.0 million in 2021, an increase of 161%. These include management fees billed by the Fund Manager and Property Manager amounting to ₱455.2 million in 2022 and ₱182.0 million in 2021. Management fees account for 0.81% and 0.30% of Net Asset Value as of December 31, 2022 and 2021, respectively. The increase was mainly due to the additional assets acquired in 2022, Cybergate Bacolod and Cyberscape Gamma. Also, last year's operations covered only five (5) months as opposed to this year's full twelve (12) months.

Income (Loss) Before Income Tax

Without the change in fair market values of investment properties, income (loss) before income tax improved by 163% or ₱2,721.9 million. Due to the change in fair market values of investment properties amounting to ₱9,975.8 million, income (loss) before income tax decreased by 432% or ₱7,259.5 million.

Interest income

Interest income ended at ₱14.1 million in 2022 and nil in 2021. This was due to the short term placements made by the Company during the current year.

Provision for income tax

Provision for tax amounting to ₱2.8 million in 2022 represents the final tax withheld on interest income earned from short term investments. The Company started to avail of its tax incentives as REIT entity after its listing in September 2021. As of December 31, 2022 and 2021, deferred tax assets and liabilities are recognized based on effective income tax rate of 0% under REIT law.

Net income (loss)

The Company's net income before change in fair value of investment properties increased by 163% from ₱1,673.4 million in 2021 to ₱4,406.5 million in 2022. The increase was mainly driven by the increase in rental revenues and management dues, coupled by the contribution of the newly acquired two properties in 2022, Cybergate Bacolod and Cyberscape Gamma. Meanwhile, provision for tax increased by ₱2.8 million. This pertains to the final tax on the interest income earned from short-term placements. The Company's income tax is nil for both years due to the income tax deduction from dividends declared during the period.

With the change in fair market values of investment properties, the Company's net income decreased by 432% or ₱7,248.2 million.

	December 31		Horizontal Analysis		Vertical Analysis	
	2022	2021	Increase (Decrease)		2022	2021
ASSETS						
Current Assets						
Cash and cash equivalents	1,014,710,209	1,373,255,004	(358,544,795)	-26%	2%	2%
Receivables	726,561,465	450,046,517	276,514,948	61%	1%	1%
Other current assets	139,897,264	84,306,950	55,590,314	66%	0%	0%
Total Current Assets	1,881,168,938	1,907,608,471	(26,439,533)	-1%	3%	3%
Noncurrent Assets						
Investment properties	56,701,820,094	59,804,160,247	(3,102,340,153)	-5%	97%	97%
Other noncurrent asset	132,496,465	11,317,680	121,178,785	1071%	0%	0%
Total Noncurrent Assets	56,834,316,559	59,815,477,927	(2,981,161,368)	-5%	97%	97%
	58,715,485,497	61,723,086,398	(3,007,600,901)	-5%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts and other payables	782,639,173	337,364,338	445,274,835	132%	1%	1%
Deposits and other current liabilities	392,287,718	178,834,639	213,453,079	119%	1%	0%
Total Current Liabilities	1,174,926,891	516,198,977	658,727,914	128%	2%	1%
Noncurrent Liabilities						
Lease liability	257,365,719	247,640,807	9,724,912	4%	0%	0%
Deposits and other noncurrent liabilities	825,271,173	925,040,450	(99,769,277)	-11%	1%	1%
Total Noncurrent Liabilities	1,082,636,892	1,172,681,257	(90,044,365)	-8%	2%	2%
Total Liabilities	2,257,563,783	1,688,880,234	568,683,549	34%	4%	3%
Equity						
Capital stock	10,726,804,330	9,948,997,197	777,807,133	8%	18%	16%
Additional paid-in capital	54,125,177,627	49,022,762,831	5,102,414,796	10%	92%	79%
Retained earnings	(8,394,060,243)	1,062,446,136	(9,456,506,379)	-890%	-14%	2%
Total Equity	56,457,921,714	60,034,206,164	(3,576,284,450)	-6%	96%	97%
	58,715,485,497	61,723,086,398	(3,007,600,901)	-5%	100%	100%

The Company's financial position remains solid and healthy with total assets at ₱58,715.5 million, a slight decline of 5% from ₱61,723.1 million the previous year.

Cash and cash equivalents decreased by 26% to ₱1,014.7 million mainly provided by its operating activities amounting to ₱4,498.5 million, offset by the capital expenditures mainly spent for the purchase of Cybergate Bacolod and the payment of dividends.

Receivables ended at ₱726.6 million, an increase of 61% from ₱450.1 million the previous year. The increase was mainly due to the assignment of receivables relative to the infusion of Cyberscape Gamma from RLC.

Other current assets ended at ₱139.9 million, an increase of 66% from ₱84.3 million the previous year mainly due to the accumulation of creditable withholding taxes.

Investment properties ended at ₱56,701.8 million, a decrease of 5% from ₱59,804.2 million the previous year. The decline was mainly due to the amortization of right-of-use (ROU) asset and decrease in the fair market values of the first fourteen (14) assets, offset by the infusion of Cybergate Bacolod and Cyberscape Gamma.

Other noncurrent assets ended at ₱132.5 million, a growth of 1,071% from ₱11.3 million the previous year. The increase was mainly due to the deposits made to RLC relative the land and building lease.

Accounts payable and other payables ended at ₱782.6 million, an increase of 132% from ₱337.4 million the previous year, mainly due to the rise in accrued expenses.

Deposits and other liabilities (current and noncurrent) ended at ₱1,217.6 million, an increase of 10% from ₱1,103.9 million the previous year. The increase was mainly due to additional deposits collected from the new contracts during the year.

Capital stock and additional paid-in capital increased by 8% and 10%, respectively due to the additional shares issued in exchange for Cyberscape Gamma.

Retained earnings decreased by 890% due to net loss for the year mainly brought by the decrease in the fair market values of investment properties and the distribution of dividends.

As of December 31, 2022 and 2021, RCR has zero debt but has the capacity to leverage of up to 35% of Deposited Property Value.

A summary of RCR's key performance indicators for the calendar year follows:

	2022	2021
Gross revenues*	₱5,464.56 million	₱2,082.37 million
EBIT*	₱4,395.27 million	₱1,673.40 million
EBITDA*	₱4,462.18 million	₱1,701.36 million
Net income*	₱4,406.52 million	₱1,673.40 million
Earnings (loss) per share*	₱0.4301	₱0.4042
Net book value per share	₱5.26	₱6.03
Current ratio	1.60:1	3.70:1
Debt-to-equity ratio	-	-
Interest coverage ratio	-	-
Asset to equity ratio	1.04:1	1.03:1
Operating margin ratio	0.80:1	0.80:1

**without the change in fair market values of investment properties*

Due to the Company's sound financial condition, there is no foreseeable trend or event which may have a material impact on its short-term or long-term liquidity. There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business. There is no known trend, event, or uncertainty that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. There is no significant element of income arising from continuous operations. There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations. There were no known events and uncertainties that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the period.

Liquidity and Capital Resources

For Year Ended December 31, 2022 versus For the Year Ended December 31, 2021

The Company ended at ₱1,014.7 million as of December 31, 2022, a decrease of ₱358.5 million from the year ended December 31, 2021, mainly due to the acquisition of Robinsons Cybergate Bacolod for the amount of ₱734.0 million, exclusive of value-added tax.

Net cash flows provided by operating activities amounted to ₱4,498.5 million and ₱2,494.9 million for the year ended December 31, 2022 and 2021, respectively. The increase was mainly

due to higher collections from operations brought by the contribution of the newly infused properties, Robinsons Cybergate Bacolod and Robinsons Cyberscape Gamma. Also, last year's operations commenced only on August 2, 2021 covering five (5) months of operations compared to this year's full year operations.

Net cash flows used in investing activities amounted to ₱962.1 million and ₱424.3 million for the year ended December 31, 2022 and 2021, respectively. The increase was mainly due to the acquisition of Robinsons Cybergate Bacolod.

Net cash flows used in investing activities amounted to ₱3,895.0 million and ₱697.3 million for the year ended December 31, 2022 and 2021, respectively. The increase was mainly due to the increase in the payment of dividends.

Summary of Real Estate Transactions for 2022

On March 8, 2022, a Deed of Sale was executed between the Company and RLC for the acquisition of Robinsons Cybergate Bacolod, excluding the land where the building is situated, for Seven Hundred Thirty Four Million Pesos (₱734,000,000), exclusive of value-added-tax. Robinsons Cybergate Bacolod is the 15th asset acquired by the Company. It is located in Bacolod City, Negros Occidental with a gross leasable area of 10,367 sqm.

On April 20, 2022, a Deed of Assignment was executed between the Company and RLC for the acquisition of Robinsons Cyberscape Gamma, excluding the land where the building is situated, with a value of Five Billion Eight Hundred Eighty Eight Million Pesos (₱5,888,000,000), in exchange for the issuance of Seven Hundred Seventy Seven Million Eight Hundred Seven Thousand One Hundred Thirty Three (777,807,133) shares. Robinsons Cyberscape Gamma is the 16th asset acquired by RCR. It is located in Pasig City, Metro Manila with a gross leasable area of 44,797 sqm.

On August 17, 2022, RCR received the Certificate of Approval of Valuation dated August 15, 2022 from the SEC for the Property-for-Share Swap certifying that the valuation of the Property in the amount of Five Billion Eight Hundred Eighty Eight Million Pesos (₱5,888,000,000) be applied as payment for the issuance of 777,807,133 shares at par value of ₱1.00 each from unissued portion of the present authorized capital stock with additional paid-in capital of Five Billion One Hundred Ten Million One Hundred Ninety Two Thousand Eight Hundred Sixty Seven Pesos (₱5,110,192,867).

ii. Year Ended December 31, 2021 versus same period in 2020

	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2021	2020	Increase (Decrease)		2021	2020
REVENUE						
Rental income	1,731,008,218	-	1,731,008,218	0%	83%	0%
Income from dues	328,937,576	-	328,937,576	0%	16%	0%
Income from dues - net	22,139,614	-	22,139,614	0%	1%	0%
	2,082,085,408	-	2,082,085,408	0%	100%	0%
FAIR VALUE CHANGE IN INVESTMENT PROPERTIES				0%		
Increase in fair value of investment properties	113,634,885	-	113,634,885	0%	5%	0%
Straight-line adjustments	(103,965,874)	-	(103,965,874)	0%	-5%	0%
Lease commissions	(4,111,896)	-	(4,111,896)	0%	0%	0%
	5,557,115	-	5,557,115	0%	0%	0%
Other income	281,172	-	281,172	0%	0%	0%
	2,087,923,695	-	2,087,923,695	0%	100%	0%
COSTS AND EXPENSES				0%		
Direct operating costs	277,486,208	-	277,486,208	0%	13%	0%
General and administrative expenses	127,533,110	18,950	127,514,160	673k%	6%	0%
Interest expense on lease liability	3,952,208	-	3,952,208	0%	0%	0%
	408,971,526	18,950	408,952,576	2.2m%	20%	0%
INCOME (LOSS) BEFORE INCOME TAX	1,678,952,169	(18,950)	1,678,971,119	8.9m%	80%	0%
INTEREST INCOME	-	-	-	0%	0%	0%
PROVISION FOR INCOME TAX	-	-	-	0%	0%	0%
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	1,678,952,169	(18,950)	1,678,971,119	8.9m%	80%	0%

RCR stellar performance outperforming target per REIT plan for 2021 on the back of stable revenue stream and operational efficiency. Furthermore, the Company delivered five months of operations, one month more than its commitment per REIT plan. Prior to the property-for share swap which became effective on August 2, 2021 and the listing of the Company's shares in the PSE on September 14, 2021, the Company had dormant operations.

The Company's revenues for the year ending December 31, 2021 which amounted to ₱2,087.92 million was generated from its 14 investment properties consisting of the 12 office assets transferred by the Sponsor to the Company via property-for-share swap and the two Cybergate Center buildings under building lease. RCR accounts for its investment properties using the fair value method of accounting, with changes in fair value recognized in the statement of comprehensive income. In 2021, RCR recorded a net increase fair value change in investment properties of ₱5.56 million.

Meanwhile, costs and expenses posted at ₱408.97 million which include management fees billed by the Fund Manager and Property Manager amounting to ₱181.97 million. Management fees account for 0.30% of Net Asset Value as of December 31, 2021.

Provision for income tax for the year is nil mainly due to the income tax deduction from dividends declared during year. Net income ended at ₱1,678.95 million.

	December 31		Horizontal Analysis		Vertical Analysis	
	2021	2020	Increase (Decrease)		2021	2020
ASSETS						
Current Assets						
Cash and cash equivalents	1,373,255,004	-	1,373,255,004	-	2%	0%
Receivables	450,046,517	6,581,793	443,464,724	6.7k%	1%	100%
Other current assets	84,306,950	-	84,306,950	-	0%	0%
Total Current Assets	1,907,608,471	6,581,793	1,901,026,678	28.9k%	3%	100%
Noncurrent Assets						
Investment properties	59,804,160,247	-	59,804,160,247	-	97%	0%
Other noncurrent asset	11,317,680	-	11,317,680	-	0%	0%
Total Noncurrent Assets	59,815,477,927	-	59,815,477,927	-	97%	0%
	61,723,086,398	6,581,793	61,716,504,605	937.7k%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts and other payables	337,364,338	-	337,364,338	-	1%	0%
Deposits and other current liabilities	178,834,639	-	178,834,639	-	0%	0%
Total Current Liabilities	516,198,977	-	516,198,977	-	1%	0%
Noncurrent Liabilities						
Lease liability	247,640,807	-	247,640,807	-	0%	0%
Deposits and other noncurrent liabilities	925,040,450	-	925,040,450	-	1%	0%
Total Noncurrent Liabilities	1,172,681,257	-	1,172,681,257	-	2%	0%
Total Liabilities	1,688,880,234	-	1,688,880,234	-	3%	0%
Equity						
Capital stock	9,948,997,197	6,250,000	9,942,747,197	159k%	16%	95%
Additional paid-in capital	49,022,762,831	-	49,022,762,831	-	79%	0%
Retained earnings	1,062,446,136	331,793	1,062,114,343	3.2m%	2%	5%
Total Equity	60,034,206,164	6,581,793	60,027,624,371	912k%	97%	100%
	61,723,086,398	6,581,793	61,716,504,605	937.7k%	100%	100%

As of December 31, 2021, total assets of the Company stood at ₱61,723.09 million.

Cash ended at ₱1,373.25 million and was mainly provided by its operating activities.

Receivables ended at ₱450.05 million. This is composed of trade receivables representing unbilled monthly rentals and dues and receivable from a related party pertaining to tenants' payments collected by RLC on behalf of the Company pursuant to the Comprehensive Deed of Assignment.

Other current assets ended at ₱84.31 million. This includes prepaid taxes pertaining to advance payment of real property taxes and creditable withholding taxes.

Investment properties ended at ₱59,804.16 million. This is composed of the investment properties acquired via the property-for-share swap and the right-of-use asset arising from the assigned long-term land lease with Bases and Conversion Development Authority (BCDA) for Sigma land.

Other noncurrent assets ended at ₱11.32 million. This pertains to amounts paid by the Company and billed by Robinsons Equitable Tower Condominium Corporation (RETCC) which shall be used by RETCC for the defrayment of its capital expenditures.

Accounts payable and other payables ended at ₱337.36 million. This mainly includes unpaid billings from property manager and fund manager related to the management fees and accruals for utilities and other expenses.

Deposits and other liabilities (both current and noncurrent) ended at ₱1,103.88 million. This mainly pertains to the deposits received from lessees to secure the faithful compliance by lessee of their obligation under the lease contract and the cash received in advance

representing three months' rent which will be applied either to the last or first three months of the contract.

Lease liability ended at ₱247.64 million. This pertains to the future lease payments related to the long-term lease with BCDA for Sigma land.

As of December 31, 2021, RCR has zero debt. With the assignment of Philratings to RCR of a credit rating of PRS Aaa (corp.), with a Stable Outlook, the Company has the capacity to increase its leverage limit to 70% of the total value of its deposited property, higher than the 35% limit set per Rule 5, Section 8 of the REIT IRR.

A summary of RCR's key performance indicators for the calendar year follows:

	2021	2020
Gross revenues	₱2,087.92 million	₱-
EBIT	₱1,678.95 million	₱-
EBITDA	₱1,706.92 million	₱-
Net income	₱1,678.95 million	₱-
Earnings (loss) per share	₱0.4042	₱(0.0030)
Net book value per share	₱6.03	₱1.05
Current ratio	3.70:1	-
Debt-to-equity ratio	-	-
Interest coverage ratio	-	-
Asset to equity ratio	1.03:1	1.00:1
Operating margin ratio	0.87:1	-

iii. Year Ended December 31, 2020 versus same period in 2019

	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2020	2019	Increase (Decrease)		2020	2019
INCOME						
Interest income	-	267,159	(267,159)	-100%	-	100%
EXPENSES						
Professional fees	18,400	35,983	(17,583)	-49%	-	13%
Taxes and licenses	500	-	500	-	-	0%
Travel	50	-	50	-	-	0%
	18,950	35,983	(17,033)	-47%	-	13%
NET INCOME (LOSS)	(18,950)	231,176	(250,126)	-108%	-	87%
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	0%
TOTAL COMPREHENSIVE INCOME (LOSS)	(18,950)	231,176	(250,126)	-108%	-	87%

The Company had dormant operations prior the property-for-share swap which became effective on August 2, 2021, and the listing of the Company's shares in the PSE on September 14, 2021.

In 2019, the Company earned interest income amounting to ₱0.3 million from a short-term placement. The placement already matured as of December 31, 2019.

Expenses incurred in 2020 and 2019 are mainly audit fees paid to the Company's external auditors.

	December 31		Horizontal Analysis		Vertical Analysis	
	2020	2019	Increase (Decrease)		2020	2019
ASSETS						
Advances to Parent Company	6,581,793	6,636,726	(54,933)	-1%	100%	100%
TOTAL ASSETS	6,581,793	6,636,726	(54,933)	-1%	100%	100%
LIABILITY AND EQUITY						
Liability						
Accrued expenses	-	35,983	(35,983)	-100%	0%	1%
Equity						
Capital stock	6,250,000	6,250,000	-	0%	95%	94%
Retained earnings	331,793	350,743	(18,950)	-5%	5%	5%
Total Equity	6,581,793	6,600,743	(18,950)	0%	100%	99%
TOTAL LIABILITY AND EQUITY	6,581,793	6,636,726	(54,933)	-1%	100%	100%

In 2020, the Company fully paid its accrued expenses which mainly pertains to the audit fees.

As of December 31, 2020 and 2019, the Company had dormant operations.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material effect on revenues or income from continuing operations.

All of the Company's Properties are located in the Philippines and, as a result, its operations are significantly affected, and will continue to be significantly affected, by macroeconomic conditions in the Philippines. The demand for the lease of our Properties are directly related to the strength of the Philippine economy, including overall growth levels and the amount of business activity in the Philippines, the completion of the transport infrastructure projects for improved access, and the general political stability and security situation in the Philippines. The results of operations will depend in part on the performance of the commercial real estate market in the Philippines, and in the CBDs and key cities where the Properties are located, which in turn depends on various factors such as economic and other market conditions, demographic trends, employment levels, availability of financing, prevailing interest rates, competition, bargaining power of tenants, operating costs, government regulations and policies, and market sentiment. In addition, a significant number of the Company's tenants are in the IT-BPM sector and our office leasing operations performance and growth will be affected by the business conditions of our tenants in the IT-BPM sector.

There are (i) no significant elements of income or loss that did not arise from the Company's continuing operations, (ii) no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entries or other persons created during the reporting period, or (iii) no event that may trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Except for income generated from leasing, there are no seasonal aspects that have a material effect on RCR's financial conditions or results of operations, there are no seasonal aspects that had a material effect on the financial condition or results of operations.

Item 11. Financial Statements

The financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

Audit and Audit-Related Fees

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by Sycip, Gorres, Velayo & Co.

Particulars	2022	2021
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱1,392,857	₱884,000
All other fees	—	—
Total	₱1,392,857	₱884,000

¹Exclusive of VAT

There were no other significant professional services rendered by the external auditors during the period.

The Audit Committee recommends to the Board the appointment of the external auditor and audit fees.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with the external auditors of the Company on accounting and financial disclosures.

Item 13. Security Ownership of Certain Record and Beneficial Owners And Management

a) Security Ownership of Certain Record and Beneficial Owners as of December 31, 2022

As of December 31, 2022, the following are the owners of the Company's common stock in excess of 5% of total outstanding shares:

Title of Class	Names and addresses of record owners and relationship with the Corporation	Name of beneficial owner and relationship with record owner	Citizenship	No. of Shares Held	% to Total Outstanding
Common	Robinsons Land Corporation ¹ Level 2 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City (stockholder)	Same as record owner (See note 1)	Filipino	7,094,391,706	66.14 %
Common	PCD Nominee Corporation ² (Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (See note 2)	Filipino	3,187,841,898	29.72%

Notes:

- The Chairman and the President of JG Summit Holdings, Inc. (JGSHI) are both empowered under its By-Laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President of JGHI are Mr. James L. Go and Ms. Lance Y. Gokongwei, respectively.*
- PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.*

Out of the PCD Nominee Corporation account, "Abacus Securities Corporation", "COL Financial Group, Inc." and "Wealth Securities, Inc." hold for various trust accounts the following shares of the Corporation as of December 31, 2022:

	No. of shares held	%	to	total
outstanding				
<i>Abacus Securities Corporation</i>	<i>8,852,795</i>			<i>8.852%</i>
<i>COL Financial Group, Inc.</i>	<i>3,553,241</i>			<i>3.553%</i>
<i>Wealth Securities, Inc.</i>	<i>3,059,641</i>			<i>3.059%</i>

- The Chairman and the President of Robinsons Land Corporation (RLC) are both empowered under its by-laws to vote any and all shares owned by RLC, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President of RLC are Mr. Lance Y. Gokongwei and Mr. Frederick D. Go, respectively.*

Voting instructions may be provided by the beneficial owners of the shares.

b) Security Ownership of Management as of December 31, 2022

Title of Class	Name of Beneficial Owner	Position	Amount & Nature of Beneficial Ownership	Citizenship	% to Total Outstanding
Common	1. Frederick D. Go	Director and Chairman	4	Filipino	0.00%
Common	2. Jericho P. Go	Director, President and Chief Executive Officer	2	Filipino	0.00%
Common	3. Lance Y. Gokongwei	Director	2	Filipino	0.00%
Common	4. Kerwin Max S. Tan	Director and Treasurer	4	Filipino	0.00%
Common	5. Wilfredo A. Paras	Director	2	Filipino	0.00%
Common	6. Cesar Luis F. Bate	Director	2	Filipino	0.00%
Common	7. Artemio V. Panganiban	Director	470,002*	Filipino	0.00%
Common	8. Selene Erica S. Lim	Investor Relations Officer	4,000*	Filipino	0.00%
Total			474,018		0.00%

**470,000 shares of Artemio V. Panganiban and 4,000 shares of Selene Erica S. Lim are held through PCD nominees*

c) Voting Trust Holder of 5% or more – as of December 31, 2022

None of the stockholders are under a voting trust or similar agreement.

d) Changes in Control

There are no changes in control in 2022.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Board is composed of seven (7) members, three (3) of whom are independent directors. The term of a director is one year from date of election and until their successors are elected and qualified.

As of December 31, 2022, the composition of the Company's Board is as follows:

Name	Age	Position	Citizenship
Frederick D. Go	53	Director and Chairman	Filipino
Jericho P. Go	51	Director, President and Chief Executive Officer	Filipino
Lance Y. Gokongwei	56	Director	Filipino
Kerwin Max S. Tan	53	Director and Treasurer	Filipino
Artemio V. Panganiban Jr.	86	Independent Director	Filipino
Wilfredo A. Paras	76	Independent Director	Filipino
Cesar Luis F. Bate	61	Independent Director	Filipino

As of December 31, 2022, the following are the Company's executive officers:

Name	Age	Position	Citizenship
Frederick D. Go	53	Director and Chairman	Filipino
Jericho P. Go	51	Director, President and Chief Executive Officer	Filipino
Kerwin Max S. Tan	53	Director and Treasurer	Filipino
Matias G. Raymundo Jr.	38	Chief Financial Officer, Chief Risk Officer, and Compliance Officer	Filipino
Juan Antonio M. Evangelista	51	Corporate Secretary	Filipino
Iris Fatima V. Cero	36	Assistant Corporate Secretary	Filipino
Selene Erica S. Lim	34	Investor Relations Officer	Filipino
Dennis A. Llarena	47	Data Privacy Officer	Filipino

The above directors and officers have served their respective offices since May 12, 2022 with the exception of Selene Erica S. Lim who was appointed as Investor Relations Officer on September 2, 2022. The independent directors of the Company are Artemio V. Panganiban, Jr., Cesar Luis F. Bate and Wilfredo A. Paras.

The following discussion presents a brief description of the business experience of each of the Company's directors and executive officers over the past five (5) years:

a) Directors' and Key Officers' Experience

Frederick D. Go, 53, is the Chairman, as well as a Director of the Company. In addition to his post as Director, Mr. Go is also the President and Chief Executive Officer of Robinsons Land Corporation. He concurrently serves as the President and Chief Executive Officer of Altus Property Ventures, Inc. and the President of Universal Hotels and Resorts,

Inc. He is also the Vice Chairman of Luzon International Premier Airport Development Corporation. He is a Trustee and the President of Robinsons Land Foundation, Inc. and Universal Cultural Foundation, Inc. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, Taicang Ding Feng Real Estate Development Company Limited, Taicang Ding Sheng Real Estate Development Company Limited, Chongqing Robinsons Land Real Estate Company Limited, and Chongqing Ding Hong Real Estate Development Company Limited. He is a Director of Cebu Air, Inc., Manila Electric Company, JG Summit Olefins Corporation, and Cebu Light Industrial Park. He is the Vice Chairman of the Board of Directors of Robinsons Bank Corporation, and of the Executive Committee of the said bank. He also serves as the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

Jericho P. Go, 51, is a Director and Chief Executive Officer of the Company. He also serves as the Senior Vice President and Business Unit General Manager of Robinsons Offices in Robinsons Land Corporation. He is concurrently the President and Chief Executive Officer of Robinsons DoubleDragon Corp. and member of the Board of Directors of Robinsons Equitable Tower Condominium Corporation, Robinsons Summit Center Condominium Corporation and Galleria Corporate Center Condominium Corporation. He has over 29 years of experience in the field of real estate and was responsible for filing and registering the Philippines' very first IT park with the Philippine Economic Zone Authority (PEZA) in 1997. Prior to joining RLC in 2019, he was Senior Vice President of Megaworld Corporation for business development & office leasing, investor relations and public relations from 1997 to 2019. He also held various positions in Greenfield Development Corporation and Ayala Land, Inc. He received a Bachelor of Arts degree in Development Studies from the University of the Philippines and graduated Magna Cum Laude and Class Salutatorian in 1993.

Lance Y. Gokongwei, 56, is a Director of the Company. He is the President and Chief Executive Officer of JG Summit Holdings, Inc., and Cebu Pacific. He is the Chairman of Universal Robina Corporation, Robinsons Land Corporation, Altus Property Ventures, Inc., JG Summit Olefins Corporation, Robinsons Bank Corporation, and Robinsons Supermarket Corporation. He is the Vice Chairman and a Director of Manila Electric Company and a Director of RL Commercial REIT, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey's Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, and Endeavor Acquisition Corporation. He is a trustee and the Chairman of the Gokongwei Brothers Foundation, Inc. Mr. Lance Y. Gokongwei received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Kerwin Max S. Tan, 53, is a Director as well as the Treasurer of the Company. He is also the Chief Financial Officer, Chief Risk Officer and Chief Compliance Officer of Robinsons Land Corporation. He also holds the position of Chief Financial Officer, Treasurer, Chief Information Officer and Compliance Officer of Altus Property Ventures, Inc. He is the Treasurer and Chief Financial Officer of Robinsons DoubleDragon Corp. and Vice President and Treasurer of Robinsons Inn, Incorporated. Mr. Tan concurrently holds the position of Treasurer in several subsidiaries of Robinsons Land Corporation such as Bacoor R and F Land Corporation, Robinsons Land Foundation Inc, to name a few. He also holds the position of Chief Financial Officer in some of Robinsons Land Corporation's residential properties such as Acacia Escalades, Chimes Greenhills and Galleria Regency, to name a few. He is the Chief Financial Officer of Galleria Corporate Center Condominium

Corporation and Robinsons Equitable Tower Condominium Corporation. He is also the Director and Chief Financial Officer in Robinsons Summit Center Condominium Corporation. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Artemio V. Panganiban, Jr., 86, was appointed as an independent director of RCR. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He was elected as an independent director of Robinsons Land Corporation from 2008 to 2021. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004- 2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Wilfredo A. Paras, 76, was appointed as a director of RCR. He also serves as an independent director in Philex Mining Corporation from 2011 to present and in GT Capital Holdings, Inc. from 2015 to present. He is also a trustee and the treasurer of Dualtech Technical Training Foundation Inc. from 2012 to present. From 2011 to 2016, he was also a director of Coconut Oil Mills Group. He has a degree of Bachelor of Science major in Industrial Pharmacy from the University of the Philippines – Diliman in 1969 and obtained a Masters Degree in Business Administration from De la Salle University in 2001.

Cesar Luis F. Bate, 61, was appointed as an independent director of RCR on September 14, 2021. He is currently the Managing Director of LMN Advisors/Partners, Inc. and the President of Celisons Property, Inc. In 2007 to 2016. On November 2021 – Present, he served as Independent Director of ten (10) Sun Life Prosperity Funds namely: Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., and Sun Life Prosperity World Equity Index Feeder Fund, Inc. He was also served as a Board of Trustee in Jose Rizal College. He obtained his Bachelor of Science with a major in Management Engineering from the Ateneo de Manila University in 1983.

Matias G. Raymundo Jr., 38, is the Chief Financial, Chief Risk Officer, and Compliance Officer of RCR. Presently, he is the Asst. Vice President for Financial Planning and Analysis of Robinsons Land Corporation. He was part of the Robinsons Hotels and Resorts Group of Robinsons Land Corporation as Manager-Revenue Management from 2010-2016, Manager-Revenue and Risk Management from 2017 to 2018, and Officer-in-Charge for Corporate Affairs from 2018 to 2019. He obtained his Bachelor of Science in Commerce, major in Management Accounting, Cum Laude, from the Central Philippine University in 2005.

Selene Erica S. Lim, 34, is the Investor Relations Officer of RCR. She is the Business Development & Asset Management Director for Robinsons Hotels & Resorts under RLC. She is also an active member of RLC's Investor Relations Team since 2019. Prior to RLC, she served as the Director for Finance and Investor Relations in Xurpas Inc. where she stayed for four years. She also had a two-year stint in BDO Unibank Inc. under the Institutional Banking Group for Commercial Banking. A consistent Dean's Lister, she received a Bachelor of Science degree in Management Engineering (Minor in Marketing) from Ateneo de Manila University in 2010.

Dennis R. Llarena, 47, the Data Privacy Officer of RCR. He is also the DPO of RLC and the Management Services Director of its Residential Division. Currently, he is the Real Estate Sector Lead Representative to the Data Privacy Council of the National Privacy Commission. Prior to joining RLC in 2015, he was the Vice President - Finance of Amalgamated Specialties Corporation. He joined SGV & Co. Business Assurance practice after placing 19th in the 1997 Certified Public Accountant Licensure Exam.

Atty. Juan Antonio M. Evangelista, 51, is the Corporate Secretary of the Company. He is also the Corporate Secretary of Robinsons Land Corporation. He also handles various corporate secretarial functions of a number of companies within the Group. He obtained his Bachelor of Laws degree from Xavier University -Ateneo de Cagayan in 1998. He was admitted to the Philippine Bar in 1999.

Atty. Iris Fatima V. Cero, 36, the Assistant Corporate Secretary of the Company. Atty. Cero is concurrently Legal Counsel and Assistant Corporate Secretary of Robinsons Land Corporation and Altus Property Ventures, Inc. In 2007, She obtained her degree in Bachelor of Arts in Broadcast Communication in Polytechnic University of the Philippines and earned her Bachelor of Laws from San Beda University - College of Law in 2014. She was admitted to the Philippine Bar in 2016.

b) Involvement in Certain Legal Proceedings of Directors and Executive Officers

None of the members of Board nor its executive officers have been involved in any criminal, bankruptcy or insolvency investigations or proceedings, including proceedings relating to securities, commodities or banking activities, or those enjoining such person from involvement in any type of business, for the past five years from December 31, 2022.

c) Family Relationships

Mr. Lance Y. Gokongwei is the cousin of Mr. Frederick D. Go.

Item 15. Executive Compensation

a) Compensation of Directors and Executive Officers

Directors

The Company's By-Laws provides that each Director shall receive a reasonable per diem for his or her attendance at every meeting of the Board of Directors. Furthermore, every member of the Board shall receive such compensation for their services, as may, from time to time, be determined by the Board.

Total amount of per diem paid to the directors for the year ending December 31, 2022 and 2021 amounted to ₱6,120,000 and ₱450,000.

Officers

The officers of the Company do not receive compensation from the Company. The compensation of these officers is paid by the Sponsor, RLC.

There are no other executive officers other than aforementioned and there was no other compensation paid to the directors for the periods indicated.

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed calendar year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed calendar year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a Group.

Item 16. Certain Relationships and 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.

The Company, in its regular conduct of business, has entered into transactions with related parties consisting of land and building lease, lease of office and commercial spaces and management services. Transactions entered with related parties are made at terms equivalent to those that prevail in arm's length transactions on terms comparable to those available from or to unrelated third parties, as the case may be. Outstanding balances owed to related parties at a certain reporting date are non-interest bearing, unsecured and payable/collectible in cash on demand.

For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 13 to the Company's financial statements as of and for the calendar years ended December 31, 2022 and 2021.

PART IV. CORPORATE GOVERNANCE

The Company's Governance Policies conform to the SEC Corporate Governance Code. All assets considered for acquisition require the recommendation of the Fund Manger's Board and various regulatory approvals.

The Company fosters transparency, compliance, and adherence to the highest standard of governance. The Audit Committee and the Related Party Transactions Committee are headed by an Independent Director. The Company has three (3) Independent Directors on its Board. Unanimous vote of Independent Directors is required for certain transactions such as related Party Transactions.

RCR's Board has adopted the Manual on Corporate Governance ("Manual"), which institutionalizes the principles of good corporate governance in the entire organization. The Company believes that it is a necessary component of sound strategic business management, hence, it undertakes efforts to create awareness within the organization.

The Manual provides that it is the Board that has the primary responsibility for the governance of the corporation. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to attend its regular and special meetings in person or through teleconferencing. In adopting the Manual, the Company understands the responsibilities of the Board and its members, in governing the conduct of its business, the Board Committees, in focusing on specific board functions to aid in the optimal performance of its roles and responsibilities, and the officers, in ensuring adherence to corporate principles and best practices.

The Manual shall be subject to quarterly review and the Board shall also exert its best efforts to ensure a high standard of best practices for the Company. The review and amendment shall take into account the subsequent issuances of the SEC on best corporate governance practices and the Company's changing needs, actual conditions prevailing in the environment and regulatory requirements.

There has been no deviation from the Company's Manual since it was adopted. RCR remains compliant with all corporate governance requirements as stipulated in the Real Estate Investment Trust Act of 2009 and SEC Memorandum Circular No. 1 Series of 2020 (the Revised REIT IRR).

PART V.
RL Commercial REIT, INC. (RCR)
Sustainability Report

Contextual Information

Company Details	
Name of Organization	RL Commercial REIT, Inc.
Location of Headquarters	25 th F Robinsons Cyberscape Alpha Sapphire and Garnet Road Barangay San Antonio, Ortigas Center, Pasig City
Location of Operations	RCR has the widest geographical reach for its 16 high quality office assets. These are located in 10 key cities across the Philippines. Attached in Annex A is the list of office assets and their respective locations.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	RL Commercial REIT, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	<p>RL Commercial REIT, Inc., (RCR) is a company designated by Robinsons Land Corporation (“RLC” or the “Sponsor”) to operate as a Real Estate Investment Trust (REIT). It leases commercial spaces to a diversified tenant base within its of 16 commercial real estate (“Portfolio”) assets across the Philippines with an aggregate Portfolio gross leasable area of 480,479 sqm. The Portfolio consists of commercial spaces primarily leased for office purposes, with minimal retail spaces on some of the Properties to support the needs of our office tenants. The principal investment mandate of RCR is to focus on investing on a long-term basis in a diversified portfolio of income-producing commercial real estate assets, leased primarily for office purposes, and strategically located in major central business districts (“CBDs”) and key cities and urban areas across the Philippines.</p>

Reporting Period	January 1, 2022 – December 31, 2022
Highest Ranking Person responsible for this report	Ramon Rivero, Head of Corporate Strategy

Materiality Process

We conducted a series of workshops and discussions with key persons in our company and a cross-section of our stakeholders to help us identify what truly matters to us and to our stakeholders. This process helped widen our business perspective and enabled us to set approaches to improve our performance in both financial and non-financial aspects.

The following specific steps were undertaken:

1. Understanding the Sustainability Context. Understanding societal needs was the first step we took to determine the contributions of our core business to sustainable development. This also allowed us to identify which impacts are most material from the societal point of view.

2. Engaging our Stakeholders. Our stakeholders' inputs helped us validate and enhance our list of material topics. The process also helped us put emphasis on topics that are most important to them. We captured our stakeholders' perspectives through regular meetings, surveys, interviews and focus group discussions.

3. Identifying Material Topics. We looked at the entire value chain of our different property types, both in construction and operations, identifying key sustainability topics that matter to us and to our stakeholders. We determined the economic, environmental, and social topics that we should monitor and continually improve on moving forward. We considered the key impacts of each of our activities, relevant risks and opportunities including the key capitals we relied and continue to rely on to sustain and grow our business. We identify focus by looking into aspects that we are best positioned to effect positive change.

4. Measuring Performance and Defining Management Approaches: In 2022, we obtained baseline data (2021) as basis for measuring our performance on each of the material topics identified. Following the GRI reporting standards and consolidation guidance, we ensured that the metrics used were right, and the data collected were accurate and comparable. This year, we began setting up a procedure to systematically collect more data to better measure our sustainability performance. We have also defined management approaches that will help us improve our performance

on these areas.

We also referred to the UN Sustainable Development Goals to see how our impacts to environment, economy, and society is linked to delivering on specific SDG targets.

Materiality is an iterative process for us. We will continue to review how we impact the environment and society, how we measure our performance on these impact areas, and how we can better communicate these to our stakeholders.

Important Note: The discussion of impacts, risks, and opportunities are made per topic, instead per metric, since the risks and opportunities apply to the topic rather than the individual metrics under one topic. For example, for topic on Anti-corruption, only one discussion on Impacts, Risks, and Opportunities is made that covers both metrics: a) Training on Anti-corruption Policies and b) Procedures and Incidents of Corruption. This makes the disclosure on management approach more focused and not repetitive.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed (in Millions)

Disclosure	2021	2022	Units
Direct economic value generated (revenue) ²	2,088.40	5,464.56	PhP
Direct economic value distributed	1,027.91	4,946.78	PhP
1. Provisions (if bank) (n/a)	0.00	0.00	PhP
2. Payments to suppliers, other operating costs	376.78	957.79	Php
3. Total Wages and Benefits ¹	0.00	0.00	Php
4. Dividends given to stockholders and interest payments to loan providers	616.84	3,887.22	PhP
5. Taxes given to government	34.29	101.77	PhP
6. Investments to community (e.g., donations, CSR)	0.00	0.00	PhP
Economic Value Retained ²	1,060.49	517.78	PhP

¹ There are no employees hired under RCR in 2022 since all personnel involved in the administration and operations are seconded from RLC, RLFM & RLPM.

² Exclude the impact of the change in fair market values of Investment Properties

Procurement Practices

Proportion of spending on local suppliers

Disclosure	2022	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers ¹	N/A	N/A

¹ We do not currently tag our payments to suppliers according to our definition of what is local. We are still developing the system and will be able to report in 2023.

Economic Performance and Procurement Practices

Impacts and Risks: Where it occurs, RCR's involvement, stakeholders affected

Impacts.

RCR bases its economic impact on the areas in which it operates and how these operations align with the location of its suppliers. How equitable and inclusive the business is to its stakeholders will determine how much economic growth the business will have. Value flows from how much opportunity is given to both rural and urban areas in which the business operates in, and this value will eventually shape the economic success of the whole company.

In 2022, 91% of RCR's total revenue was given back to society through stakeholders, suppliers, service partners, and the government. Our highest value distribution remain with our shareholders in the form of dividends. This is comprised of 73.6% of our total revenue or 91% of distributable income. Our model continue to allow our shareholders to invest and earn in a portfolio of real estate assets without the need for them to buy the property themselves. Our second highest value distribution goes to suppliers which

is at 10.3% of total revenue. 9.7% of total revenue goes to employees and agencies while 1.8% goes to the government in the form of taxes.

Our office buildings host a total of 161 businesses and partners who also create jobs and employs an estimated of 33,867 workforce. Majority of our office tenants are Business Process Outsourcing Companies which are categorized by the government as essential workers even during the strictest quarantine period.

Risks. Our business model allows us to give back 92% of distributable income to our shareholders in the form of dividends. This being the case, our biggest risk of inequitable flow of economic value remain to be in the upkeep and safety of our assets. We should ensure that our portfolio of assets remain to be relevant, well-maintained, and safe. We should also ensure our assets meet both regulatory and customer standards. This will allow us to keep our tenants and customers satisfied and will ultimately keep the confidence of our shareholders into our business.

Management Approach for Impacts and Risks

Ensuring Equitable Flow of value. To ensure an equitable flow of value, we maintain the highest standards for our properties in terms of our building upkeep and maintenance. We also ensure that the health and safety of our tenants and employees are of the highest priority through our safety protocols, procedures, and monitoring. Through this, we are able to keep our tenants satisfied and confident in our building management. As a result, we are able to provide a continuous and steady flow of dividends to our shareholders.

Our Audit and Related Party Transactions Committee are both headed by Independent Directors. We also have our corporate governance policies in place to ensure good governance is practiced in the whole organization including transactions with our suppliers. We have anti-corruption policies in place and we make sure that we pay a fair price to all our stakeholders to ensure equitable distribution of economic value.

Fostering equitable distribution of economic opportunities. RCR provides economic opportunities to the local government unit in locations where it operates. Our properties are located across various business districts and are occupied by multinational companies, local businesses, and BPOs. With this, we are able to generate jobs for people in the communities where we are located. We also prioritize sourcing goods and services locally if suppliers who meet our minimum standards are available in the locality. We only source in Metro Manila when qualified suppliers do not exist in local provincial areas.

Ensuring equitable access to our products. Our properties enable businesses to grow and flourish by providing our tenants the right locations with the right specification. We ensure that we cater to the needs of local merchants and organizations and grow local businesses as well as foreign brands.

Ensuring fair compensation to our employees. Though we do not have direct employees under RCR, our service partners ensure that they benchmark their compensation packages against industry standards in the Philippines to ensure their

compensation package remains competitive in the market, while ensuring their employees are paid at least a minimum wage and afford them social safety nets in cases of emergencies.

Opportunities & Management Approach

The safety of all our stakeholders remains our number one priority. We have installed thermal scanners and metal detectors in all our properties, and we plan to use a visitor management system that will do contact tracing efficiently.

We see opportunities to improve our performance particularly on providing more contactless systems in our buildings particularly on our elevators, lavatories, and property management. We also see further opportunities to improve our supplier policy on ESG standards. As a management approach, we will undergo a review of our accreditation and supplier assessment processes to incorporate criteria that measure the economic performance of our suppliers including sustainability credentials.

Climate-related risks and opportunities

Being a real estate company, we recognize that climate related risks and opportunities are material to our organization. In 2022, we continue to assess and are still in the process of scoping and understanding the risks and opportunities related to climate impacts. At the same time, we are working on embedding this framework into our risk management processes to sufficiently and systematically produce a good basis for management to design effective approaches to manage them. When we get a strong understanding of the topic, we will elevate the same to the board and create a function in one of our board committees to look after this concern. We target to accomplish all this in the next 3-5 years, which is an ideal timeline recommended by TCFD¹ experts we consulted.

¹The Task Force on Climate-Related Financial Disclosures

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	2022	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Number of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	Not Available	#
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption Training ¹	100	%

¹RCR's Anti-Corruption programs are embodied in the parent (RLC) Code of Business Conduct and Ethics, Conflict of Interest, Offenses Subject to Disciplinary Action (OSDA), among others whereas employees go into training upon on-boarding. The Corporate Governance Training (2022 Gokongwei Group Innovation Festival) was held last June 16, 2022.

Incidents of Corruption

Disclosure	2022	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Anti-Corruption

Impacts and Risks: Where it occurs, RCR's involvement, stakeholders affected

Corruption undermines our ability to equitably flow value to our key stakeholders, i.e., suppliers, employees, government, and providers of capital. Risks can exist in key areas such as in procurement, and those functions that directly interfaces with government.

Management Approach for Impacts and Risks

The Company is committed to promoting transparency and fairness to all stakeholders. The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program that have been implemented and being practiced by RCR's parent company, Robinsons Land Corporation. At RCR's Board level all pertaining anti-corruption committee such as Audit and Related Party Transactions committees are headed by the independent directors to make sure the fair and sound policies are implemented in the company. Meanwhile, some of the Company's Anti-Corruption programs are embodied in the parent (RLC's) Code of Business Conduct and Ethics, Conflict of Interest, Offenses Subject to Disciplinary Action (OSDA), among others. The same are disseminated to all employees across the Company through trainings to embed them in the Company's culture. New employees are oriented regarding policies and procedures related to Business Conduct and Ethics and similar policies. All employees are given periodic reminders. Further, all concerned employees are required to comply with the Annual Self-Disclosure Activity on an annual basis.

The following Business Conduct & Ethics Policies are in place:

- **Conflict of Interest** - The Company's Code of Business Conduct and Conflict of Interest Policy require employees to make a conscious effort to avoid conflict of interest situations that his judgment and discretion are not influenced by considerations of personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.
- **Conduct of Business and Fair Dealings** – The Company's employees that recommend, endorse, or approve the procurement or sale of goods and services should make a conscious effort to avoid any conflict-of-interest situation in transactions that they are involved in.
- **Receipt of Gifts from Third Parties** – The Company discourages the acceptance of gifts. However, gifts like advertising novelties maybe given or accepted during the Christmas season. There is no restriction in the value of the gift accepted.

However, accepted gift with an estimated value of over Php2,000.00 must be disclosed to the Conflicts of interest Committee.

- **Compliance with Laws and Regulations** - The Company ensures that all transactions comply with relevant laws and regulations. Any deficiencies are immediately rectified.
- **Respect for Trade Secrets/Use of Non-public Information** - The Company has policies that ensure proper and authorized disclosure of confidential information. Disclosures of material information to the public can only be done after the disclosure to SEC and PSE by the Company's authorized officers.
- **Use of Company Funds, Assets and Information** - Employees are required to safeguard the Company resources and assets with honesty and integrity. Employees must ensure that these assets are efficiently, effectively, and responsibly utilized.
- **Employment and Labor Laws and Policies** - The Company ensures the observance, strict implementation and compliance with Philippine employment, labor laws and policies with regards to recruitment, employment, retention and benefits of the employees. Minimum notice period regarding operational changes ranges from three to six months, dependent on the proponent of change.
- **Whistleblowing** – The stakeholders may discuss or disclose in writing any concern on potential violation of the Code of Business Conduct with the Conflicts of Interest Committee. Reports or disclosures can be made in writing or by email. All information received in connection with the reports or disclosures shall be strictly confidential and shall not be disclosed to any person without prior consent of CICOM. The Company commits to protect those who report in good faith from retaliation, harassment and even informal pressures. It will take the necessary and appropriate action to do so in enforcing the policy.

Violation of any provision of the Code of Business Conduct as determined through a due process may result in disciplinary action, including dismissal and reimbursement for any loss to the Company that result from the employee's action. If appropriate, a violation may result in legal action against the employee or referral to the appropriate government authorities.

The following shows the process of termination upon findings of Anti-Corruption:

1. In case an Offense is committed or supposed to have been committed by an employee or business partner, his immediate superior or transacting department must properly investigate the matter.
2. Establish and check facts that will serve as basis for decision, examining evidence physical or otherwise. Twin notices are to be sent. The concerned employee or business partner is asked to air side, while there will also be an employee conference.
3. Analysis and evaluation of the findings
4. Preserving the integrity and reliability of evidence
5. Recommendation of Penalty. If the recommended penalty is dismissal, the department head shall endorse the matter to HRD for further evaluation and will in turn endorse the matter to Corporate Legal for the conduct of Administration

- Investigation/hearing to determine whether or not the matter merit the imposition of dismissal
6. Imposing the penalty/dismissal will be documented using the appropriate forms
 7. The concerned party will be informed verbally by explaining the findings and the penalty. All concerned parties/department must be notified of the disciplinary penalty.
 8. Upon recommendation of Corporate Legal of dismissal, the Notice of Dismissal is subject to approval by the President or Company Officer authorized to do so. Upon approval of the Notice of Dismissal, the department head will serve the notice to the employee. If the employee refuses to acknowledge receipt copy of notice as such fact(s) will be annotated on all copies of the notice. The said Notice of Dismissal has to be sent via a registered mail or other accredited courier to the last known address of the employee. Proof of delivery must be kept as evidence to show that the notice was served. All concerned Departments must be noticed of the dismissal.

Opportunities and Management Approach

We are taking steps to evaluate the effectiveness of implementation of our anti-corruption policy. We are looking at opportunities to engage our employees more on this topic through conducting more regular formal trainings on anti-corruption and how to best ensure that incidences are better tracked and avoided in the company.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	2021	2022	Unit
Energy consumption (renewable sources)	None	1,588.49	GJ
Energy consumption (gasoline)	None	None	GJ
Energy consumption (LPG)	None	None	GJ
Energy consumption (diesel) ¹	24,966.87	103,888.04	L
Energy consumption (electricity)	85,016.56	327,781.92	GJ

¹Diesel is used for standby generators.

Reduction of energy consumption

RCR certified 2 more buildings in 2022. Having an efficient and well-designed building translates to a reduction in overall energy consumption by at least 20%. These buildings employ various energy conservation measures, such as the use of LED lighting and non-ozone depleting refrigerants in their air conditioning units.

Energy and Reduction of Energy Consumption

Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected

It continues that the Philippines’ main source of energy is still from fossil fuel. Amidst the efforts to use renewable energy, it is still not nearly enough for buildings to fully function with green energy alone. The over reliance on fossil fuel causes huge

environmental impacts such as high amounts of GHG emissions and air pollutants, as well as high volume of water consumption, among others. Communities surrounding these plants run the risk of several health problems due to exposure to these air pollutants while GHG emissions contribute to climate change which has a global impact.

Management Approach for Impacts and Risks

We are committed to upholding the rigorous environmental standards established by green-certification programs. Our primary objective is to attain net-zero emissions by the year 2050, and as such, we are continuously operating and growing our business in a sustainable manner. Moving forward, we intend to obtain certification from distinguished programs like LEED and EDGE for more of our buildings, with the ultimate aim of ensuring that all our RCR properties are green-certified.

Opportunities and Management Approach

Focusing on reducing carbon emissions and increasing the percentage energy consumption from renewable sources, we are looking into solar powered buildings as an opportunity to source our own renewable energy while also purchasing part of it. Apart from this we intend to green certify more buildings through LEED and EDGE certifications.

Water consumption within the organization

Disclosure	2021	2022	Units
Water withdrawal	100,754.66	318,834.69	Cubic meters
Water consumption	75,034.97	309,054.64	Cubic meters
Water recycled and reused	160	407.66	Cubic meters

Water Consumption

Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected

Being the most versatile resource, water is a key element in making sure that daily operations run smoothly. Office buildings need to ensure the availability of their water supply in order to cater to its customers, personnel and tenants properly as well as to maintain clean and workable spaces. Despite its seemingly limitless supply, water is still a scarce resource and it’s our duty to handle it responsibly and efficiently. We understand that every liter that’s consumed is a liter potentially taken from communities or agriculture that needs it as well.

Management Approach for Impacts and Risks

Green certifications not only reflect the buildings' energy-saving features but also its approach to water consumption reduction. LEED and EDGE certified buildings save as much as 11% of water consumed compared to other traditional buildings. We also make

sure that the tenants, customers and personnel know how to conserve water by educating them on its importance as well as the different ways to responsibly use the resource. We don't only aim to reduce water consumption but also to reuse rainwater. Our office buildings have rainwater collection systems that allow for wastewater treatment by repurposing the wastewater. The rainwater that was recovered is used for gardening which reduces our overall wastewater discharge to public sewers. Aside from this we also take advantage of surface water resources as much as we can. We make sure that our operatives on water treatment and discharge is in accordance with the Philippine Clean Water Standards.

Opportunities and Management Approach

There are opportunities in water conservation and treatment. With new technology developing every day, the capacity in which rainwater can be harvested, treated and repurposed will definitely be a huge opportunity to lower discharge and increase water saved. Water catchments and water impounding areas continue to be good measures we are exploring to recharge the aquifer and reduce the impact of groundwater extraction.

[Materials used by the organization](#)

Disclosure	2021	2022	Units
Materials used by weight or volume			
Renewable ¹	None	Not Available	Kg
Non-Renewable	None	Not Available	Kg
Cement	None	241	Kg
Glass	None	None	Kg
Rebars	None	None	Kg
Percentage of recycled input materials used to manufacture the organization's primary products and services	None	None	%

¹ We plan to monitor the use of both renewable and non-renewable construction material for future building projects.

Materials

Management Approach for Impacts and Risks

The main materials used for construction are cement, rebars, and glass. While these materials are detrimental in building and renovating infrastructure, they are also non-renewable and require lots of energy, waste and carbon emissions to produce. It is also recognized that such materials also require mining of raw minerals to produce, hence production also has adverse effects to the environment. Usage of these materials impacts all stakeholders in general, since such scarce resources affects pricing of other resources indirectly.

Management Approach for Impacts and Risks

To continuously improve and develop our properties to cater to more environmentally friendly practices and material-use, we work closely with our contractors to ensure that our building designs are aligned with our sustainability goals without compromising the quality and durability of our infrastructures.

Opportunities and Management Approach

The main costs of constructing properties are the materials used to build them. Reducing material use is a good way to lower cost, but to maintain the structural integrity of our buildings, we continue to analyze material efficiency and better our design and construction systems through improved use of environmentally friendly and recycled materials.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

This is considered not material for our company since we do not have operations within or adjacent to biodiversity-rich areas.

Environmental impact management

Air Emissions

GHG

Disclosure	2021	2022	Units
Direct (Scope 1) GHG Emissions ¹	53.45 ²	222.42	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	16.819	69,072.7	Tonnes CO2e
(only required if 80% emission) Indirect Emissions (Scope 3) ³	None	N/A	Tonnes CO2e
Emissions of ozone-depleting substances (ODS) R-22 (has ODP of 0.05) ⁴	None	N/A	Kg

¹ Scope 1 includes emissions from diesel consumption in operations of office buildings.

² We have updated Scope 1 greenhouse gas (GHG) emissions for 2021 to reflect changes in diesel consumption calculations. Specifically, the update is based on the new calculation methodology – 0.002141 tons of CO2 equivalent per liter of diesel consumption. The revised emissions figures for 2021 are 53.45 tons of CO2-equivalent, 11% decrease on previous figure. This update reflects the RCR's ongoing efforts to improve its GHG accounting and reduce its carbon footprint.

^{3,4} We have yet to set up the system to collect data from the properties.

Greenhouse Gas (GHG) Emissions

Impacts and Risks: Where it occurs, RCR's involvement, stakeholders affected

Most of our emissions come from electricity consumption. The impact of this activity occurs at the power generation facilities. See discussion on impacts for energy, above. For scope 3, while these emissions are owned by our suppliers, they occur in our owned and controlled facilities. Since GHG emissions have global warming and climate change impacts, all stakeholders are generally affected, primarily those that are most vulnerable to climate change.

Management Approach for Impacts and Risks
<p>Since our biggest emissions are coming from the electricity that we purchase from our suppliers, our options for emission reduction are limited to choosing where to buy power while ensuring our efficiency is continually improved.</p> <p>Significant emissions also occur in our facilities during construction. We continue to collect consumption data from our suppliers to map the strategies that we can implement in partnership with them to reduce our overall emissions.</p>

Opportunities and Management Approach
<p>We see opportunities for reducing carbon emissions through purchase of cleaner energy from Retail Electricity Suppliers that can provide RE at a competitive price. This has the potential to significantly reduce our Scope 2 emissions. Moving forward, we will explore this option and find financially viable models for this mitigation strategy.</p>

Air pollutants¹

Disclosure	2021	2022	Units
NOx	None	None	kg
SOx	None	None	kg
COx	None	None	kg
Particulate matter (PM)	None	None	kg

¹ We will set up the right data management system and will report our consolidated results by next year.

Air Pollutants

Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected
<p>During operations, the major source of air pollutants is from our properties that have stand-by generators. Since they are stand-by power only, their use is limited only in times of power interruption, which has become very rare in recent years. Unlike bunker C fuel, the generator sets are fueled by diesel oil, which could easily be burnt without the release of soot. Importantly, the air to fuel ratio is optimized during the operation of the generating power units. The impact of operating the generator sets on air quality is expected to be tolerable and will not cause a significant adverse impact to the environment or people.</p>

Management Approach for Impacts and Risks
<p>We ensure that we comply with clean air standards of the Department of Environment and Natural Resources (DENR). Our gensets are being tested and maintained regularly by third-party consultants to ensure that they remain within DENR standards.</p>

Opportunities and Management Approach
<p>We see opportunities for reducing our Air Pollutants. We make sure that mitigating measures are properly implemented in all the APCS (Air Pollution Control Systems),</p>

installing and properly regular monitoring and maintenance of the generator sets and the air pollution control facilities, such as, mufflers exhausts, and air conditioning systems filters.

Solid and Hazardous Waste

Solid Waste

Disclosure	2021	2022	Unit
Total solid waste generated	127,498.36	596,219.17	kg
Reusable	None	None	kg
Recyclable	39,133.16	43,873.23	kg
Composted	11,361.24	11,929.68	kg
Incinerated	None	None	kg
Residuals/Landfilled	77,003.96	540,416.26	kg

Hazardous Waste

Disclosure	2021	2022	Units
Total weight of hazardous waste generated ¹	703.38	1,186.00	kg
Total weight of hazardous waste transported	None	None	kg

¹For hazardous wastes, we engage with DENR accredited transporter and treater. We allocate a separate space to store these wastes in our facilities before they are collected.

Solid and Hazardous Wastes

Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected

Waste generated from our facilities is collected by our accredited waste haulers and disposed of properly in the landfills closest to our locations. We recognize gaps in this system because we are unable to fully monitor how much of the waste is being collected from our facilities and is being recycled versus how much ends up in landfills. Landfills may be ineffective in storing waste; hence it could potentially contribute to marine litter. This could affect us and our stakeholders, including government, communities, waste pickers, and the environment. Biodegradable waste in landfills is also a major source of GHG emissions.

Management Approach for Impacts and Risks

We assess the capability of our waste haulers to manage our waste, including making sure that they dispose of our waste in a legally operated landfill that meets the standards of DENR. In our properties, we allocate space for our materials recovery facility (MRF). We designate key people to effectively manage and operate the MRFs according to DENR standards.

We provide training for our housekeeping staff who handle the waste to ensure waste is properly managed, and hauling is done regularly.

Opportunities and Management Approach

With increasing awareness of the issue of marine litter, we see an opportunity to be part of the solution and position our properties to have the best waste management system

in the country. We are currently improving our waste management system by working with our merchants to replace non-recyclables with recyclables to reduce total residual waste that is more difficult to manage. We are also working with recyclers to link them with our waste collectors to ensure the recyclable waste we generate is recycled. We are also exploring ways to process our biodegradable waste into compost or energy to reduce the total waste sent to landfills. We are piloting a system in one of our office buildings and if proven to be successful, it will be scaled up to all our properties. Moving forward, this will give us an opportunity to collaborate with our stakeholders. We will innovate on waste flows by providing training and learning opportunities to both our employees and customers.

Effluents

Effluents are relevant in all our properties. By design all our commercial, office, and hotels have been fitted with wastewater treatment facilities to meet with the regulatory requirements of DENR.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	2021	2022	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	None	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	None	#
No. of cases resolved through dispute resolution mechanism	None	None	#

Environmental Compliance

Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected

The activities that we do in our value chain such as in construction involve movement of soil, materials, and potential disruption of the environment. Operating large properties like office buildings and malls also consume significant quantities of resources and produce large volumes of waste. Hence, the risk of non-compliance with environmental laws exists across our value chain.

Impacts of non-compliance with environmental laws and regulations could grossly impact our operations, costs, and reputation. Non-compliance could affect a lot of stakeholders from our own employees to those in the surrounding communities, including the environment itself.

Management Approach for Impacts and Risks

Compliance with environmental laws is fundamental to our operations. We have a designated unit that ensures all aspects of our operations are compliant with relevant

laws. We ensure our sewage treatment facilities are fully operational to ensure our effluents meet the Clean Water Act.

Opportunities and Management Approach

We plan to step up our internal capability building and improve our systems so that all activities that we will do will remain compliant with government regulations. We will invest in training and monitoring activities to correct any non-compliance issues in our operations internally to reduce findings from audits of government and third-party consultants.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	2022	Units
Total number of employees ¹	-	#
a. Number of female employees	-	#
b. Number of male employees	-	#
Attrition rate ¹	N/A	rate
Ratio of lowest paid employee against minimum wage	N/A	ratio

¹No employees hired under RCR in 2022 since all personnel involved in the administration and operations are seconded from RLC, RLFM & RLPM. Their contracts are with RLC, RLPM & RLFM hence they are accounted for in their headcount.

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	N/A	N/A
PhilHealth	Y	N/A	N/A
Pag-ibig	Y	N/A	N/A
Parental leaves	Y	N/A	N/A
Vacation leaves	Y	N/A	N/A
Sick leaves	Y	N/A	N/A
Medical benefits (aside from PhilHealth)	Y	N/A	N/A
Housing assistance (aside from Pag-ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	N	N/A	N/A
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A

Telecommuting	N	N/A	N/A
Flexible-working Hours	N	N/A	N/A
Rice Subsidy	Y	N/A	N/A

Diversity and Equal Opportunity

Disclosure	2022	Units
% of female workers in the workforce	N/A	%
% of male workers in the workforce	N/A	%
Number of employees from indigenous communities and/or vulnerable sector ¹	N/A	#

¹ Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Employee Hiring and Benefits, Diversity and Equal Opportunity

Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected

Our policy and practice in hiring determines our ability to foster equal distribution of opportunities across diverse sets of peoples. For example, setting a policy on gender equality or hiring people coming from vulnerable groups will determine how much opportunity we are able to distribute to the male and female population or vulnerable groups given their nuanced needs and circumstances. Hence, we take our hiring policy seriously to provide everyone with a level plane field to access the employment opportunities that we create through our business.

The benefits we provide our employees deliver a lasting effect on our employees’ quality of life. For example, providing health care coverage to our employees determines their resilience to medical emergencies, which is key to maintaining quality of life. Employees who enjoy a good quality of life will tend to be more engaged and productive in the workplace, which impacts our business positively.

Management Approach for Impacts and Risks

Management Approach for Impacts and Risks

Hiring, Benefits, Diversity and Equal Opportunity. RCR will hire based on capability and alignment with the requirements of the job. In our hiring process, we do not discriminate against any person in terms of gender, ethnicity, age, and other circumstances. We apply an anticipatory hiring strategy looking at our needs in the next 3-5 years based on our long-term business strategy. We have an intake program to hire early on and better prepare our new hires even before the actual needs arises.

Benefits. We benchmark our benefit structure with the industry standards and adjust accordingly to stay within the industry average. On top of government-mandated benefits, we provide other benefits as part of our engagement initiatives such as

healthcare coverage (HMOs), life insurance, medical allowance, rice subsidy, bereavement assistance, discounts to our products, and access to affordable emergency loans.

Opportunities and Management Approach

Attrition. RCR will manage its attrition rate through training and development, mentorship and guidance by supervisors, discussion with employees and managers on employee’s career growth, as well as review of our benefits and total rewards policy if needed.

Benefits. RCR will assess the benefit availed rates of our employees across our different benefit types to determine the overall effectiveness of our benefit structure.

Employee Training and Development

Disclosure	(2022)	Units
Total training hours provided to employees		
a. Female employees	N/A	hours
b. Male employees	N/A	hours
Average training hours provided to employees ¹		
a. Female employees	N/A	hours/employee
b. Male employees	N/A	hours/employee

Employee Training and Development

Impacts and Risks: Where it occurs, RCR's involvement, stakeholders affected

The level of training hours is an important driver of employee growth and development. RCR believes that employee trainings impact the overall growth of the employees as professionals. Highly trained and highly engaged employees are more productive, which also benefits the company.

Management Approach for Impacts and Risks

RCR will adopt a centralized learning framework that is anchored on the Core Values of the organization. RCR follows curriculum consistent with the standards which are categorized into internal learning courses as follows:

1. **Core Development Programs** - enhances the soft skills of employees. This includes programs on customer service, communication, and professional image.
2. **Management Development Programs** aim to provide a strong leadership and coaching culture in the organization, hence programs aimed to develop these competencies fall under this.
3. **Executive Development Programs** target high potential and high performing leaders. This covers programs on problem solving, negotiation, finance, and strategic communication.
4. **Functional Training Programs.** There are Functional Training Programs that are customized per department that address the gaps of different functions. These programs include development plans for Engineering, Leasing, Marketing, Construction Management, and Operations. There is a continuous development of in-house SMEs (subject matter experts) who continue to impart learning on the job to their colleagues via share and learn sessions that allows for sharing of best practices while learning new technology and trends at the same time.

RCR will promote the development of employees by providing relevant and timely training programs anchored on the training needs of the company and the employees.

Opportunities and Management Approach

RCR will anticipate new skills and capability needed by our employees to help us prepare for the future in terms of new technologies and industry practices in real estate. For example, we are continually on the look-out for new and better technologies and practice in managing office buildings. Being continually informed on new industry developments enables us to take leadership in the market.

Labor-Management Relations

Disclosure	2022	Units
% of employees covered with Collective Bargaining Agreements ¹	N/A	%

Number of consultations conducted with employees concerning employee-related policies ¹	N/A	#
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Labor – Management Relations

Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected
<p>At RCR, we believe that good labor-management relations create a healthy workplace. It enables employees to raise their concerns to the management. It helps the management find ways to refine its policies and systems that improve workplace conditions in both construction and in operations. Good workplace conditions help reduce health and safety risks and provide social safety nets for our employees in times of crisis.</p> <p>Poor Labor-Management relations grossly affect performance and inherently has high reputational risk.</p>

Management Approach for Impacts and Risks
<p>RCR will ensure the observance, strict implementation and compliance with employment and labor laws and policies with regards to recruitment, employment, retention and benefits of the employees.</p> <p>RCR is committed to providing a decent workplace for our employees and provide their needs to be effective in their work. We will practice an open-door policy. Employees may directly communicate with their immediate superior or with the HR department. We will also listen to our employees through employee engagement surveys and other ad-hoc surveys that are conducted by our HR. We will also provide informal avenues for employees to raise their concerns to the management, such lunch meetings and get together activities.</p> <p>RCR will ensure the observance, strict implementation and compliance with employment and labor laws and policies with regards to recruitment, employment, retention and benefits of the employees. The minimum notice period regarding operational changes ranges from three to six months, dependent on the proponent of change.</p>

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2022	Units
Safe Man-Hours	N/A	Man-hours
No. of work-related injuries	N/A	#
No. of work-related fatalities	N/A	#
No. of work-related ill-health	N/A	#

No. of safety drills	N/A	#
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Labor Laws and Human Rights

Disclosure	2022	Units
No. of legal actions or employee grievances involving forced or child labor	N/A	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

We do not have explicit written corporate policies relating to these topics since these are expressly defined in our Philippine labor laws, which we ensure compliance in all our operations.

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Indicated in the Employee Discipline Policies and Guidelines; "Notwithstanding the express enumeration of acts, omission or incidents in the Offenses Subject to Disciplinary Action (OSDA), the pertinent provisions of the Labor Law and allied laws, rules, and regulations are deemed incorporated in the OSDA. For acts or omission not specifically treated in the OSDA, the pertinent provision of law shall apply"
Child labor	Y	
Human Rights	Y	Indicated in OSDA; (1) Sections 3- Acts or Omissions Concerning Relationships with Superior, Attendance to and Performance of Assigned Duties, (2) Section 4- Acts or Omissions Concerning Harmony and Good Order, Safety and Decency at Work <ul style="list-style-type: none"> • Policy on Sexual Harassment • Policy on Health, Safety and Welfare • Corporate Environment, Health and Safety Policy • Drug Free Workplace Policy • Workplace Policy on Prevention Control of HIV and AIDS, Hepatitis B and Tuberculosis • Special Benefits for Women/Magna Carta for Women

		<ul style="list-style-type: none"> • Leave Benefits Policy (includes Expanded Maternity Leave, Solo Parent Leave, Vacation Leave, Sick Leave, Service Incentive Leave, Nuptial Leave, Emergency Leave, Bereavement Leave) • Whistleblowing Policy • Data Privacy Policy • Flexible Work Arrangement Policy • Work From Home Program • Mental Health and Wellness Policy • Environmental Health and Safety Policy • Retirement and Separation Benefits Policy
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Workplace Conditions, Labor Standards, and Human Rights

<p>Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected</p>
<p>Compliance to labor laws and human rights standards, as well as safe operation and accident prevention are fundamentals to running a good business.</p> <p>Threats to the rights, health, and safety of our employees impact our productivity, employee retention, and employee engagement. More importantly, it impacts the wellbeing and quality of life of our employees. Risks to health and safety are greater in construction sites than in operations.</p>

<p>Management Approach for Impacts and Risks</p>
<p>OSH management system is primarily designed to protect the health and safety of individual workers or members of the company. OSH Trainings is regularly conducted for the Lead Persons – Engineers, Security, Operations personnel of RCR properties.</p> <p>Health and safety risks are regularly assessed to identify ways to eliminate or minimize incidence. RCR implements standards for safe working practices and ensure they are practiced by all our seconded employees, especially those involved in construction and operations. In-house auditing and inspections are being conducted by facility's/property engineers and operation's personnel. Documentations are done by engineering and security and validated by a JG Summit Engineering group.</p> <p>To ensure protection of the seconded employees from the exposure to COVID virus during the pandemic, RCR ensures that new normal protocols are still followed in its workplace, such as the mandatory submission of health declaration, physical distancing in the workplace, work-from-home arrangements, shifting schedules, restrictions on physical meetings & gatherings and strict implementation of sanitation protocols. A healthcare team was established to check and assess the conditions of</p>

the employees when they have exposure to or display symptoms of COVID.

RCR-seconded companies regularly submit safety records to the Department of Labor and Employment (DOLE) to comply with their safety, health, and welfare standards and policies.

Beyond safety, we will ensure all our operations comply with labor laws, including those relevant to forced labor, child labor, and human rights. We conduct periodic internal audits to monitor these risks in all our operations. The findings are discussed in the top management.

Opportunities and Management Approach

We continue to work with our contractors to build a culture of safety in all our construction and operations. More frequent and deliberate activities will be done to educate and remind our employees about safety standards and protocols to strengthen our safety culture and make safety a second nature to our employees not just in the workplace but even in their homes.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Yes. Pertinent portion is re-stated in column no. 3 below.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	<p>As stipulated in Supplier Accreditation Policy,..."All interested suppliers shall submit the accomplished Supplier Accreditation Application Form (SAAF) together with the required accreditation documents."</p> <p><i>--required documents include all pertinent government permits per supplier type e.g. Mayor's Permit, Environmental Permits, Philhealth, SSS, Pag-Ibig etc</i></p>
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	<p>As stipulated in Supplier Accreditation Policy, one of the Grounds for Suspension and Debarment is: "...Without the written consent of the company, directly or indirectly offers or gives any benefit or compensation in cash or otherwise, to a company employee because of the employee's association, engagement or duties with the company."</p>

Supply Chain Management

Impacts and Risks: Where it occurs, RCR's involvement, stakeholders affected

About 18% of our revenue flows to our suppliers. Most of the activities we do in the value chain are carried out by suppliers from construction to property management. Hence the impact of our suppliers to environments, society, and economy (ESE) is a significant portion of our impact. Our supplier's success in delivering their output determines our own success. Their impacts to ESE affect essentially all our stakeholders.

Management Approach for Impacts and Risks

Our current supplier accreditation policy ensures that all our suppliers meet the minimum standards to deliver quality output for us. Through our accreditation process, we assess their capability and compliance with all relevant laws and regulations.

Our supplier accreditation process are as follows:

1. **Application** - All suppliers intending to do business with any BU must apply for accreditation through the submission of an accomplished Supplier Accreditation Application (SAA) together with the required documents. SAA contains the basic information about the supplier's company, organization, products or services offered and other relevant information necessary to evaluate the supplier's overall competencies.
2. **Appraisal** – RCR shall appraise all suppliers applying for accreditation using a rating system for both the company and the product or service. The Rating System for each accreditation criteria may vary by commodity group. The supplier must meet at least 75% to be recommended for accreditation approval.
3. **Accreditation Approval** – Approval will be done by the RLC – RCR Supplier Accreditation Team.

On top of the accreditation process, the following processes are being done to assess the performance of suppliers.

1. **Maintenance** – All accredited suppliers shall be included and maintained in the supplier information database.
2. **Review and Evaluation** – on a periodic basis, a complete reassessment of the supplier performance like the initial accreditation process will be conducted based on key performance metrics.

Any supplier that fails to comply with minimum standards goes through the following recourse: 1) Suspension, 2) Debarment, 3) Appeal Process, and 4) Reinstatement if the supplier is able comply with our minimum standards.

Opportunities and Management Approach

We are reviewing our supplier accreditation policy to include relevant to environment,

social, and economic criteria to ensure that our sustainability standards and practices is also applied to the supplier.

Relationship with Community

Significant Impacts on Local Communities

1. Project Food for Thought A 10-Month Feeding Program

RCR Pasig spearheaded the "Food for Thought" feeding program which provided healthy meals to 138 chosen students of the Ilugin Elementary School, Pasig in order to full the nutrition gap and provide "brainpower" that aimed to improve student attendance and participation of the students in school. The program ran for One (1) School Year from November 2022 to June 2023 (34 weeks).

To ensure hygiene in food distribution, RCR donated 138 sets of food keepers and utensils for the students.

2. Brigada Pagbasa

RCR Pasig launched Brigada Pagbasa at the Barangka Ilaya Integrated School, Mandaluyong City in light of DepEd's Brigada Eskwela nationwide program. English and Math Learning kits were donated to 120 slow-reading and non-reading students of the school from Kinder to Grade 3 levels to address literacy and numeracy gaps. The kits were also used in a one-day Story-telling activity led by employee volunteers of RCR Pasig.

3. Health & Safety Protocols

To ensure health & safety of all RCR buildings' tenants, employees and visitors, RCR developed its "Comprehensive COVID-19 Guidelines" that aim to provide standards of health & safety to the tenants in line with COVID-19 prevention.

4. Bicycle Racks Installations

In RCR's pursuit to promote active lifestyle & wellness and reduction of carbon emissions, we've installed Bicycle Racks in Cybergate Towers 1, 2, and 3, Cybergate Plaza, and Cyber Omega.

5. Juan Goal for Plastic (in cooperation with Universal Robina Corporation)

In the pursuit of achieving Carbon Neutrality, RCR Offices joined Universal Robina Corporation's (URC) "Juan Goal for Plastic" campaign by setting up Plastic Collection Booths in various Office Buildings such as Robinsons Cyberscape Alpha, Beta (Oct 21 and 27, 2022), Cyberscape Beta and Gamma (Nov 4, 2022) and Cyberscape Omega (Nov 10, 2022). The booths allowed tenants and occupants to participate in the plastic waste drive in exchange for URC products.

6. LEED Certification

RCR is a leading proponent of green office buildings that are certified by the US Green Building Council for LEED or Leadership in Energy and Environmental Design. Our office portfolio incorporates environment-friendly and energy efficient features, such as double-glazed glass façades and LED lights that reduce power consumption. And as a matter of policy, all new Metro Manila buildings in our pipeline will be LEED (Leadership in Energy and Environmental Design) or BERDE (Building for Ecologically Responsive Design Excellence) or EDGE (Excellence in Design for Greater Efficiency) Certified.

As of 2022, RCR has already acquired 2 LEED Certification, namely for (1) Robinsons Tera, for LEED Gold Certification and (2) Robinsons Exxa & Zeta Towers for LEED Silver Certification. RCR is a leading proponent of green office buildings, incorporating environment friendly and energy efficient features, that are certified by the US Green Building Council for LEED or Leadership in Energy and Environmental Design.

RCR also acquired EDGE Certification for Robinsons Cyberscape Beta, on the other hand, have EDGE Certifications.

Disclosure on Free and Prior Informed Consent (FPIC) is not material given that there are no operations that is within or adjacent to ancestral domains of indigenous peoples.

Relationship with Communities

Impacts and Risks: Where it occurs, RCR’s involvement, stakeholders affected

Community could get impacted positively or negatively ranging from physical risks to social and economic risks. For example, displacement can be both physical displacement or economic displacement due to our presence.

Negative impacts in the community could have significant impact to our reputation and social license to operate. Conversely, delivering positive benefits to the community enable us to build stronger partnerships such as in local sourcing of goods and talents.

Management Approach for Impacts and Risks

Our social/community impact assessment and risk management process is a mandatory process that guides sustainability-related risk management and integrates a risk register into operating plans. As part of that process, exploration, production and major projects are examined against the physical, social and political settings of our operations. Local concerns may influence the potential importance of these stakeholders and environmental matters including long-term risks and cumulative impacts. Risks are identified and described by a diverse group of subject matter experts in each business unit (BU) and project.

To help RCR in Community Assessment and affairs a System Management Approach is developed:

- 1. Impact and Risk Assessment-** Assessment is basically the identification of potential and likely risks within a particular community, and the process of

prioritizing those risks. The community risk assessment process can be as complex and detailed as local resources permit. Or, using basic skills and resources available to most organizations, can be a more simplified process that will produce basic information that can be used effectively for intervention/enhancement projects.

2. **Mapping Stakeholders and Prioritizing Risks-** Identifying the people related to the project, those who will be affected by the development and those than can influence, and to help develop strategies to engage these people in the right way. In most contexts community development projects will have a wide variety of actors. Also, during this process, a risk register is developed looking at the long term and short term, and also looking at the probability and severity.
3. **Addressing the Risk-** A structured and coherent approach to managing the identified and ranked risk.
4. **Engage Stakeholders-** Communicate and collaborate on strategies and action plans in addressing risks and impacts.
5. **Measure and Monitor-** Tracking and assess actions to ensure ongoing adequacy and effectiveness of the management system.

Over-all, incorporating community affairs strategy into business brings transformative power through business excellence. Our philosophy is based on the idea that corporate success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources and adept government, to prosper and compete effectively. Also, for society to thrive, profitable and competitive business must be developed and supported to create income, wealth, tax revenues and opportunities for engaged social development.

Opportunities and Management Approach

RCR uses the Community Assessment tool during the different phases of development; from Business development, construction and operations of projects and properties. Done properly, commercial development can improve a local community in more ways than one, by adjusting, innovating and continuously improving systems, services and products being put-out by the company.

Accordingly, since engagement and transparent reporting and disclosure of how we minimize and mitigate risks associated with construction and operations is a top business priority and key concern of our stakeholders; periodic communication and reporting is to be enhanced.

Customer Management

Customer Satisfaction

Disclosure	2022	Did a third-party conduct the customer satisfaction study
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		(Y/N)?
Customer satisfaction Score	84%	N

Health and Safety

Disclosure	2022	Units
No. of substantiated complaints on product or service health and safety	0	#
No. of complaints addressed	0	#

Marketing and labelling

This topic is not material to our company, since we do not sell fast-moving consumer products.

Customer Privacy

Disclosure	2022	Units
No. of substantiated complaints on customer privacy ¹	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

¹Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Data Security

Disclosure	2022	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

Customer Management - Health and Safety, Customer Privacy and Data Security

Impacts and Risks: Where it occurs, RCR's involvement, stakeholders affected

Customer management is fundamental to corporate success and sustainability. Our ability to keep our customers satisfied is at the core of our performance as a corporation. Ensuring their health and safety in the use of our products, and protecting their information are ways to deliver customer satisfaction.

Our inability to meet their expectation poses a significant risk to our viability in both the short-and-long term horizons.

Management Approach for Impacts and Risks

Customer Satisfaction. We conduct periodic market research to gauge customer

expectations and build the right products and services to meet their expectations, needs, and capabilities. Our customer satisfaction surveys tell us whether the products and services as designed have indeed met their requirements. We continually iterate and improve our performance through these processes.

Health and Safety. We ensure that our properties do not pose any risk to the health and safety of our employees. This is assured from the design process to construction as well as operations that it meets the highest building standards that ensures it is resilient to any structural threats. In our properties, we continue to assess risks to our customers such as slippage and fall and periodically audit to ensure compliance with our standards.

Protocols were put in place to ensure protection of the employees from exposure to COVID-19 virus. These included mandatory submission of health declaration (i.e. Fit To Work Certification), physical distancing in the workplace, work-from-home arrangements, shifting schedules, restrictions on physical meetings & gatherings and strict implementation of sanitation protocols. We established a healthcare team to check and assess the conditions of our employees when they have been exposed to or display symptoms of the virus.

Customer Privacy and Data Security. All personal information collected during customer interactions are handled in accordance with the Data Privacy Act of 2012. The contact details of our Data Protection Office are visible on our company website and various privacy notices where data privacy inquiries and complaints may be addressed. The Company & our Data Protection Officer (DPO) is registered with the National Privacy Commission (NPC), the government agency mandated to administer and implement the Data Privacy Act of 2012. Moreover, our DPO is an active member of Data Privacy Council of NPC as the Sectoral Representative for Real Estate.

To protect customer data as well as all our other confidential information, we have implemented a strong security policy, put in place advanced network security protection and monitoring process in the following aspects of our data management system:

- o Secured Email System. RLC - RCR is using advanced security protection through Microsoft Office 365 as employee's corporate email. It provides URL filtering, screening of attachments and links to be protected from spam and phishing.
- o End-point Security Protection. RLC - RCR installed CrowdStrike Endpoint Protection as the last defense layer to protect end-user's computer from malware, spam and phishing.
- o Protection of RLC - RCR's edge network. RLC - RCR used strong network firewall rules that serve as a network gateway to only allow authorized and specific ports

to pass through. It also includes URL filtering and secured VPN connections among its remote sites.

- o Disallowed the use of external storage by employees.
- o We have corporate information security team that performs Security Vulnerability Assessment and Penetration Testing (SVAPT) on regular and on-demand basis specially before we launch a new website
- o 24x7 IT Service Desk that also monitors all our network, systems and applications through our monitoring system which could detect performance degradation, capacity threshold breach and availability faults. The team is alerted and performs remediation actions following incident management process and service level targets.

Opportunities and Management Approach

Customer management is a continual improvement process. We continually assess our customer experience journey and find ways to better meet their expectations.

We maintain various communication channels and facilitate meaningful interactions with our customers and stakeholders. This allows us to better address their needs and strengthen our relationships with them, while improving our systems in the process. The information and feedback we receive are processed through the appropriate business units, ensuring these are addressed immediately and incorporated into our business strategies.

Beyond customer satisfaction, we intend to measure the real economic and social value we contribute to our customers and their stakeholders, such as how our malls are able to increase their access to market through increased foot traffic to our malls to better understand how our product enable them to grow as they locate with us. A more systematized measurement of economic and social value will enable us to better optimize our products for increased value to the customers we serve and to society in general.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Office Space	<p>We provide a suitable location where businesses can operate and grow, contributing to job creation and increased economic activity in the areas where we locate.</p> <p>To date we have 480,929 square meters of gross floor area.</p>	<p>Apart from the environmental, social, and economic impacts identified above, we see no further material negative impacts of this product to SDGs.</p>	<p>Nothing material that we could identify</p>

Annex A. Location of Operations

Office Buildings (Total of 16) Metro Manila (10)

Name	Location	Address	Size & designation
1. Robinsons-Equitable Tower	Ortigas Center, Pasig City	Corner of ADB Ave and Poveda St., Ortigas Center, Pasig City	45-storey
2. Robinsons Summit Center	Makati City	Ayala Avenue, Makati City	37-storey
3. Robinsons Cybergate Center Tower 2	Mandaluyong City	Pioneer St., Mandaluyong City	27-storey
4. Robinsons Cybergate Center Tower 3	Mandaluyong City	Pioneer St., Mandaluyong City	27-storey
5. Robinsons Cyberscape Alpha	Ortigas Center, Pasig City	Sapphire and Garnet Roads, Ortigas Center, Pasig City	26-storey
6. Robinsons Cyberscape Beta	Ortigas Center, Pasig City	Ruby and Topaz Roads, Pasig City	37-storey

7. Tera Tower	Bridgetowne West, Quezon City	Bridgetowne, E. Rodriguez (C5) Avenue, Quezon City	21-storey
8. Cyber Sigma	Fort Bonifacio, Taguig City	Lawton Avenue, McKinley West, Fort Bonifacio, Taguig City	21-storey
9. Exxa and Zeta Tower	Bridgetowne West, Quezon City	Bridgetowne, E. Rodriguez (C5) Avenue, Quezon City	21-storey
10. Robinsons Cyberscape Gamma	Ortigas Center, Pasig City	Ruby and Topaz Roads, Ortigas Center, Pasig City	37-storey

Provincial (13)

Name	Location	Address	Size & designation
1. Robinsons Cybergate Cebu	Cebu City	Don Gil Garcia St., Capitol Site, Cebu City	3-storey
2. Robinsons Galleria Cebu Office	Cebu City	Gen. Maxilom Avenue cor. Sergio Osmena, Cebu City	2-storey
3. Robinsons Luisita BTS	Luisita Tarlac	McArthur Highway Bo. Tarlac City, Tarlac	3-storey
4. Cybergate Delta Tower 1	Davao City	JP. Laurel Ave., Davao City	5-storey
5. Cybergate Naga	Naga City	Almeda Highway, cor Roxas Avenue, Naga, Camarines Sur	4-storey
6. Cybergate Bacolod 1	Bacolod City	Lacson St., Mandalagan, Bacolod City	9-storey

PART VI. EXHIBITS AND SCHEDULES

Item 17. Exhibits and Reports on SEC Form 17-C

Following is a list of corporate disclosures of RCR filed under SEC Form 17-C for the period January 1, 2022 to December 31, 2022:

Date of Disclosure	Description
Jan. 17, 2022	Reinvestment Plan Progress Report
Jan 17, 2022	Reinvestment Plan Progress Report
Jan 18, 2022	Public Ownership Report
Jan 18, 2022	<u>[Amend-1]</u> Public Ownership Report
Jan 19, 2022	List of Top 100 Stockholders (Common Shares)
Feb 2, 2022	Other SEC Forms/Reports/Requirements
Feb 2, 2022	<u>[Amend-1]</u> Other SEC Forms/Reports/Requirements
Feb 4, 2022	Declaration of Cash Dividends
Feb 7, 2022	Press Release
Feb 16, 2022	Other SEC Forms/Reports/Requirements
Feb 21, 2022	Press Release
Feb 21, 2022	Annual Report
March 9, 2022	Material Information/Transactions
March 9, 2022	Notice of Annual or Special Stockholders' Meeting
March 9, 2022	Reinvestment Plan
March 9, 2022	Press Release
March 10, 2022	<u>[Amend-1]</u> Reinvestment Plan
March 11, 2022	<u>Acquisition or Disposition of Assets</u>
March 11, 2022	<u>[Amend-1]</u> <u>Acquisition or Disposition of Assets</u>
March 16, 2022	<u>Other SEC Forms, Reports and Requirements</u>
March 16, 2022	<u>Other SEC Forms, Reports and Requirements</u>
Apr 06, 2022	Information Statement
Apr 06, 2022	<u>[Amend-1]</u> Notice of Annual or Special Stockholders' Meeting
Apr 13, 2022	Material Information/Transactions
Apr 13, 2022	Reinvestment Plan Progress Report
Apr 13, 2022	Reinvestment Plan Progress Report
Apr 18, 2022	Public Ownership Report
Apr 19, 2022	List of Top 100 Stockholders (Common Shares)


Apr 20, 2022	Information Statement
Apr 22, 2022	Acquisition or Disposition of Assets
Apr 22, 2022	Press Release
Apr 22, 2022	Material Information/Transactions
Apr 22, 2022	[Amend-1] Material Information/Transactions
Apr 26, 2022	[Amend-1] Acquisition or Disposition of Assets
May 11, 2022	Declaration of Cash Dividends
May 11, 2022	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
May 12, 2022	[Amend-1] Declaration of Cash Dividends
May 12, 2022	Results of Annual or Special Stockholders' Meeting
May 13, 2022	Results of Organizational Meeting of Board of Directors
May 16, 2022	Other SEC Forms, Reports and Requirements
May 17, 2022	Quarterly Report
May 17, 2022	[Amend-2] Acquisition or Disposition of Assets
May 18, 2022	Notice of Analysts'/Investors' Briefing
May 23, 2022	Initial Statement of Beneficial Ownership of Securities
May 31, 2022	Integrated Annual Corporate Governance Report
Jun 20, 2022	Other SEC Forms, Reports and Requirements
Jul 01, 2022	Reply to Exchange's Query
Jul 08, 2022	List of Top 100 Stockholders (Common Shares)
Jul 15, 2022	Statement of Changes in Beneficial Ownership of Securities
Jul 15, 2022	Public Ownership Report
Jul 18, 2022	[Amend-1] Statement of Changes in Beneficial Ownership of Securities
Jul 18, 2022	Reinvestment Plan Progress Report
Jul 18, 2022	Reinvestment Plan Progress Report
Aug 10, 2022	Declaration of Cash Dividends
Aug 11, 2022	Reinvestment Plan
Aug 11, 2022	Reinvestment Plan
Aug 15, 2022	Quarterly Report
Aug 15, 2022	Other SEC Forms, Reports and Requirements
Aug 18, 2022	Update on Corporate Actions/Material Transactions/Agreements
Sep 02, 2022	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
Sep 15, 2022	Reinvestment Plan Progress Report

Sep 19, 2022	Change in Number of Issued and/or Outstanding Shares
Sep 19, 2022	Public Ownership Report
Sep 19, 2022	[Amend-1] Other SEC Forms, Reports and Requirements
Sep 23, 2022	Initial Statement of Beneficial Ownership of Securities
Oct 05, 2022	Statement of Changes in Beneficial Ownership of Securities
Oct 13, 2022	Reinvestment Plan Progress Report
Oct 17, 2022	Public Ownership Report
Oct 18, 2022	List of Top 100 Stockholders (Common Shares)
Nov 09, 2022	Declaration of Cash Dividends
Nov 10, 2022	Other SEC Forms, Reports and Requirements
Nov 10, 2022	Material Information/Transactions
Nov 10, 2022	Press Release
Nov 10, 2022	Quarterly Report
Dec 19, 2022	Material Information/Transactions
Dec 20, 2022	Reinvestment Plan

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig City on APR 12 2023 2023.

By:




JERICO P. GO
President and CEO



KERWIN MAX S. TAN
Treasurer



MATIAS G. RAYMUNDO JR.
CFO and Compliance Officer

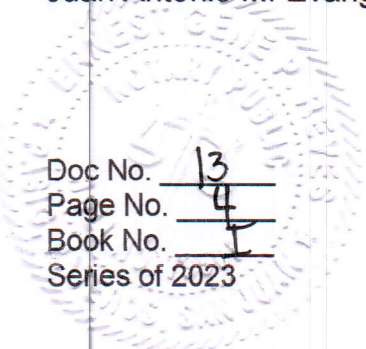



JUAN ANTONIO M. EVANGELISTA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this day of APR 12 2023, 2023 affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Jericho P. Go	P0050872B	DEC. 28, 2018	DFA MANILA
Kerwin Max S. Tan	T500LKHX96-R61063542	NOV. 11, 2022	
Matias G. Raymundo Jr.	R5C3EMOR48-R61073783	NOV. 11, 2022	
Juan Antonio M. Evangelista	K03-89-011595		

Doc No. 13
Page No. 4
Book No. I
Series of 2023




ERNEST GENE P. REYES
Appointment No. 197 (2023-2024)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2024
Attorney's Roll No. 73507
15th Floor, Robinsons Cyberscape Alpha, Sapphire and
Garnet Roads, Ortigas Center, Pasig City
PTR Receipt No. 0324772 02.06.2023; Pasig City
IBP Receipt No.309110; 02.02.2023 RSM
MCLE No.VII-0014843

RCREIT

A ROBINSONS LAND COMPANY

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

March 28, 2023

Securities and Exchange Commission

Ground Flr - North Wing, PICC Secretariat Building,
Philippine International Convention Center (PICC) Complex,
Roxas Boulevard, Pasay City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **RL Commercial REIT, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein as of December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

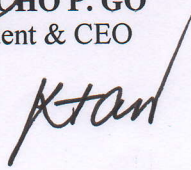
Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



FREDERICK D. GO
Chairman



JERICHO P. GO
President & CEO



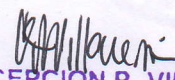
KERWIN MAX S. TAN
Treasurer

Signed this _____ day of

QUEZON CITY

MAR 31 2023

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BOOK# 65
SERIES OF 20 23


ATTY. CONCEPCION P. VILLARENA
Notary Public for Quezon City
Until December 31, 2023
PTR No. 3716371 / January 3, 2023 Q.C
IBP No. 167803 / November 25, 2021 Q.C
Roll No. 30457 / 05-09-1980
MCLE VII-0006994 / 09-21-2021
ADM. MATTER No. NP-005 (2022-2023)
TIN NO. 131-942-754

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

A	A	F	S
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Department requiring the report

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

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

0998 840 0935

No. of Stockholders

20,263

Annual Meeting (Month / Day)

04/15

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Kerwin Max S. Tan

Email Address

Kerwin.Tan@robinsonslan.ph

Telephone Number/s

(02) 8397-0268

Mobile Number

0998 840 0574

CONTACT PERSON'S ADDRESS

14th Floor Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, 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 deficiency



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
RL Commercial REIT, Inc.
25F Robinsons Cyberscape Alpha
Sapphire and Garnet Roads
Brgy. San Antonio, Pasig City

Opinion

We have audited the accompanying financial statements of RL Commercial REIT, Inc. (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of Investment Properties

The Company has investment properties consisting of office buildings that earn rental revenue. Under the implementing rules and regulations of the Real Estate Investment Trust (REIT) Act of 2009 (R.A. 9856), the Company is required to recognize its investment properties at fair market values in accordance with Philippine Accounting Standard 40, *Investment Property*. The total fair value of the Company's investment properties amounted to ₱56,701.82 million as of December 31, 2022. The Company determined the fair value of the investment properties based on the valuations carried out by an independent property valuer using the discounted cash flow model (DCF model). Under this valuation, the future cash flows are estimated and discounted using an appropriate discount rate. The valuation methodology accordingly involves significant judgment and estimation.

We identified the valuation of investment properties as a key audit matter because the carrying value of investment properties as of December 31, 2022 is significant to the financial statements representing 97% of total assets and the DCF model involves significant judgment, estimation and assumptions. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions. These assumptions primarily include discount and growth rate estimates that are critical inputs in the valuation of the investment properties. Changes in these assumptions would significantly impact the fair value of the investment properties reported in the financial statements.

The related disclosures on the fair value of investment properties are included in Note 9 to the financial statements.

Audit Response

We assessed the competence of the independent property valuer by gaining an understanding of their experience and qualifications.

We involved our internal specialists in evaluation of the methodology and assumptions used in the valuation of the investment properties. The critical assumptions primarily included the discount rates, growth rates and free cash flows. We compared the discount and the growth rates to available published reports in the real estate industry. On a sample basis, we also tested other key inputs in the valuation such as lease rate and lease term.

We also assessed the adequacy of the related disclosures on the investment properties in the financial statements.



Other Information

Management is responsible for the Other Information. Other Information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on (?) our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of RL Commercial REIT, Inc. in a separate schedule. Revenue Regulations 15-2010 require the information to be presented in the notes to the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

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. 89336-SEC (Group A)

Valid to cover audit of 2022 financial statements of SEC covered institutions

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. 9564691, January 3, 2023, Makati City

March 28, 2023



RL COMMERCIAL REIT, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 13)	₱1,014,710,209	₱1,373,255,004
Receivables (Notes 7 and 13)	726,561,465	450,046,517
Other current assets (Note 8)	139,897,264	84,306,950
Total Current Assets	1,881,168,938	1,907,608,471
Noncurrent Assets		
Investment properties (Note 9)	56,701,820,094	59,804,160,247
Other noncurrent asset (Note 8)	132,496,465	11,317,680
Total Noncurrent Assets	56,834,316,559	59,815,477,927
	₱58,715,485,497	₱61,723,086,398
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 10 and 13)	₱782,639,173	₱337,364,338
Deposits and other current liabilities (Note 11)	392,287,718	178,834,639
Total Current Liabilities	1,174,926,891	516,198,977
Noncurrent Liabilities		
Lease liability (Note 18)	257,365,719	247,640,807
Deposits and other noncurrent liabilities (Note 11)	825,271,173	925,040,450
Total Noncurrent Liabilities	1,082,636,892	1,172,681,257
Total Liabilities	2,257,563,783	1,688,880,234
Equity (Note 12)		
Capital stock	10,726,804,330	9,948,997,197
Additional paid-in capital	54,125,177,627	49,022,762,831
Retained earnings (Deficit)	(8,394,060,243)	1,062,446,136
Total Equity	56,457,921,714	60,034,206,164
	₱58,715,485,497	₱61,723,086,398

See accompanying Notes to Financial Statements.



RL COMMERCIAL REIT, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE			
Rental income (Notes 13, 14, 17 and 18)	₱4,494,005,288	₱1,731,008,218	₱–
Income from dues (Note 14)	877,656,456	328,937,576	–
Income from dues - net (Note 15)	64,323,284	22,139,614	–
	5,435,985,028	2,082,085,408	–
FAIR VALUE CHANGE IN INVESTMENT PROPERTIES			
Increase (Decrease) in fair value of investment properties (Note 9)	(9,801,940,918)	113,634,885	–
Straight-line adjustments (Note 14)	(155,916,060)	(103,965,874)	–
Lease commissions (Note 9)	(17,948,231)	(4,111,896)	–
	(9,975,805,209)	5,557,115	–
Other income (Note 16)	42,633,147	281,172	–
	(4,497,187,034)	2,087,923,695	–
COSTS AND EXPENSES			
Direct operating costs (Note 17)	686,381,076	277,486,208	–
General and administrative expenses (Note 17)	373,182,257	127,533,110	18,950
Interest expense on lease liability (Note 18)	9,724,913	3,952,208	–
	1,069,288,246	408,971,526	18,950
INCOME (LOSS) BEFORE INCOME TAX	(5,566,475,280)	1,678,952,169	(18,950)
PROVISION FOR INCOME TAX (Note 19)	(2,811,858)	–	–
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	(₱5,569,287,139)	₱1,678,952,169	(₱18,950)
Basic/Diluted Earnings (Loss) Per Share (Note 21)	(₱0.544)	₱0.404	(₱0.003)

See accompanying Notes to Financial Statements.



RL COMMERCIAL REIT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Capital Stock (Notes 12 and 24)	Additional Paid-in Capital (Notes 12 and 24)	Retained Earnings (Deficit) (Note 12 and 25)	Total
For the Year Ended December 31, 2022				
Balances at January 1, 2022	₱9,948,997,197	₱49,022,762,831	₱1,062,446,136	₱60,034,206,164
Net loss/ Total comprehensive loss	–	–	(5,569,287,139)	(5,569,287,139)
Collection of subscription receivable (Note 12)	–	–	–	–
Issuance of shares of stock (Notes 12 and 24)	777,807,133	5,110,192,867	–	5,888,000,000
Stock issuance costs (Note 12)	–	(7,778,071)	–	(7,778,071)
Cash dividends (Note 12)	–	–	(3,887,219,240)	(3,887,219,240)
Balances at December 31, 2022	₱10,726,804,330	₱54,125,177,627	(₱8,394,060,243)	₱56,457,921,714
For the Year Ended December 31, 2021				
Balances at January 1, 2021	₱6,250,000	₱–	₱331,793	₱6,581,793
Net income/ Total comprehensive income	–	–	1,678,952,169	1,678,952,169
Collection of subscription receivable (Note 12)	18,750,000	–	–	18,750,000
Issuance of shares of stock (Notes 12 and 24)	9,923,997,197	49,122,002,803	–	59,046,000,000
Stock issuance costs (Note 12)	–	(99,239,972)	–	(99,239,972)
Cash dividends (Note 12)	–	–	(616,837,826)	(616,837,826)
Balances at December 31, 2021	₱9,948,997,197	₱49,022,762,831	₱1,062,446,136	₱60,034,206,164
For the Year Ended December 31, 2020				
Balances at January 1, 2020	₱6,250,000	₱–	₱350,743	₱6,600,743
Net loss / Total comprehensive loss	–	–	(18,950)	(18,950)
Balances at December 31, 2020	₱6,250,000	₱–	₱331,793	₱6,581,793

See accompanying Notes to Financial Statements.



RL COMMERCIAL REIT, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021 (As restated, Note 24)	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	(₱5,566,475,281)	₱1,678,952,169	(₱18,950)
Adjustments for:			
Fair value change in investment properties (Note 9)	9,975,805,209	(5,557,115)	–
Depreciation (Notes 9 and 17)	29,351,882	12,142,834	–
Interest expense (Notes 17 and 18)	9,724,913	3,952,207	–
Interest income (Note 6)	(14,059,314)	–	–
Operating income before working capital changes	4,434,347,409	1,689,490,095	(18,950)
Changes in operating assets and liabilities:			
Increase in:			
Receivables	(432,431,008)	(547,430,598)	–
Other current assets	(55,629,417)	(84,306,950)	–
Increase (decrease) in:			
Accounts and other payables	640,774,683	260,594,832	(35,983)
Deposits and other liabilities	(99,764,277)	1,176,532,700	–
Cash generated from (used in) operations	4,487,297,390	2,494,880,079	(54,933)
Interest received	14,059,314	–	–
Income tax paid	(2,811,858)	–	–
Net cash flows provided by (used in) operating activities	4,498,544,846	2,494,880,079	(54,933)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to investment properties (Note 9)	(840,913,545)	(110,562,359)	–
Increase in other noncurrent assets	(121,178,785)	(313,734,918)	–
Net cash flows used in investing activities	(962,092,330)	(424,297,277)	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends (Note 12)	(3,887,219,240)	(616,837,826)	–
Payment of stock issuance costs (Note 12)	(7,778,071)	(99,239,972)	–
Collection of subscription receivable (Note 12)	–	18,750,000	54,933
Net cash flows provided by (used in) financing activities	(3,894,997,311)	(697,327,798)	54,933
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(358,544,795)	1,373,255,004	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,373,255,004	–	–
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	₱1,014,710,209	₱1,373,255,004	₱–

See accompanying Notes to Financial Statements.



RL COMMERCIAL REIT, INC.
(Formerly Robinsons Realty and Management Corporation)
NOTES TO 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 wholly owned 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) (see Note 24) 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, Robinsons Cybergate Cebu, Robinsons Galleria Cebu, Robinsons Place Luisita 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) and RL Property Management, Inc. (RPMI) 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.

On March 8, 2022, the Company entered into a Deed of Sale with RLC for the acquisition of Robinsons Cybergate Bacolod for Seven Hundred Thirty-Four Million Pesos (₱734,000,000), exclusive of value-added tax. Robinsons Cybergate Bacolod is the 15th asset acquired by RCR. It is located in Bacolod City, Negros Occidental with gross leasable area of 10,367 sqm.

On April 20, 2022, RCR entered into a Deed of Assignment with RLC for the acquisition of Robinsons Cyberscape Gamma for Five Billion Eight Hundred Eighty-Eight Million Pesos (₱5,888,000,000), exclusive of value-added tax. Robinsons Cyberscape Gamma is the 16th asset acquired by RCR. It is located in Pasig City, Metro Manila with gross leasable area of 44,797 sqm.

On August 15, 2022, Securities and Exchange Commission (SEC) has issued its approval of the valuation of Gamma in the amount of Five Billion Eight Hundred Eighty-Eight Million Pesos (₱5,888,000,000) 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 with additional paid-in capital of Five Billion One Hundred Ten Million One Hundred Ninety Two Thousand Eight Hundred Sixty Seven Pesos (₱5,110,192,867).

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 December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021 and 2020 were authorized for issue by the BOD on March 28, 2023.



2. Basis of Preparation

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.

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 the following new standards effective in 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.

- Amendments to PAS 16, *Property, 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 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.

- *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 in the parent’s consolidated financial statements, based on the parent’s date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

- 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.

- 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.

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2023

- 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.

- 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.

- 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.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- 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, 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.



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 and Sustainability 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 (see Note 14).

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 and cash equivalents

Cash includes cash in bank. Cash in bank is stated at face amount and earns interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

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 December 31, 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 is 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 (Loss) 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. Financial information on business segment is presented in Note 22 to the financial statements.

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

For the benefit of the lessee, 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, for the benefit of the lessee, 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, for the benefit of the lessee, 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, for the benefit of the lessee, on how to price the CUSA and air-conditioning charges.



For the provision of CUSA and air conditioning of the Condominium Units, the Company, for the benefit of the lessee, 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 ₱257.37 million and ₱247.64 million as of December 31, 2022 and 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 receivables amounted to ₱726.56 million and ₱450.05 million as of December 31, 2022 and 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 December 31, 2022 and 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 ₱59,701.82 million and ₱59,804.16 million as of December 31, 2022 and 2021, respectively. Fair value change recognized in 2022 amounted to ₱9,801.94 million (₱113.63 million in 2021) (see Note 9).



6. Cash and cash equivalents

This account consists of:

	2022	2021
Cash in bank and on hand	₱414,710,209	₱1,373,255,004
Short-term investments	600,000,000	–
	₱1,014,710,209	₱1,373,255,004

Cash in bank earns interest at the prevailing bank deposit rates.

Cash in banks earns interest at the prevailing bank deposit rates. Short-term investments are made for varying periods of up to three months depending on the immediate cash requirements of the company, and earns interest at the prevailing short-term investment rates ranging from 0.57% to 5.50% for the year ended December 31, 2022.

Interest earned from cash in bank and short-term investments for the year ended December 31, 2022 amounted to ₱14.06 million (nil for the year ended December 31, 2021).

There is no restriction on the Company's cash as of December 31, 2022 and 2021.

7. Receivables

This account consists of:

	2022	2021
Trade receivables (Notes 13 and 14)	₱420,641,226	₱348,517,131
Receivable from a related party (Note 13)	298,181,740	101,459,386
Others	7,738,499	70,000
	₱726,561,465	₱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 and insurance services.

Others pertain to noninterest bearing employee advances that are settled through payroll deduction or expense liquidation.

No provision for ECL was recognized in 2022, 2021 and 2020.

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ('Bayanihan 1 Act') was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ period without incurring interest on interest, penalties, fees and other



charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ('Bayanihan 2 Act'), was enacted. Under Bayanihan 2 Act, a one-time 60-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2021, the Company, provided reliefs under Bayanihan 1 Act and Bayanihan 2 Act, which offered financial reliefs to retail tenants as a response to the effects of the COVID-19 pandemic. These relief measures included the restructuring of existing receivables, including extension of payment terms.

Based on the Company's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore did not result in the derecognition of the affected financial assets.

8. Other Assets

Other Current Assets

This account consists of:

	2022	2021
Prepaid taxes	₱88,441,545	₱79,988,044
Creditable withholding taxes	51,455,719	4,318,906
	₱139,897,264	₱84,306,950

Prepaid taxes pertain to 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

Other noncurrent asset amounting to ₱132.50 million and ₱11.32 million as of December 31, 2022 and 2021, respectively, includes security deposits to Robinsons Land Corporation (RLC) in relation to lease agreements for the land on which the Company properties are situated, and to the 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:

	2022		
	Building and Building Improvements	Right-of-Use Assets (Note 18)	Total
Cost			
Balance at beginning of year	₱59,270,197,244	₱546,105,837	₱59,816,303,081
Additions	6,728,952,646	–	6,728,952,646
Fair value change	(9,801,940,918)	–	(9,801,940,918)
Balance at end of year	56,197,208,972	546,105,837	56,743,314,809
Accumulated Depreciation			
Balance at beginning of year	–	12,142,833	12,142,833
Depreciation (Note 17)	–	29,351,882	29,351,882
Balance at end of year	–	41,494,715	41,494,715
Net Book Value	₱56,197,208,972	₱504,611,122	₱56,701,820,094
2021			
	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	–	–	–
Depreciation (Note 17)	–	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 for shares (see Note 24).

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.

On April 20, 2022, RCR entered into a Deed of Assignment with RLC for the acquisition of Robinsons Cyberscape Gamma valued at ₱5,888.00 million in exchange for shares (see Note 24).

Additions include initial direct costs pertaining to transfer taxes and maintenance capital expenditures amounting to ₱106.95 million and ₱110.56 million in December 31, 2022 and 2021, respectively.



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 December 31, 2022 and 2021 amounted to ₱56,701.82 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.

The following table provides the fair value hierarchy of the Company's investment properties as of December 31, 2022 and 2021:

Date of valuation	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment properties December 31, 2022	₱56,701,820,094	₱-	₱-	₱56,701,820,094

Date of valuation	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment properties December 31, 2021	₱59,804,160,247	₱-	₱-	₱59,804,160,247

The fair values of the investment properties were measured through income approach using the discounted cash flow analysis. This approach converts anticipated future gains to present worth by projecting reasonable income and expenses for the subject properties.

The fair values of the investment properties are sensitive to unobservable inputs such as rental income growth rate and discount rate.

Rental income derived from investment properties amounted to ₱4,494.01 million for the year ended December 31, 2022 and ₱1,731.01 million for the year ended December 31, 2021 (see Note 14).

Property operations and maintenance costs arising from investment properties amounted to ₱686.38 million for the year ended December 31, 2022 and ₱277.49 million for the year ended December 31, 2021 (see Note 17).

There are no investment properties as of December 31, 2022 and 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 and Other Payables

This account consists of:

	2022	2021
Accounts payable (Note 13)	₱171,491,316	₱179,507,108
Accrued expenses	549,667,689	82,608,096
Taxes payable	61,480,169	75,249,134
	₱782,639,173	₱337,364,338



Accounts payable mainly pertains to unpaid billings from RPMI and RFMI related to management fees (see Notes 13 and 17). These are noninterest bearing and are due and demandable.

Accrued expenses include accruals for utilities, repairs and maintenance 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:

	2022	2021
Deposits from lessees	₱922,006,287	₱840,876,871
Unearned rental income	198,054,668	152,764,530
Deferred credits	97,497,936	110,233,688
	1,217,558,891	1,103,875,089
Less current portion	392,287,718	178,834,639
	₱825,271,173	₱925,040,450

The current portion of these accounts follows:

	2022	2021
Deposits from lessees	₱240,819,974	₱106,646,344
Unearned rental income	101,501,030	41,931,124
Deferred credits	49,966,714	30,257,171
	₱392,287,718	₱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 in 2022 and 2021 follows:

	2022	2021
Gross Amount		
Balance at beginning of year	₱951,996,306	₱-
Additions	69,638,532	951,996,306
Balance at end of year	1,021,634,838	951,996,306
Unamortized Discount		
Balance at beginning of year	111,119,435	-
Additions	16,337,569	122,993,449
Accretion (Note 17)	(27,828,453)	(11,874,014)
Balance at end of year	99,628,551	111,119,435
Net Amount	922,006,287	840,876,871
Less current portion	240,819,974	106,646,344
	₱681,186,313	₱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 in 2022 and 2021 follows:

	2022	2021
Balance at beginning of year	₱110,233,688	₱—
Additions	16,337,570	122,993,449
Amortization (Note 17)	(29,073,322)	(12,759,761)
Balance at end of year	97,497,936	110,233,688
Less current portion	49,966,714	30,257,171
	₱47,531,222	₱79,976,517

12. Equity

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

	2022		2021	
	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
NAV per share		₱5.26		₱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.



On April 20, 2022, the second property-for-share swap transaction of the Company with Robinsons Land Corporation (RLC) has been consummated through the execution of a Deed of Assignment relating to the infusion of Robinsons Cyberscape Gamma. This asset is valued at ₱5,888.00 million in exchange for Seven Hundred Seventy-Seven Million Eight hundred Seven Thousand One Hundred Thirty-Three (777,807,133) primary common shares. On August 15, 2022, the SEC approved property-for-share swap transactions (Note 24).

- (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)

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.

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.

In 2022, the addition of APIC amounting to ₱5,110.19 million relates to the Robinsons Cyberscape Gamma infusion into the Company.

Dividend Declaration

After reconciling items, the Company has retained earnings available for dividend declaration amounting to ₱1,287.48 million as of December 31, 2022.

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 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 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.

On November 8, 2022, the Company's BOD approved the declaration of cash dividends for calendar year 2022 covering the period July 1 to September 30, 2022 at ₱0.0974 per outstanding common share to stockholders on record date as of November 22, 2022. The cash dividend was paid on November 29, 2022.



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 ₱56,457.92 million and ₱60,034.21 million as of December 31, 2022 and 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. Unless otherwise stated transactions are generally settled in cash.

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

	2022			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Ultimate Parent Company				
Rental income/receivable (a)	₱39,921,238	₱14,740,199	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)	₱410,559,580	₱119,563,231	Three to five-year lease terms prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
Parent Company				
Rental income/receivable (a)	₱288,223,662	₱17,143,605	Three to five-year lease terms prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
Parent Company				
Related party receivable (Note 7)	₱196,722,354	₱298,181,740	Noninterest bearing; due and demandable	Unsecured; no impairment

(Forward)



	2022			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
Parent Company				
Rent expense/payable (Note 18)	₱211,722,256	(₱61,418,021)	Noninterest bearing; due and demandable	Unsecured
Under common control of Parent Company				
Management fees/accounts payable (b)	₱455,237,379	(₱126,932,924)	Noninterest bearing; due and demandable	Unsecured
Under common control of Ultimate Parent Company				
Cash in bank (Note 6)	₱414,409,684	₱-	Interest bearing	Unsecured; no impairment
Short-term investments (Note 6)	600,000,000	-		
Interest Income	14,059,314			
	2021			
	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
Interest Income	4,020,713	-		

Significant transactions with related parties are as follows:

(a) *Rental income*

In 2022, the revenue generated from related party lessees amounted to ₱698.28 million (₱213.48 million in 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 recognized management fees amounting to ₱455.24 million in 2022 (₱181.97 million in 2021).

Terms and Conditions of Transactions with Related Parties

Unless otherwise indicated, outstanding balances at yearend are unsecured and noninterest-bearing. 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 for the year ended December 31, 2022 and 2021. This assessment is undertaken each financial period through a review of the financial position and operating cash flows 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 in 2022 and 2021:

	2022	2021
Office, retail and parking spaces	₱4,464,931,966	₱1,718,248,457
Amortization of deferred credits (Note 11)	29,073,322	12,759,761
	₱4,494,005,288	₱1,731,008,218

Rental income from office, retail and parking includes income from the straight-line method of recognizing rental income amounting to ₱168.92 million for the year ended December 31, 2022 (₱109.21 million for the year ended December 31, 2021).



In 2022, the Company granted rent concessions to its tenants who were affected by the community quarantine imposed by the government amounting to ₱8.64 million and ₱50.02 million, respectively. These rent concessions did not qualify as lease modifications, thus, were accounted for as variable lease payments and reported as reduction of lease income in 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 in 2022 and in 2021:

	2022	2021
Income from dues:		
CUSA	₱847,056,724	₱319,999,414
Air-conditioning	30,599,732	8,938,162
	₱877,656,456	₱328,937,576

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 in 2022 and 2021:

	2022	2021
Dues	₱139,388,478	₱52,654,823
Less direct costs	(75,065,194)	(30,515,209)
	₱64,323,284	₱22,139,614

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 ₱28.57 million and ₱0.28 million for the year ended December 31, 2022 and 2021, respectively.

17. Costs and Expenses

Direct Operating Costs

This account consists of the following in 2022 and 2021:

	2022	2021
Management fees (Notes 10 and 13)	₱455,237,379	₱181,971,378
Repairs and maintenance	86,586,448	25,057,069
Contracted services	74,918,403	26,645,501
Depreciation (Note 9)	29,351,882	12,142,834
Accretion of interest expense (Note 11)	27,828,453	11,874,014
Utilities - net (Note 5)	12,458,511	19,795,412
	₱686,381,076	₱277,486,208



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

	2022	2021
Utility dues:		
Light	₱752,632,061	₱120,825,014
Water	18,742,980	4,828,217
Diesel and other charges	504,804	-
Costs:		
Light	(760,065,588)	(136,674,212)
Water	(21,777,877)	(7,234,534)
Diesel and other charges	(2,494,891)	(1,539,897)
	(₱12,458,511)	(₱19,795,412)

General and Administrative Expenses

This account consists of:

	2022	2021	2020
Rent expense (Note 18)	₱211,722,256	₱76,424,470	₱-
Taxes and licenses	101,772,789	34,292,734	500
Insurance expense	23,825,740	8,421,746	-
Professional fees	4,537,939	971,219	18,400
Supplies expense	3,575,026	928,794	-
Advertising and promotions	1,791,369	2,956,239	-
Communication	359,031	181,595	-
Others	25,598,107	3,356,313	50
	₱373,182,257	₱127,533,110	₱18,950

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.

The future minimum rentals receivable under noncancelable operating leases in 2022 and 2021 follows:

	2022	2021
Within one year	₱4,006,440,217	₱3,178,238,546
After one year but not more than five years	7,779,378,367	6,897,416,015
More than five years	3,132,860,800	2,816,981,746
	₱14,918,679,384	₱12,892,636,307



Total rent income amounted to ₱4,494.01 million for the year ended December 31, 2022 and ₱1,731.01 million for the year ended December 31, 2021 (see Note 14).

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.

Land Lease Agreement with BCDA

Simultaneous with the execution of Comprehensive Deed of Assignment (see Note 1), 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 in 2022 and 2021 follows:

	2022	2021
Balance at beginning of year	₱247,640,807	₱-
Additions	-	243,688,599
Interest expense on lease liability	9,724,913	3,952,208
Balance at end of year	₱257,365,719	₱247,640,807

The following are the amounts recognized in the statements of comprehensive income in 2022 and 2021 from the above lease agreements as lessee:

	2022	2021
Depreciation of right-of-use asset (Notes 9 and 17)	₱29,351,882	₱12,142,834
Accretion of interest expense on lease liability	9,724,913	3,952,208
Total amounts recognized in the statement of comprehensive income	₱39,076,795	₱16,095,042

The undiscounted lease payments to be received in more than 5 years as of December 31, 2022 and 2021 amounted to ₱412.04 million, respectively.



19. Income Tax

For the year ended December 31, 2022 (nil in 2021 and 2020) provision for income tax represents final tax on interest income.

	2022	2021	2020
Provision for (benefit from) income tax at statutory income tax rate	(₱1,391,618,820)	₱419,738,042	(₱5,685)
Additions to (reductions in) income tax resulting from:			
Deductible dividends	(1,004,711,901)	(383,036,392)	–
Deductible expenses	(137,344,127)	(56,868,727)	–
Movements in unrecognized deferred tax assets	2,539,445,406	45,198,507	(1,286)
Stock issuance costs	(1,944,518)	(24,809,993)	–
Nontaxable income	(7,268,330)	(3,189,941)	–
Nondeductible interest expense	6,957,113	2,968,504	–
Expired NOLCO	–	–	6,971
Interest income subject to final tax	(702,965)		
	(₱2,811,858)	₱–	₱–

As of December 31, 2022 and 2021, the Company did not recognize deferred tax assets amounting to ₱180.49 million and ₱207.40 million, respectively, since management believes that sufficient taxable income will not be available to allow the carryforward benefits of deferred tax assets to be utilized.

The components of unrecognized deferred tax assets follow:

	2022	2021
Lease liability	₱64,341,430	₱61,910,202
Unearned rental income	49,513,667	38,191,133
NOLCO	66,633,171	107,293,839
	₱180,488,267	₱207,395,174

Bayanihan to Recover As One Act

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2022	2023-2025	₱266,532,682	₱–	₱–	₱–	₱266,532,682
2021	2022-2026	429,120,423	–	–	–	429,120,423
2020	2021-2025	18,950	–	–	–	18,950
2019	2019-2022	35,983	–	35,983	–	–
		₱695,708,038	₱–	₱35,983	–	₱695,672,055



Corporate Recovery and Tax Incentives for Enterprises or CREATE Act

To attract more investments and maintain fiscal prudence and stability in the Philippines, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law on March 26, 2021. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect on April 11, 2021.

Applying the provisions of the CREATE Act, there will be no significant changes in the Company’s income tax provision.

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.

20. Financial Assets and Liabilities

Fair Value Information

Except for the Company’s security deposits, which are disclosed below, the carrying values of the other financial instruments of the Company approximate their fair values due to the short-term nature of the transactions.

	<u>December 31, 2022</u>	
	<u>Carrying value</u>	<u>Fair value</u>
Security deposits	₱922,006,287	₱861,230,080

Fair Value Hierarchy

As of December 31, 2022 and 2021, the Company has no financial instrument measured at fair value. In 2022, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

The fair value of the Company’s security deposits is categorized under Level 3 in the fair value hierarchy.

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy as of December 31, 2022 and 2021 are shown below:

	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range</u>	<u>Sensitivity of the input to fair value</u>
Security deposits	DCF method	Discount rate	2022: 1.20% to 6.68% 2021: 1.23% to 5.31%	Increase (decrease) in the discount would decrease (increase) the fair value

Financial Risk Management Objectives and Policies

The Company’s principal financial instruments comprise of cash, receivables, accounts and other payables and security deposits which arise directly from the conduct of its operations. The main risks arising from the use of financial instruments are liquidity risk and credit risk.



The Company reviews policies for managing each of these risks. The Company monitors market price risk from all financial instruments and regularly reports financial management activities and the results of these activities to the BOD.

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Company's business activities. The main objectives of the Company's financial risk management follow:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Company's finance and treasury functions operate as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risks are primarily attributable to cash, receivables and other financial assets. To manage credit risks, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

Credit risk arising from rental income from leased properties is primarily managed through a tenant selection process. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security deposits and advance rentals which help reduce the Company's credit risk exposure in case of default by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of financial capacity. Except for the trade receivables, the maximum exposure to credit risk of all financial assets is equal to their carrying amounts.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of all customers as they have similar loss patterns. The security deposits are considered in the calculation of impairment as recoveries. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. As of December 31, 2022, 100% of the Company's trade receivables are covered by security deposits (100% in 2021). Trade receivables include receivables as a result of straight-line method amounting to ₱168.92 million and ₱109.21 million as of December 31, 2022 and 2021, respectively. ECL related to trade receivables is minimal given its low credit risk and are generally covered by security deposits. No provision for ECL was provided in 2022, 2021 and 2020.

As of December 31, 2022 and 2021, the ECL relating to cash in bank is minimal as this is considered as low credit risk.

The Company did not provide any allowance for credit loss relating to receivables from related parties since there is no history of default in payments. This assessment is undertaken each financial year through examining the financial position and operating cash flows of the related parties and the markets in which the related parties operate.



The Company's maximum exposure to credit risk as of December 31, 2022 and 2021 is equal to the carrying values of its financial assets, except for 'Trade receivables' under 'Receivables' in the statements of financial position. Details follow:

	December 31, 2022			
	Gross maximum exposure	Fair value of collateral or credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
Cash in bank	₱414,610,209	₱-	₱414,610,209	₱-
Receivables				
Trade receivables	420,641,226	861,230,080	-	861,230,080
Receivable from a related party	298,181,740	-	-	-
Other receivables	7,738,499	-	7,738,499	-
	₱1,141,171,674	₱861,230,080	₱422,348,708	₱861,230,080

	December 31, 2021			
	Gross maximum exposure	Fair value of collateral or credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
Cash in bank	₱1,373,240,004	₱-	₱1,373,240,004	₱-
Receivables				
Trade receivables	348,517,131	813,315,211	-	813,315,211
Receivable from a related party	101,459,386	-	101,459,386	-
Other receivables	70,000	-	70,000	-
	₱1,823,286,521	₱813,315,211	₱1,474,769,390	₱813,315,211

The credit quality of the financial assets was determined as follows:

Receivables - high grade pertains to receivables from counterparties with no default in payment; medium grade pertains to receivables from counterparties with up to three (3) defaults in payment; and low grade pertains to receivables from counterparties with more than three (3) defaults in payment.

Liquidity risk

The Company actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through a combination of internally generated funds and external borrowings, while working capital requirements are sufficiently funded through cash collections.

Through scenario analysis and contingency planning, the Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost.

The tables below summarize the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments:

	December 31, 2022			
	< 1 year	1 to 5 years	> 5 years	Total
<i>Financial assets</i>				
Cash in bank	₱414,710,209	₱-	₱-	₱414,710,209
Receivables				
Trade receivables	420,641,226	-	-	420,641,226
Receivable from a related party	298,181,740	-	-	298,181,740
Other receivables	7,738,499	-	-	7,738,499
	₱1,141,271,674	₱-	₱-	₱1,141,271,674

(Forward)



	December 31, 2022			Total
	< 1 year	1 to 5 years	> 5 years	
<i>Financial liabilities</i>				
Accounts and other payables				
Accounts payable	P171,491,316	P-	P-	P171,491,316
Accrued expenses	549,667,689	-	-	549,667,689
Deposits from lessees	252,451,253	612,603,422	143,267,680	1,008,322,356
Lease liability	10,050,440	44,314,958	203,000,321	257,365,719
	P983,660,698	P656,918,380	P346,268,001	P1,986,847,079
<hr/>				
	December 31, 2021			Total
	< 1 year	1 to 5 years	> 5 years	
<i>Financial assets</i>				
Cash in bank	P1,373,240,004	P-	P-	P1,373,240,004
Receivables				
Trade receivables	348,517,131	-	-	348,517,131
Receivable from a related party	101,459,386	-	-	101,459,386
Other receivables	70,000	-	-	70,000
	P1,823,286,521	P-	P-	P1,823,286,521
<hr/>				
<i>Financial liabilities</i>				
Accounts and other payables				
Accounts payable	P179,507,108	P-	P-	P179,507,108
Accrued expenses	82,608,096	-	-	82,608,096
Deposits from lessees	104,678,699	603,302,836	105,333,676	813,315,211
Lease liability	47,399,326	106,107,402	94,134,079	247,640,807
	P414,193,229	P709,410,238	P199,467,755	P1,323,071,222

21. Earnings (Loss) Per Share (EPS)

The Company's earnings (loss) per share for the years ended December 31, 2022, 2021 and 2020 were computed as follows:

	2022	2021	2020
Net income	(P5,569,287,139)	P1,678,952,169	(P18,950)
Weighted average number of common shares	10,245,203,201	4,153,726,230	6,250,000
Basic/Diluted earnings (loss) per share	(P0.544)	P0.404	(P0.003)

There were no potential dilutive common shares in 2022, 2021 and 2020.

22. Segment Reporting

The Company has determined that it is currently operating as one operating segment.

The Company's 16-building lease operation is its only income-generating activity, and such is the measure used by management in allocating resources.



23. Registration with the Philippine Economic Zone Authority (PEZA)

All of the Company's properties are registered with PEZA as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as 'The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations'. Under the terms of its registration, the Company shall not be entitled to PEZA incentives. See details below:

Name	Start Date	PEZA Board Resolution No.	Property	Location	Designation
Cyberscape Alpha	January 4, 2013	Nos. 00-411 dated December 29, 2000 and 11-665 dated November 25, 2011	A building with seven basement levels and a roof dec with an aggregate GLA of 49,902 sqm	Sapphire and Garnet Roads, Ortigas Center, Pasig City	Information Technology (IT) Center
Cyberscape Beta	November 22, 2012	No. 11-624 dated November 8, 2011	An area of 1,955 square meters, more or less (a portion of Lot 2-C)	Topaz and Ruby Roads, Ortigas Center, Pasig City	IT Center
Tera and Exxa-Zeta Towers (Bridgetowne)	June 26, 2015	Nos. 00-411 dated December 29, 2000 and 13-182 dated March 22, 2013	Several parcels of land located with an aggregate area of 79,222 square meters as IT Park, to be known as Bridgetown	C-5 Road, Ugong Norte, Quezon City	IT Park
Robinsons Cybergate Cebu	October 28, 2009	Nos. 00-411 dated December 29, 2000 and 08-312 dated June 26, 2008	Land of 4,772 square meter, more or less	Don Gil Street, Barangay Capitol Site, Cebu City	IT Center
Robinsons Galleria Cebu	July 12, 2013	Nos. 00-411 dated December 29, 2000 and 12-001 dated January 17, 2012	A building with an area of 46,345 square meters, more or less	General Maxilom Avenue, Cebu City	IT Center
Robinsons Luisita	December 10, 2008	No. 08-183 dated March 31, 2008	A building with a gross floor area of 9,025 square meters, which stands on a 12,703 square meter lot and an additional 3-storey office building	McArthur Highway, San Miguel, Tarlac	IT Center
Robinsons Cybergate Naga	May 12, 2017	No. 15-715 dated December 17, 2015	A building which stands on a 24,807-square meter, more or less, lot	Naga Diversion Road corner Almeda Highway, Barangay Triangulo, Naga City	IT Center
Robinsons Cyberpark Davao	October 3, 2017	No. 16-377 dated June 28, 2016	12,022 square meters, more or less, of land	J.P. Laurel Avenue, Davao City	IT Park
Robinsons Summit Center	September 1, 2006	Nos. 00-411 dated December 29, 2000 and 04-387 dated November 22, 2004	A building which stands on two parcels of land with an aggregate area of 2,430 square meters, more or less	6783 Ayala Avenue, Salcedo Village, Barangay Bel-Air, Makati City	IT Center
Robinsons Equitable Tower	July 21, 2003	Nos. 00-411 dated December 29, 2000 and 03-129 dated May 28, 2003	A 2,832 square meters parcel of land with an existing 43-storey condominium office building	ADB Avenue corner Poveda Street, Pasig City	IT Zone



Name	Start Date	PEZA Board Resolution No.	Property	Location	Designation
Cyber Sigma	December 16, 2016	No. 15-027 dated January 30, 2015	A building with a gross floor area of 79,124.33 square meters which stands on a parcel of land containing an aggregate area of 5,000 square meters more or less	Lawton Avenue, Bonifacio South, Taguig City	IT Center
Cybergate Bacolod	February 2, 2006	No. 00-262 dated August 17, 2003	A building with an aggregate GLA of 10,367 sqm	Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental	IT Park
Cyberscape Gamma	July 16, 2015	Nos. 00-411 dated December 29, 2000 and 15-377 dated January 16, 2015	A building with an aggregate GLA of 44,797 sqm	Topaz and Ruby Roads, Ortigas Center, Pasig City	IT Center

24. Notes to Statements of Cash Flows

The 2021 statement of cash flows in the previously issued December 31, 2021 financial statements has been restated. In the restatement, the additions to investment properties amounting to ₱59,159.63 million and proceeds from issuance of capital stock amounting to ₱59,046 million, which were presented as cash flow items under investing and financing activities, respectively, have been restated to nil amounts. As previously disclosed in the 2021 financial statements, these are non-cash flow items arising from the asset-for-share swap transaction under the Deed of Assignment entered between the Company and its Parent Company (see Notes 1 and 9). The restatement resulted in the reduction in 2021 cashflows from investing activities and cashflows from financing activities by ₱59,159.63 million and 59,046.00 million, respectively. The restatement has no impact on the 2021 statements of financial position, comprehensive income and changes in stockholders' equity, net increase in cash and earnings per share, and it did not impact the key performance indicators of the Company. Likewise, the notes to the 2021 financial statements are not affected by the restatement.

Noncash investing and financing activities pertain to the following:

2022

- Transfer of building and building improvements as a result of the Property-for-Share Swap executed between the Company and RLC amounting to ₱5,888.00 million;
- Issuance of shares of stock ₱5,888.00 million as a result of the Property-for-Share Swap executed between the Company and RLC;
- Fair value change in investment properties amounting to ₱9,801.94 million;
- Amortization of ROU asset amounting to ₱29.35 million (Notes 9 and 18); and
- Accretion of lease liability amounting to ₱9.72 million (Note 18).



2021

- Transfer of building and building improvements as a result of the Property-for-Share Swap executed between the Company and RLC amounting to ₱59,046.00 million;
- Issuance of shares of stock ₱59,046.00 million as a result of the Property-for-Share Swap executed between the Company and RLC;
- Fair value change in investment properties amounting to ₱113.63 million;
- Recognition of ROU asset and lease liability amounting to ₱546.11 million and ₱243.69 million, respectively (Notes 9 and 18);
- Amortization of ROU asset amounting to ₱12.14 million; and
- Accretion of lease liability amounting to ₱3.95 million (Note 18).

25. Events After Reporting Period

On February 6, 2023, the Company declared cash dividends for calendar year 2022 covering the period October 1 to December 31, 2022 at ₱0.0976 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 February 28, 2023 to stockholders of record as of February 20, 2023.

26. COVID-19 Pandemic

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Company's business activities.

Following the outbreak of the coronavirus disease that started in Wuhan, Hubei, China, on January 30, 2020, the World Health Organization declared the 2019 coronavirus disease ('COVID-19') outbreak a Public Health Emergency of International Concern, and subsequently, with the continued increase in the number of confirmed cases throughout the world, a pandemic on March 11, 2020.

In response to the pandemic, the Philippine government took actions and implemented quarantine measures at varying degrees starting March 16, 2020 which mandated the temporary closure and/or reduction in operating capacity of non-essential shops and businesses, prohibited mass gatherings and all means of public transportation, and restricted traveling through air, sea and land in and out of country, except by diplomats and uniformed workers (carrying medical supplies), among others. These measures have disrupted supply chains, business operations, and workplace structures, forcing a shift in priorities and short-term strategies.

With public health and safety in mind and in full cooperation with the government, the Company remained open to support establishments offering essential services such as IT-Business Process Management (IT-BPM) firms.

The Company also institutionalized heightened cleanliness standards and invested in contactless technologies to minimize health and safety risks. While the ensuring business continuity, employee welfare and protection remained of utmost priority with the adoption of remote work arrangements and a digital workplace.



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 expects to regain its significant foothold in the market it operates in as movement restrictions ease and as consumer sentiment recovers. Furthermore, despite unprecedented headwinds, the Company's financial position remains stable and strong on the back of its well-balanced business portfolio.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
RL Commercial REIT, Inc.
25F Robinsons Cyberscape Alpha
Sapphire and Garnet Roads
Brgy. San Antonio, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of RL Commercial REIT, Inc. (the Company) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, included in this Form 17-A, and have issued our report thereon dated March 28, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements 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. 89336-SEC (Group A)

Valid to cover audit of 2022 financial statements of SEC covered institutions

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. 9564691, January 3, 2023, Makati City

March 28, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
RL Commercial REIT, Inc.
25F Robinsons Cyberscape Alpha
Sapphire and Garnet Roads
Brgy. San Antonio, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of RL Commercial REIT, Inc. (the Company) as at December 31, 2022 and 2021 and for each of the three years in the year ended December 31, 2022, and have issued our report thereon dated March 28, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

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. 89336-SEC (Group A)

Valid to cover audit of 2022 financial statements of SEC covered institutions

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. 9564691, January 3, 2023, Makati City

March 28, 2023



RL COMMERCIAL REIT, INC.

INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex D: Computation of Distributable Income

RL COMMERCIAL REIT, INC.

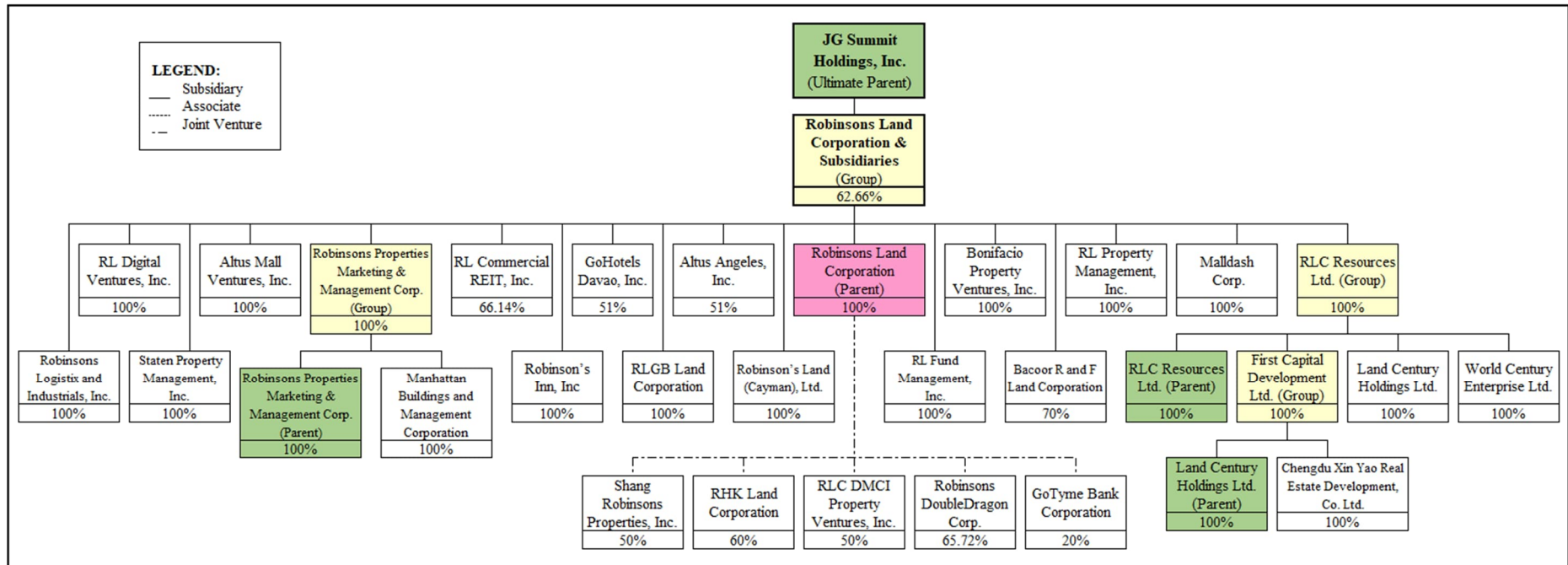
**RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
DECEMBER 31, 2022**

Total Unappropriated Retained Earnings - January 1, 2022		₱946,872,551
<hr/>		
Net income actually earned/realized during the period:		
Net income (loss) during the period closed to retained earnings	(5,569,287,139)	
Less: Non-actual/unrealized income net of tax		
Amount of provision for deferred tax during the period		-
Fair value adjustment of Investment Property resulting to loss	9,957,856,979	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	(160,735,987)	9,797,120,991
<hr/>		
Add: Non-actual losses		
Adjustments due to deviation from PFRS/GAAP - loss		-
<hr/>		
Net income actually earned during the period		4,227,833,853
Add (Less):		
Dividend declarations during the period		(3,887,219,240)
<hr/>		
TOTAL RETAINED EARNINGS, AVAILABLE FOR DIVIDEND DECLARATION, ENDING		₱1,287,487,163
<hr/> <hr/>		

RL COMMERCIAL REIT, INC.

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES OR CO-SUBSIDIARIES, ASSOCIATES, WHEREVER LOCATED OR REGISTERED

DECEMBER 31, 2022



RL COMMERCIAL REIT, INC.

SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS

DECEMBER 31, 2022

The Company does not have financial assets classified under available-for-sale, fair value through profit or loss and held to maturity as of December 31, 2022.

RL COMMERCIAL REIT, INC.

**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM
DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2022**

The Company does not have amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties) above ₱1.00 million or 1% of total assets as of December 31, 2022.

RL COMMERCIAL REIT, INC.

**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM
RELATED PARTIES WHICH ARE ELIMINATED
DURING THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

	Receivable Balance	Payable Balance	Current portion
Total Eliminated Receivables/Payables	N/A	N/A	N/A

RL COMMERCIAL REIT, INC.**SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2022**

Long-term Debt			
Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption 'current portion of long-term' in related balance sheet	Amount shown under caption 'long-term debt' in related balance sheet
N/A	N/A	N/A	N/A

RL COMMERCIAL REIT, INC.**SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2022**

Indebtedness to Related Parties		
Name of related party	Balance at beginning of year	Balance at end of year
N/A	N/A	N/A

RL COMMERCIAL REIT, INC.**SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF
OTHER ISSUERS****DECEMBER 31, 2022****Guarantees of Securities of Other Issuers**

Name of issuing entity of securities guaranteed by the Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is file	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

RL COMMERCIAL REIT, INC.**SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
DECEMBER 31, 2022**

Capital Stock						
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common shares	39,795,988,732	10,726,804,330	N/A	7,094,391,706	18	3,631,938,606

RL COMMERCIAL REIT, INC.**COMPUTATION OF DISTRIBUTABLE INCOME
DECEMBER 31, 2022**

Net Loss			(5,569,287,139)
Add	Fair value change investment properties		
	Decrease in fair value of investment properties	9,801,940,918	
	Straight-line adjustments	155,916,060	
	Lease commissions	17,948,231	9,975,805,209
<hr/>			
Distributable Income			4,406,518,070
Dividends Distributed			
	Dividends paid on May 31, 2022	960,078,230	
	Dividends paid on August 31, 2022	967,042,528	
	Dividends paid on November 29, 2022	1,044,790,742	
	Dividends paid on February 28, 2023	1,046,936,103	4,018,847,603
<hr/>			
Dividend Payout Ratio, as % of distributable income			91%

RL COMMERCIAL REIT, INC.**COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2022**

Ratio	Formula	December 31, 2022	December 31, 2021
Current ratio	Current assets / Current liabilities	1.60	3.70
Acid test ratio	Quick assets / Current liabilities (Quick assets includes cash)	1.48	3.53
Solvency ratio	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	—	—
Debt-to-equity ratio	Interest-bearing bank debts / Stockholders' equity	—	—
Asset-to-equity ratio	Total assets / Stockholders' equity	1.04	1.03
Interest rate coverage ratio	EBITDA / Interest expense (from interest-bearing bank debts)	—	—
Return on equity	Net income / Average total stockholders' equity	(0.067)	0.056
Return on assets	Net income / Average total assets	(0.065)	0.054
Net profit margin	Net income / Total revenue	1.23	0.80



ROBINSONS LAND CORPORATION

YOUR DREAMS. OUR FOUNDATION.

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

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
<hr/>	
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
<hr/>	
Balance of proceeds as of September 13, 2022	₱ -

Thank you.

SUBSCRIBED AND SWORN to before me this 13 day of SEP 2022,
affiant personally appearing before me and exhibiting to me his/her MA. CLARISSE S. OSTERIA
as proof of his/her identity and is known to me to be the person who executed and signed this 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
BP No. 171121; December 21, 2021; Makati Chante;
ICLE Compliance No. VII-0015450; April 14, 2021

Very truly yours,

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

Doc. No.: 322;
Page No.: 66;
Book No.: 11;
Series of 2022.

**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



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

(Forward)

Project Name	Amount
RLX Mexico	P141,990,112
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	P22,681,519,256

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.

A handwritten signature in black ink, appearing to read 'Michael C. Sabado', is written in a cursive style.

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:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date / Place Issued</u>
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 Charter
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

January 12, 2023

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: Final 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) final report on the application of proceeds received from the sale of Robinsons Cybergate Bacolod to RL Commercial REIT, Inc. as of and for the period ended December 31, 2022. Robinsons Cybergate Bacolod is an office development located in Bacolod City, Negros Occidental. Further attached is the report of RLC's external auditor, SyCip Gorres Velayo & Co.

On March 8, 2022, RLC received gross proceeds from the sale of Robinsons Cybergate Bacolod to RL Commercial REIT, Inc. amounting to Eight Hundred Twenty-Two Million Eighty Thousand Pesos (**₱822,080,000.00**).

As of December 31, 2022, RLC had **FULLY** disbursed the total proceeds amounting to Eight Hundred Twenty-Two Million Eighty Thousand Pesos (**₱822,080,000.00**) in accordance with its Reinvestment Plan. Of this amount, Forty-four Million Forty Thousand Pesos (**₱44,040,000.00**) were spent for cost directly attributable to the sale and the balance of Seven Hundred Seventy-Eight Million Forty Thousand Pesos (**₱778,040,000.00**) were disbursed for its Capital Expenditures in the Philippines as stated in its Reinvestment Plan.

The details are as follows:

Gross proceeds as of March 8, 2022	₱822,080,000.00
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
October 1, 2022 to December 31, 2022 (Annex D)	506,139,263.64
<u>Balance of proceeds as of December 31, 2022</u>	<u>₱-</u>

Thank you.

City of Pasig

JAN 12 2023

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2023, _____, 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.

Very truly yours,

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

Ma. Clarisse S. Osteria
ATTY. MA. CLARISSE S. OSTERIA
Notary Public for Pasig, San Juan, and Patros
Appointment No. 136; until Dec. 31, 2023
12F Cyberscape Alpha, Sapphire & Gamet Roads, Ortigas Center, Pasig City
Roll of Attorneys No. 69885; June 1, 2017
PTR No. 0162672; January 06, 2023; Pasig City
IBP No. 262479; January 03, 2023; Makati Chapter
MCLE Compliance No. VII-0015450; April 14, 2025

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**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

**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	P19,353,317.88
4/7-6/24/2022	Robinsons Manila Redevelopment	82,406,581.53
TOTAL		P101,759,899.41

**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

**Disbursements for Capital Expenditures
For the Period Covering October 1, 2022 to December 31, 2022**

Date	Project Name	Amount
11/23/2022	North Luzon/ Central Luzon/ National Capital Region (NCR)	P506,139,263.64
TOTAL		P506,139,263.64

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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 December 19, 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 Annual Progress Report as at **December 31, 2022** covering period from **March 8, 2022 to December 31, 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 Annual 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:	778,040,000
Balance of proceeds as of December 31, 2022	₱-

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 ₱778,040,000 for the period from March 8, 2022 up to December 31, 2022. No exceptions noted.

Project Name and Location	Amount
North Luzon/ Central Luzon/ National Capital Region (NCR)	₱506,139,264
Robinsons Manila Redevelopment	110,838,067
Robinsons Place Pagadian	94,093,304
Robinsons Metro East Redevelopment and The Link	66,969,365
Total	₱778,040,000

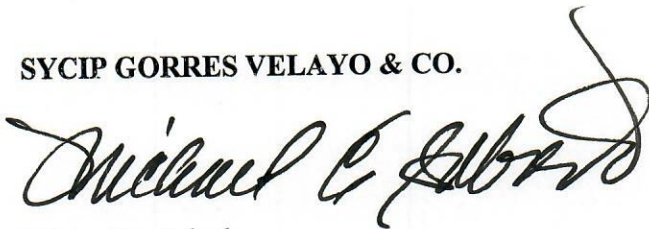
5. On a sample basis, we inquired into and identified the nature of the additions and disbursements. We also checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the sale of Robinsons Cybergate Bacolod. No exceptions noted.

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 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

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. 89336-SEC (Group A)

Valid to cover audit of 2022 financial statements of SEC covered institutions

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. 9564691, January 3, 2023, Makati City

ACKNOWLEDGMENT

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

JAN 12 2023


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

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date / Place Issued</u>
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. 472 ;
Page No. 14 ;
Book No. 1 ;
Series of 2023.


ATTY. MA. CLARISSE S. OSTERIA
Notary Public for Pasig, San Juan, and Patros
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
PTR No. 0162672; January 06, 2023; Pasig City
IBP No. 262479; January 03, 2023; Makati Chapter
MCLE Compliance No. VII-0015450; April 14, 2025