

# RCREIT

A ROBINSONS LAND COMPANY

## RL COMMERCIAL REIT, INC.

(Formerly Robinsons Realty and Management Corporation)

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

May 7, 2024

### DECLARATION OF AUTHENTICITY

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

I, **MATIAS G. RAYMUNDO, JR.**, designated as Chief Financial, Risk, and Compliance Officer of **RL Commercial REIT, Inc.**, with contact number (632) 8397-1888 and office address at 25<sup>th</sup> Floor, Robinsons Cyberscape Alpha, Sapphire and Garnet Road, Ortigas Center, Pasig City, do hereby certify the authenticity of the SEC Form 17-Q (Quarterly Report) with attached unaudited financial statements for the period ended March 31, 2024, submitted on May 7, 2024 online is true and correct to the best of my knowledge.



**Matias G. Raymundo, Jr.**

Chief Financial, Risk, and Compliance Officer

SEC Number 151309  
File Number                     

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

\_\_\_\_\_  
(Company's Full Name)

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

\_\_\_\_\_  
(Company's Address)

**Not applicable**

\_\_\_\_\_  
(Telephone Number)

**March 31, 2024**

\_\_\_\_\_  
(Quarter Ended)

**SEC Form 17Q**

\_\_\_\_\_  
Form Type

**Not applicable**

\_\_\_\_\_  
Amendment Designation (if applicable)

**Not Applicable**

\_\_\_\_\_  
(Secondary License Type and File Number)

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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

**COMPANY NAME**

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

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

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

Form Type

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

Department requiring the report

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

Secondary License Type, If Applicable

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

**COMPANY INFORMATION**

Company's Email Address

**corsec@robinsonsland.com**

Company's Telephone Number

N/A

Mobile Number

**09988400935**

No. of Stockholders

**24,724**

Annual Meeting (Month / Day)

**May 6**

Fiscal Year (Month / Day)

**12/31**

**CONTACT PERSON INFORMATION**

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

Name of Contact Person

**Mr. Matias G. Raymundo Jr.**

Email Address

[jav.raymundo@rlcommercialreit.com.ph](mailto:jav.raymundo@rlcommercialreit.com.ph)

Telephone Number/s

**(+632) 8397-1888**

Mobile Number

N/A

**CONTACT PERSON'S ADDRESS**

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

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

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

## TABLE OF CONTENTS

<b><u>DOCUMENT</u></b>	<b><u>PAGE NUMBER</u></b>
SEC Form 17-Q	1-3
Management Discussion and Analysis of Financial Condition and Results of Operations (Exhibit I)	4-8
Interim Financial Statements (Exhibit II)	
Financial Statements Cover	9
Unaudited Interim Statements of Financial Position	10
Unaudited Interim Statements of Comprehensive Income	11
Unaudited Interim Statements of Changes in Equity	12
Unaudited Interim Statements of Cash Flows	13
Notes to Unaudited Interim Financial Statements	14-43
Aging of Receivables	44
Financial Soundness Indicator	45-46
Reconciliation of Unappropriated Retained Earnings Available for Dividend Declaration	47
Summary of Real Estate Assets and Real Estate Transactions (Exhibit III)	48

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-Q

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

1. For the quarterly period ended: **March 31, 2024**

2. SEC Identification Number: **151309**

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

4. Exact name of issuer as specified in its charter

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

5. **Pasig City, Philippines**

Province, Country or other jurisdiction  
of incorporation or organization

6.  (SEC Use Only)

Industry Classification Code:

7. **25F Robinsons Cyberscape Alpha, Sapphire and Garnet Roads, Brgy. San Antonio,  
Pasig City** **1600**

Address of principal office

Postal Code

8. **Not applicable**

Issuer's telephone number, including area code

9. **Not Applicable**.....

Former name, former address, and former fiscal year, if changed since last report.

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

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Stock	10,726,804,330 shares

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

Yes [] No []

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

The Philippine Stock Exchange

Common Stock

12. Indicate by check mark whether the registrant:

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

Yes [] No []

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

Yes [] No []

## **PART I—FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

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

**See Exhibit II**

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

**See Exhibit I**

## **PART II—OTHER INFORMATION**

### **Item 3. Summary of All Real Estate Assets and Real Estate Transactions**

**(see Exhibit III)**


**SIGNATURES**

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

Issuer  
Signature and Title  
Date

  
**JERICHO P. GO**  
President and Chief Executive Officer

Issuer  
Signature and Title  
Date


  
**MATIAS G. RAYMUNDO JR.**  
Chief Financial, Risk, and Compliance Officer

MAY 06 2024

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ at Pasig City, with the affiant/s exhibiting to me their identification documents as follows:

NAME	VALID I.D.	DATE AND PLACE ISSUED
Jericho P. Go		
Matias G. Raymundo Jr.		

Doc No.: 119 ;  
Page No.: 25 ;  
Book No.: 11 ;  
Series of 2024 .

  
**ATTY. NATAME JOYCE P. ESTACIO**  
Notary Public for Pasig, San Juan, and Pateros  
Appointment No. 36 (2023-2024)  
12F Robinsons Cyberscape Alpha Sapphire and  
Garnet Roads, Ortigas, Pasig City  
Roll of Attorneys No. 69249; May 31, 2017  
IBP Lifetime Member Roll No. 016702, CALMANA Chapter  
MCLE No. VII-006762, August 27, 2021 - April 14, 2025  
PTR No. 1651117; January 04, 2024; Pasig City

## EXHIBIT I

### RL COMMERCIAL REIT, INC. (Formerly ROBINSONS REALTY AND MANAGEMENT CORPORATION) 1<sup>st</sup> Quarter CY 2024 PERFORMANCE

#### I. Results of Operations

	For the Three Months Ended		Horizontal Analysis		Vertical Analysis	
	March 31					
	2024	2023	Increase (Decrease)		2024	2023
<b>REVENUE</b>						
Rental income	1,170,229,699	1,187,113,559	(16,883,860)	-1%	82%	86%
Income from dues	221,183,854	224,368,660	(3,184,806)	-1%	15%	16%
Income from dues - net	14,082,585	19,696,796	(5,614,211)	-29%	1%	1%
	<b>1,405,496,138</b>	<b>1,431,179,015</b>	<b>(25,682,876)</b>	<b>-2%</b>	<b>98%</b>	<b>104%</b>
<b>FAIR VALUE CHANGE IN INVESTMENT PROPERTIES</b>						
Increase in fair value of investment properties	-	-	-	-	0%	0%
Straight-line adjustments	(22,250,710)	(64,970,484)	42,719,774	66%	-2%	-5%
Lease commissions	(5,701,715)	(96,084)	(5,605,631)	-5834%	0%	0%
	<b>(27,952,425)</b>	<b>(65,066,568)</b>	<b>37,114,142</b>	<b>-57%</b>	<b>-2%</b>	<b>-5%</b>
Other income	53,410,884	11,935,533	41,475,350	347%	4%	1%
	<b>1,430,954,597</b>	<b>1,378,047,980</b>	<b>52,906,617</b>	<b>4%</b>	<b>100%</b>	<b>100%</b>
<b>COSTS AND EXPENSES</b>						
Direct operating costs	200,213,322	190,590,352	9,622,971	5%	14%	14%
General and administrative expenses	96,471,138	98,263,558	(1,792,420)	-2%	7%	7%
Interest expense on lease liability	2,529,165	1,765,398	763,766	43%	0%	0%
	<b>299,213,625</b>	<b>290,619,308</b>	<b>8,594,318</b>	<b>3%</b>	<b>21%</b>	<b>21%</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,131,740,972</b>	<b>1,087,428,672</b>	<b>44,312,299</b>	<b>4%</b>	<b>79%</b>	<b>79%</b>
Provision for income tax	7,436,672	1,232,093	6,204,579	504%	1%	0%
<b>NET INCOME / TOTAL COMPREHENSIVE INCOME</b>	<b>1,124,304,300</b>	<b>1,086,196,579</b>	<b>38,107,722</b>	<b>4%</b>	<b>79%</b>	<b>79%</b>

#### *Revenues*

Total revenues for the three months ended March 31, 2024 amounted to ₱1,430.95 million, reflecting a 4% increase or ₱52.91 million versus the same period last year.

Total rental income for the three months ended March 31, 2024 amounted to ₱1,170.23 million, indicating a slight decrease of 1% or ₱16.88 million compared to the same period in 2023. A bit decrease was due to the lower occupancy rate during the year at 95% versus 97% of the same period last year.

Income from dues represents recoveries from tenants for the usage of common areas and air-conditioning services. This figure, presented gross of related costs and expenses, amounted to ₱221.18 million for the three months ended March 31, 2024, compared to ₱224.37 million in the same period of 2023.

Income from dues - net primarily consists of fees collected for the use of the Common Use Service Area and air-conditioning services in the Condominium Units. It has been determined that the Company acts as an agent for these services. For the three months ended March 31, 2024, the income from dues - net amounted to ₱14.08 million, down by 29% or ₱5.61 million versus the same period of 2023. The decrease was due to the timing of payments made to Condominium Corporation for the airconditioning dues in 2023.

The fair value of the Company's investment properties is assessed using the Income Approach, as determined by an external valuer. It is reduced by the application of the straight-line method of



recognizing rental income and lease commissions for the period. For the three months ended March 31, 2024, gain or loss arising from the change in the fair value of investment properties amounted to nil; while straight-line adjustments in rent and lease commissions amounted to ₱22.25 million and ₱5.70 million, respectively.

Other income composing of penalties on late payments, forfeitures, interest income, and others amounted to ₱53.41 million for the three months ended March 31, 2024, versus ₱11.94 million in the same period of 2023. Increase of ₱41.48 million or 347% was mainly due to the higher interest income earned on cash equivalents amounting to ₱37.18 million versus ₱6.16 million in the same period last year.

#### *Costs and Expenses*

Direct operating costs comprise expenses that are directly associated with the operations of the company, including management fees, repairs and maintenance, contracted services, utilities, amortization of right-of-use asset and accretion of interest expense. For three months ending March 31, 2024, these costs amounted to ₱200.21 million, a 5% or ₱9.62 million higher than the same period last year. Said increase was mainly due to the contracted services caused by the higher manpower complement this year versus last year.

General and administrative (G&A) expenses, on the other hand, totaled ₱96.47 million for the three months ended March 31, 2024, a decrease of ₱1.79 million or 2% versus the same period of 2023. These G&A expenses encompass various costs such as rent expense for the land and building lease, taxes and licenses, insurance expense, advertising and promotions and other general and administrative expenses.

Furthermore, Interest expense on lease liability amounted to ₱2.53 million for the three months ended March 31, 2024 compared to ₱1.77 million during the same period last year. This expense relates to the long-term land lease for Cyber Sigma.

#### *Income before Income Tax*

Income before income tax for the three months ended March 31, 2024 reached a total of ₱1,131.74 million versus ₱1,087.43 million in the same period of 2023, an increase of 4% mainly due to the aforementioned increase in other income.

#### *Provision for income tax*

Provision for income tax pertains to the final tax on interest income. For the three months ending March 31, 2024, it ended at ₱7.44 million, higher by 504% or by ₱6.20 million versus same period in 2023, due to the higher interest income earned this year. Additionally, the Company benefited from the income tax exemption as it distributed to shareholders an amount equivalent to more than 90% of its distributable income.

#### *Net income/Total comprehensive income*

As a result of the foregoing, the Company's net income for the three months ended March 31, 2024 amounted to ₱1,124.30 million, 4% or ₱38.11 million higher than same period last year.

## II. Financial Position

	March 31, 2024	December 31, 2023	Horizontal Analysis		Vertical Analysis	
	(Unaudited)	(Audited)			Increase (Decrease)	2024
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	1,694,483,181	1,788,809,752	(94,326,571)	-5%	3%	3%
Receivables	417,184,763	316,562,081	100,622,682	32%	1%	0%
Other current assets	75,594,705	88,355,056	(12,760,351)	-14%	0%	0%
<b>Total Current Assets</b>	<b>2,187,262,649</b>	<b>2,193,726,889</b>	<b>(6,464,240)</b>	<b>0%</b>	<b>3%</b>	<b>3%</b>
<b>Noncurrent Assets</b>						
Investment properties	63,845,474,080	63,837,041,406	8,432,675	0%	96%	96%
Other noncurrent asset	275,204,763	267,289,420	7,915,343	3%	0%	0%
<b>Total Noncurrent Assets</b>	<b>64,120,678,843</b>	<b>64,104,330,826</b>	<b>16,348,018</b>	<b>0%</b>	<b>97%</b>	<b>97%</b>
	<b>66,307,941,492</b>	<b>66,298,057,715</b>	<b>9,883,778</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts and other payables	847,211,052	917,419,714	(70,208,662)	-8%	1%	1%
Deposits and other current liabilities	504,406,654	527,465,685	(23,059,031)	-4%	1%	1%
<b>Total Current Liabilities</b>	<b>1,351,617,706</b>	<b>1,444,885,399</b>	<b>(93,267,693)</b>	<b>-6%</b>	<b>2%</b>	<b>2%</b>
<b>Noncurrent Liabilities</b>						
Lease liability	269,945,324	267,416,159	2,529,165	1%	0%	0%
Deposits and other noncurrent liabilities	886,516,881	858,972,052	27,544,830	3%	1%	1%
<b>Total Noncurrent Liabilities</b>	<b>1,156,462,205</b>	<b>1,126,388,211</b>	<b>30,073,995</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>
<b>Total Liabilities</b>	<b>2,508,079,911</b>	<b>2,571,273,610</b>	<b>(63,193,698)</b>	<b>-2%</b>	<b>4%</b>	<b>4%</b>
<b>Equity</b>						
Capital stock	10,726,804,330	10,726,804,330	-	0%	16%	16%
Additional paid-in capital	54,125,177,627	54,125,177,627	-	0%	82%	82%
Retained earnings (Deficit)	(1,052,120,376)	(1,125,197,852)	73,077,476	-6%	-2%	-2%
<b>Total Equity</b>	<b>63,799,861,581</b>	<b>63,726,784,105</b>	<b>73,077,476</b>	<b>0%</b>	<b>96%</b>	<b>96%</b>
	<b>66,307,941,492</b>	<b>66,298,057,715</b>	<b>9,883,778</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>

### Assets

The Company's financial position as of March 31, 2024 remains solid and healthy with total assets increasing to ₱66,307.94 million from ₱66,298.06 million as of December 31, 2023.

#### *Cash*

The Company's cash ended at ₱1,694.48 million as of March 31, 2024, from ₱1,788.81 million as of December 31, 2023. The decrease of ₱94.33 million or 5% was mainly due to the cash used for the payment of dividends amounting to ₱1,051.23 million, maintenance capex of ₱19.94 million and noncurrent assets of ₱7.92 million, offset by the cash generated from operations amounting to ₱984.75 million.

#### *Receivables*

Receivables ended at ₱417.18 million as of March 31, 2024, from ₱316.56 million as of December 31, 2023. The increase was due to the decline in collection efficiency during the period.

#### *Other current assets*

Other current assets ended at ₱75.59 million as of March 31, 2024, from ₱88.36 million as of December 31, 2023. A decrease of ₱12.76 million or 14% was due to the amortization of prepaid taxes.

#### *Investment properties*

Investment properties ended at ₱63,845.47 million as of March 31, 2024, from ₱63,837.04 million as of December 31, 2023. The increase was mainly due to the additions in maintenance capex, offset by the amortization of right-of-use asset that relates to the land lease of Cyber Sigma.

#### *Other noncurrent assets*

Other noncurrent assets amounted to ₱275.20 million as of March 31, 2024, from ₱267.29 million as of December 31, 2023. An increase of 3% or ₱7.92 million was due to the accumulation of creditable income tax which were not utilized yet as the Company benefited from tax exemption mainly due to the declaration and payout of dividends equivalent to more than 90% of its distributable income.

### **Liabilities**

RCR has zero debt and has the capacity to leverage up to 35% of Deposited Property Value.

Total liabilities landed at ₱2,508.08 million and ₱2,571.27 million as of March 31, 2024 and December 31, 2023, respectively.

#### *Accounts and other payables*

Accounts and other payables were ₱847.21 million as of March 31, 2024 and ₱917.42 million as of December 31, 2023. A decrease of 8% or ₱70.21 was due to the installment payment made for the fuel cost recovery adjustment related to utilities.

#### *Deposits and other liabilities (current and noncurrent)*

The Company's deposits and other liabilities were ₱1,390.92 million as of March 31, 2024 and ₱1,386.44 million as of December 31, 2023. The increase was due to the additional deposits collected from new contracts.

#### *Lease liability*

The Company's lease liability was ₱269.95 million as of March 31, 2024 and ₱267.42 million as of December 31, 2023. The increase was due to the accretion of interest expense on lease liability.

### **Equity**

#### *Capital stock*

Capital stock ended at ₱10,726.80 million as of March 31, 2024 and December 31, 2023.

#### *Additional paid-in capital*

The Company's additional paid-in capital (APIC) amounted to ₱54,125.18 million as of March 31, 2024 and December 31, 2023.

#### *Retained Earnings (Deficit)*

Retained earnings before the change in fair market values of investment properties ended at ₱1,927.79 million and ₱1,826.76 million as of March 31, 2024 and December 31, 2023, respectively. Considering the change in the fair market values of investment properties, retained earnings ended at -₱1,052.12 million and -₱1,125.20 million as of March 31, 2024 and December 31, 2023, respectively. The increase was mainly due to the net income from the operations covering the three months ending March 31, 2024, offset by the payment of dividends for 4Q 2023.

### III. Key Performance Indicators

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

The key performance indicators are as follows:

	As of March 31, 2024	As of December 31, 2023
Current ratio <sup>1</sup>	1.62	1.52
Acid test ratio (Quick ratio) <sup>2</sup>	1.56	1.46
Debt-to-equity ratio <sup>3</sup>	<i>RCR does not have any financial indebtedness as of March 31, 2024 and December 31, 2023</i>	
Asset-to-equity ratio <sup>4</sup>	1.04	1.04
Net book value per share <sup>5</sup>	₱5.95	₱5.94

	For the Period Ended March 31	
	2024	2023
Earnings per share <sup>6</sup>	₱0.10	₱0.10
Interest rate coverage ratio <sup>7</sup>	<i>RCR does not have any financial indebtedness as of March 31, 2024 and December 31, 2023</i>	
Net profit/ operating margin <sup>8</sup>	0.79	0.79
Solvency ratio <sup>9</sup>	<i>RCR does not have any financial indebtedness as of March 31, 2024 and December 31, 2023</i>	
Return on equity <sup>10</sup>	0.07	0.07
Return on assets <sup>11</sup>	0.06	0.07

*Considering the change in the fair market values of Investment Properties, Return on Equity are 0.18 and -0.10; and Return on Assets are 0.17 and -0.09, as of March 31, 2024 and 2023, respectively.*

#### Notes:

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

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

Unaudited Interim Condensed Financial Statements  
As of March 31, 2024 and for the Three Months Ended March 31, 2024 and 2023  
*(With Comparative Audited Statement of Financial Position  
as of December 31, 2023)*

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

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 6)	₱1,694,483,181	₱1,788,809,752
Receivables (Note 7, 13)	417,184,763	316,562,081
Other current assets (Note 8)	75,594,705	88,355,056
Total Current Assets	<b>2,187,262,649</b>	2,193,726,889
<b>Noncurrent Assets</b>		
Investment properties (Note 9)	63,845,474,080	63,837,041,406
Other noncurrent assets (Note 8)	275,204,763	267,289,420
Total Noncurrent Assets	<b>64,120,678,843</b>	64,104,330,826
	<b>₱66,307,941,492</b>	₱66,298,057,715
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts and other payables (Note 10, 13)	₱847,211,052	₱917,419,714
Deposits and other current liabilities (Note 11)	504,406,654	527,465,685
Total Current Liabilities	<b>1,351,617,706</b>	1,444,885,399
<b>Noncurrent Liabilities</b>		
Lease liability (Note 18)	269,945,324	267,416,159
Deposits and other current liabilities (Note 11)	886,516,881	858,972,052
Total Noncurrent Liabilities	<b>1,156,462,205</b>	1,126,388,211
Total Liabilities	<b>2,508,079,911</b>	2,571,273,610
<b>Equity</b>		
Capital stock (Note 12)	10,726,804,330	10,726,804,330
Additional paid-in capital (Note 12)	54,125,177,627	54,125,177,627
Retained earnings (Note 12)	(1,052,120,376)	(1,125,197,852)
Total Equity	<b>63,799,861,581</b>	63,726,784,105
	<b>₱66,307,941,492</b>	₱66,298,057,715

*See accompanying Notes to Unaudited Interim Financial Statements.*

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

	<b>For the Period January to March</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>REVENUE</b>		
Rental income (Note 14,18)	<b>₱1,170,229,699</b>	₱1,187,113,559
Income from dues (Note 14)	<b>221,183,854</b>	224,368,660
Income from dues – net (Note 15)	<b>14,082,585</b>	19,696,796
	<b>1,405,496,138</b>	1,431,179,015
<b>FAIR VALUE CHANGE IN INVESTMENT PROPERTIES</b>		
Increase in fair value of investment properties	–	–
Straight-line adjustments (Note 12)	<b>(22,250,710)</b>	(64,970,484)
Lease commissions (Note 12)	<b>(5,701,715)</b>	(96,084)
	<b>(27,952,425)</b>	(65,066,568)
Other income (Note 16)	<b>53,410,884</b>	11,935,533
	<b>1,430,954,597</b>	1,378,047,980
<b>COSTS AND EXPENSES</b>		
Direct operating costs (Note 17)	<b>200,213,322</b>	190,590,352
General and administrative expenses (Note 17)	<b>96,471,138</b>	98,263,558
Interest expense on lease liability (Note 18)	<b>2,529,165</b>	1,765,398
	<b>299,213,625</b>	290,619,308
<b>INCOME BEFORE INCOME TAX</b>	<b>1,131,740,972</b>	1,087,428,672
<b>PROVISION FOR INCOME TAX</b> (Note 19)	<b>7,436,672</b>	1,232,093
<b>NET INCOME</b>	<b>1,124,304,300</b>	1,086,196,579
<b>OTHER COMPREHENSIVE INCOME</b>	–	–
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱1,124,304,300</b>	₱1,086,196,579
<b>Basic and Diluted Earnings Per Share</b> (Note 12)	<b>₱0.1048</b>	₱0.1013
<b>Dividends declared to-date</b>	<b>₱0.0980</b>	₱0.0976

*See accompanying Notes to Unaudited Interim Financial Statements.*

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

**UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2024 AND 2023**

**For the Three Months Ended March 31, 2024**

	<b>Capital Stock</b> (Note 12)	<b>Additional Paid-in Capital</b> (Note 12)	<b>Retained Earnings</b> (Note 12)	<b>Total Equity</b>
<b>Balances at January 1, 2024</b>	<b>₱10,726,804,330</b>	<b>₱54,125,177,627</b>	<b>(₱1,125,197,852)</b>	<b>₱63,726,784,105</b>
Total comprehensive income for the period	–	–	<b>1,124,304,300</b>	<b>1,124,304,300</b>
Cash dividends	–	–	<b>(1,051,226,824)</b>	<b>(1,051,226,824)</b>
<b>Balances at March 31, 2024</b>	<b>₱10,726,804,330</b>	<b>₱54,125,177,627</b>	<b>(₱1,052,120,376)</b>	<b>₱63,799,861,581</b>

**For the Three Months Ended March 31, 2023**

	<b>Capital Stock</b> (Note 12)	<b>Additional Paid-in Capital</b> (Note 12)	<b>Retained Earnings</b> (Note 12)	<b>Total Equity</b>
<b>Balances at January 1, 2023</b>	<b>₱10,726,804,330</b>	<b>₱54,125,177,627</b>	<b>(₱8,394,060,243)</b>	<b>₱56,457,921,714</b>
Total comprehensive income for the period	–	–	<b>1,086,196,579</b>	<b>1,086,196,579</b>
Cash dividends	–	–	<b>(1,046,936,102)</b>	<b>(1,046,936,102)</b>
<b>Balances at March 31, 2023</b>	<b>₱10,726,804,330</b>	<b>₱54,125,177,627</b>	<b>(₱8,354,799,766)</b>	<b>₱56,497,182,191</b>

*See accompanying Notes to Unaudited Interim Financial Statements.*



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

**UNAUDITED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

	2024 (Unaudited)	2023 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱1,131,740,972	₱1,087,428,672
Adjustments for:		
Fair value change in investment properties	27,952,425	65,066,568
Amortization of right-of-use asset	7,317,866	5,307,464
Interest expense on lease liability	2,529,165	1,765,398
Interest income	(37,183,360)	(6,160,467)
Operating income before working capital changes	1,132,357,068	1,153,407,635
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables	(122,873,392)	58,972,501
Other current assets	12,760,351	12,985,101
Increase in:		
Accounts payable and other payables	(71,723,925)	109,223,227
Deposits and other liabilities	4,485,798	(2,083,327)
Net cash generated from operations	955,005,900	1,332,505,137
Interest received	37,183,360	6,160,467
Income tax paid	(7,436,672)	(1,232,093)
Net cash flows provided by operating activities	984,752,588	1,337,433,511
<b>CASH FLOWS USED INVESTING ACTIVITIES</b>		
Additions to investment properties	(19,936,992)	(5,435,216)
Increase in other noncurrent assets	(7,915,343)	(28,873,154)
Net cash flows used in investing activities	(27,852,335)	(34,308,370)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Payment of dividends	(1,051,226,824)	(1,046,936,102)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	(94,326,571)	256,189,039
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>	<b>1,788,809,752</b>	<b>1,014,710,209</b>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31</b>	<b>₱1,694,483,181</b>	<b>₱1,270,899,248</b>

*See accompanying Notes to Unaudited Interim Financial Statements.*

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

---

**1. Corporate Information**

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

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

Further, a Comprehensive Deed of Assignment was executed between the Company and RLC on April 15, 2021 for the assignment, transfer, and conveyance by RLC of several properties (RLC REIT Properties) (the Assigned Properties) to the Company in the form of buildings and condominium units, excluding the land wherein the buildings and the condominium units are situated, with an aggregate gross area of Three Hundred Sixty-Five Thousand Three Hundred Twenty-Nine and Eighty-One Hundredths (365,329.81) square meters and with a total value of Fifty-Nine Billion Forty-Six Million Pesos (₱59,046,000,000) in exchange for the issuance of Nine Billion Nine Hundred Twenty-Three Million Nine Hundred Ninety-Seven Thousand One Hundred Eighty-Three (9,923,997,183) shares of the Assigned Properties at One Peso (₱1.00) per share with an aggregate par value of Nine Billion Nine Hundred Twenty-Three Million Nine Hundred Ninety-Seven Thousand One Hundred Eighty-Three Pesos (₱9,923,997,183), with the remaining amount of Forty-Nine Billion One Hundred Twenty-Two Million Two Thousand Eight Hundred Seventeen Pesos (₱49,122,002,817) being treated as additional paid-in capital without issuance of additional shares (the Property-for-Share Swap). Ownership of the land on which the Assigned Properties are situated shall remain with RLC.

The Assigned Properties consisted of: (i) the buildings and related immovable property in respect of Cyberscape Alpha, Cyberscape Beta, Tera Tower, Cyber Sigma, Exxa-Zeta Tower, Cybergate Cebu, Galleria Cebu, Luisita BTS 1, Cybergate Naga and Cybergate Delta 1 (the Buildings); and (ii) 96 condominium units in Robinsons Equitable Tower and 31 condominium units in Robinsons Summit Center (Condominium Units).

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

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

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

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

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

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 15<sup>th</sup> 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 infusion 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 16<sup>th</sup> 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 March 31, 2024 and for the three months ended March 31, 2024 and 2023 were authorized for issue by the BOD on May 3, 2024.

---

## 2. Basis of Preparation

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

### Statement of Compliance

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

---

## 3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards effective January 1, 2024. 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 PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

### 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, 2025*

- PFRS 17, *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*

---

## 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 accounts for a modification to all operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

There are no lease contracts where the Company transfers substantially all the risk and benefits of ownership of the assets that are leased.

#### *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

The Company's financial assets at amortized cost include cash in bank and receivables and these are classified as financial assets at amortized cost (debt instruments).

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

#### *Financial liabilities*

##### Initial recognition and measurement

The Company's financial liabilities include accounts and other payables (excluding taxes payables), lease liability and security deposits. These financial liabilities, at initial recognition, as loans and borrowings, and payables.

All financial liabilities are recognized initially at fair value.

##### Subsequent measurement

The financial liabilities are subsequently measured at amortized cost using the EIR method. This category generally applies to accounts and other payables, deposits and other liabilities.

#### Derecognition of Financial Instruments

##### *Financial asset*

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

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

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

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

##### *Financial liability*

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

### Impairment of Financial Assets

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

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

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

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

### 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 and 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).

The Company abides with the provisions of the REIT law and complies with the distribution of dividends equivalent to at least 90%. The Company has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that is effectively an “income tax-free” entity 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).

#### 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 payments, lease term as compared with the estimated useful life of the related asset, ceding of control over the asset, purchase options, outright transfer of asset to the lessee at the lease term and lease asset is of specialized nature.

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 ₱269.95 million and ₱267.42 million as of March 31, 2024 and December 31, 2023, respectively (see Note 18).

*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 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 ₱417.18 million and ₱316.56 million as of March 31, 2024 and December 31, 2023, respectively (see Note 7).

*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 ₱63,845.47 million and ₱63,837.04 million as of March 31, 2024 and December 31, 2023, respectively. Fair value change recognized as of March 31, 2024 amounted to nil. (₱7,135.40 million for the year 2023). (see Note 9).

---

**6. Cash and cash equivalents**

This account consists of:

	<b>March 31, 2024</b>	December 31, 2023
	<b>(Unaudited)</b>	(Audited)
Cash on hand and in bank	<b>₱294,483,181</b>	₱538,809,752
Cash equivalents	<b>1,400,000,000</b>	1,250,000,000
	<b>₱1,694,483,181</b>	₱1,788,809,752

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

Interest earned from cash in bank and cash equivalents for the three months ended March 31, 2024 and 2023 amounted to ₱37.18 million and ₱6.16 million, respectively

---

## 7. Receivables

This account consists of:

	<b>March 31, 2024</b>	December 31, 2023
	<b>(Unaudited)</b>	(Audited)
Trade receivables (Note 14)	<b>₱372,276,234</b>	₱287,072,470
Receivable from a related party (Note 13)	<b>24,842,920</b>	24,705,426
Others	<b>20,065,609</b>	4,784,185
	<b>₱417,184,763</b>	₱316,562,081

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 accrued interest receivable on cash equivalents and downpayments made to suppliers.

No provision for ECL was recognized as of March 31, 2024 and 2023.

---

## 8. Other Assets

### Other Current Assets

This account consists of prepaid real property taxes amounting to ₱75.59 million and ₱88.36 million as of March 31, 2024 and December 31, 2023, respectively.

### Other Noncurrent Assets

This account consists of

	<b>March 31, 2024</b>	December 31, 2023
	<b>(Unaudited)</b>	(Audited)
Creditable withholding taxes	<b>₱140,238,620</b>	₱132,906,501
Security deposit	<b>121,451,869</b>	121,451,869
Reserve fund	<b>13,514,274</b>	12,931,050
	<b>₱275,204,763</b>	₱267,289,420

Creditable withholding taxes pertain to taxes withheld by the Company that are recognized upon collection of the related receivable and are utilized as tax credits against income tax due.

Security deposits represent the deposit made to Robinsons Land Corporation (RLC) in relation to lease agreements for the land on which the Company's properties are situated and for the lease of two buildings – Robinsons Cybergate Center 2 and Robinsons Cybergate Center 3.

Reserve fund is composed of 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:

	March 31, 2024 (Unaudited)		
	Building and Building Improvements	Right-of-Use Assets (Note 18)	Total
<b>Cost</b>			
Balance at beginning of period	₱63,361,782,166	₱546,105,837	₱63,907,888,003
Additions	15,750,540	-	15,750,540
Balance at end of period	63,377,532,706	546,105,837	63,923,638,543
<b>Accumulated Depreciation</b>			
Balance at beginning of period	-	70,846,597	70,846,597
Amortization (Note 17)	-	7,317,866	7,317,866
Balance at end of period	-	78,164,463	78,164,463
<b>Net Book Value</b>	<b>₱63,377,532,706</b>	<b>₱467,941,374</b>	<b>₱63,845,474,080</b>
<b>December 31, 2023 (Audited)</b>			
	Building and Building Improvements	Right-of-Use Assets (Note 18)	Total
<b>Cost</b>			
Balance at beginning of year	₱56,197,208,972	₱546,105,837	₱56,743,314,809
Additions	29,172,476	-	29,172,476
Fair value change	7,135,400,718	-	7,135,400,718
Balance at end of year	63,361,782,166	546,105,837	63,907,888,003
<b>Accumulated Depreciation</b>			
Balance at beginning of year	-	41,494,715	41,494,715
Amortization	-	29,351,882	29,351,882
Balance at end of year	-	70,846,597	70,846,597
<b>Net Book Value</b>	<b>₱63,361,782,166</b>	<b>₱475,259,240</b>	<b>₱63,837,041,406</b>

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 March 31, 2024 and December 31, 2023 amounted to ₱63,845.47 million and ₱63,837.04 million, respectively. The fair values of the investment properties were determined by independent professionally qualified appraisers and exceeded their carrying costs.

Rental income derived from investment properties amounted to ₱1,170.23 million and ₱1,187.11 million for the three months ended March 31, 2024 and 2023 (see Note 14).

Property operations and maintenance costs arising from investment properties amounted to ₱200.21 million and ₱190.59 million for the nine months ended March 31, 2024 and 2023 (see Note 17).

There are no investment properties as of March 31, 2024 and December 31, 2023 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**

	<b>March 31, 2024</b>	December 31, 2023
	<b>(Unaudited)</b>	(Audited)
Accounts payable (Note 13)	<b>₱276,600,302</b>	₱254,665,708
Accrued expenses	<b>506,995,280</b>	578,092,520
Taxes payable	<b>63,615,470</b>	84,661,486
	<b>₱847,211,052</b>	₱917,419,714

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

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

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

---

**11. Deposits and Other Liabilities**

This account consists of:

	<b>March 31, 2024</b>	December 31, 2023
	<b>(Unaudited)</b>	(Audited)
Deposits from lessees	<b>₱1,079,745,012</b>	₱1,061,588,156
Unearned rental income	<b>213,023,170</b>	226,825,711
Deferred credits	<b>98,155,353</b>	98,023,870
	<b>1,390,923,535</b>	1,386,437,737
Less current portion	<b>504,406,654</b>	527,465,685
	<b>₱886,516,881</b>	₱858,972,052

The current portion of these accounts follows:

	<b>March 31, 2024</b>	December 31, 2023
	<b>(Unaudited)</b>	(Audited)
Deposits from lessees	<b>₱376,779,008</b>	₱364,008,584
Unearned rental income	<b>87,406,862</b>	114,133,665
Deferred credits	<b>40,220,784</b>	49,323,436
	<b>₱504,406,654</b>	₱527,465,685

*Deposits from lessees*

Deposits from lessees represent deposits received from lessees to secure the faithful compliance by lessees of their obligation under the lease contract. These are equivalent to three (3) months' rent and refunded to the lessee at the end of the lease term.

The rollforward analysis of deposits from lessees follows:

	<b>March 31, 2024</b> <b>(Unaudited)</b>	December 31, 2023 <b>(Audited)</b>
<b>Gross Amount</b>		
Balance at beginning of period	<b>₱1,162,843,879</b>	₱1,021,634,838
Additions	<b>18,563,649</b>	141,209,041
Balance at end of period	<b>1,181,407,528</b>	1,162,843,879
<b>Unamortized Discount</b>		
Balance at beginning of period	<b>101,255,723</b>	99,628,551
Additions	<b>10,392,247</b>	41,568,990
Accretion (Note 17)	<b>(9,985,454)</b>	(39,941,818)
Balance at end of period	<b>101,662,516</b>	101,255,723
<b>Net Amount</b>	<b>1,079,745,012</b>	1,061,588,156
Less current portion	<b>376,779,008</b>	364,008,584
	<b>₱702,966,004</b>	<b>₱697,579,572</b>

*Unearned rental income*

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

*Deferred credits*

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

The rollforward analysis of deferred credits follows:

	<b>March 31, 2024</b> <b>(Unaudited)</b>	December 31, 2023 <b>(Audited)</b>
Balance at beginning of period	<b>₱98,023,870</b>	₱97,497,936
Additions	<b>10,392,247</b>	41,568,990
Amortization	<b>(10,260,764)</b>	(41,043,056)
Balance at end of period	<b>98,155,353</b>	98,023,870
Less current portion	<b>40,220,784</b>	49,323,436
	<b>₱57,934,569</b>	<b>₱48,700,434</b>

## 12. Equity

The details of the Company's common shares as of March 31, 2024 and December 31, 2023 follow:

	<b>March 31, 2024 (Unaudited)</b>		December 31, 2023 (Audited)	
	Shares	Amount	Shares	Amount
Authorized - at ₱1 par value				
Balances at beginning of year	<b>39,795,988,732</b>	<b>₱39,795,988,732</b>	39,795,988,732	₱39,795,988,732
Increase in authorized capital stock (a)	-	-	-	-
Balances at end of year	<b>39,795,988,732</b>	<b>₱39,795,988,732</b>	39,795,988,732	₱39,795,988,732

(forward)

Issued and outstanding				
Balances at beginning of year	10,726,804,330	₱10,726,804,330	10,726,804,330	₱10,726,804,330
Issuance of new shares (a)	–	–	–	–
Balances at end of year	10,726,804,330	₱10,726,804,330	10,726,804,330	₱10,726,804,330
Net asset value per share		₱5.95		₱5.94

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 value 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 the property-for-share swap transactions.

#### 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 1,483.35 million as of March 31, 2024.

The Company's BOD approved the declaration of cash dividends to common stockholders as follows:

Declaration date	Cash dividends	Record date	Payment date
November 5, 2021	₱0.0620	November 19, 2021	November 25, 2021
February 4, 2022	₱0.0920	February 18, 2022	February 28, 2022
May 10, 2022	₱0.0965	May 26, 2022	May 31, 2022
August 9, 2022	₱0.0972	August 23, 2022	August 31, 2022
November 8, 2022	₱0.0974	November 22, 2022	November 29, 2022
February 6, 2023	₱0.0976	February 20, 2023	February 28, 2023

<i>(forward)</i>			
April 21, 2023	₱0.0977	May 22, 2023	May 31, 2023
August 9, 2023	₱0.0978	August 24, 2023	August 31, 2023
November 7, 2023	₱0.0979	November 21, 2023	November 30, 2023
February 5, 2024	₱0.0980	February 20, 2024	February 29, 2024

#### Distributable Income

The computation of the distributable income of the Company for the three months ended March 31, 2024 is shown below:

Total comprehensive income	<b>₱1,124,304,300</b>
Add: Fair value change in investment properties	<b>27,952,425</b>
<u>Distributable income</u>	<u><b>₱1,152,256,725</b></u>

The fair value of the Company's investment properties is determined using the Income Approach by an external valuer. It is reduced by the application of the straight-line method of recognizing rental income and lease commissions for the period. For the three months ending March 31, 2024, gain or loss arising from the change in the fair value of investment properties amounted to nil; while straight-line adjustments in rent and lease commissions amounted to ₱22.25 million and ₱5.70 million, respectively, totaling ₱27.95 million.

#### Capital Management

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

The Company's sources of capital include all the components of equity totaling ₱63,799.86 million and ₱63,726.78 million as of March 31, 2024 and December 31, 2023, respectively.

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

---

### 13. Related Party Transactions

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

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

	March 31, 2024 (Unaudited)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
<b>Ultimate Parent Company</b>				
Rental income/receivable (a)	₱9,483,289	₱7,722,291	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
<b>Under common control of Ultimate Parent Company</b>				
Rental income/receivable (a)	₱79,206,967	₱87,262,152	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
<b>Parent Company</b>				
Rental income/receivable (a)	₱59,020,954	₱2,991,692	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
<b>Parent Company</b>				
Related party receivable (Note 7)	₱–	₱24,842,920	Non-interest bearing; due and demandable	Unsecured; no impairment
<b>Parent Company</b>				
Rent expense/payable (Note 17,18)	₱58,128,737	(₱40,109,025)	Noninterest bearing; due and demandable	Unsecured
<b>Under common control of Parent Company</b>				
Management fees/accounts payable (b) (Note 17)	₱120,667,620	(₱143,460,441)	Noninterest bearing; due and demandable	Unsecured
<b>Under common control of Ultimate Parent Company</b>				
Cash in bank (Note 6)	₱294,168,884	–	Interest bearing at prevailing market rate	Unsecured; no impairment
Short-term investments (Note 6)	₱1,400,000,000	–	Interest bearing at prevailing market rate	Unsecured; no impairment
Interest income (Note 6)	₱37,183,360	₱13,997,213	at 5.00%-6.10% per annum due and demandable	
	December 31, 2023 (Audited)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
<b>Ultimate Parent Company</b>				
Rental income/receivable (a)	₱41,680,405	₱1,927,506	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
<b>Under common control of Ultimate Parent Company</b>				
Rental income/receivable (a)	₱337,794,538	₱55,988,776	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment
<b>Parent Company</b>				
Rental income/receivable (a)	₱273,467,314	₱24,705,426	Three to five-year lease terms at prevailing market lease rates; renewable at the end of lease term	Unsecured; no impairment



	December 31, 2023 (Audited)			
	Amount/ Volume	Receivable (Payable)	Terms	Conditions
<i>(forward)</i>				
Parent Company				
Related party receivable (Note 7)	₱254,250,733	₱21,294,390	Noninterest bearing; due and demandable	Unsecured; no impairment
Parent Company				
Rent expense (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)	₱225,535,182	(₱37,565,938)	Noninterest bearing; due and demandable	Unsecured
Under common control of Ultimate Parent Company				
Cash in bank (Note 6)	₱475,627,770	₱-		Unsecured;
Short-term investments	1,250,000,000		Interest bearing	no impairment
Interest income	48,061,459	2,808,338		

Significant transactions with related parties are as follows:

(a) *Rental income*

The revenue generated from related party lessees amounted to ₱147.71 million and ₱180.32 million for the three months ended March 31, 2024 and 2023.

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

(b) *Management fees*

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

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

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

The Company incurred management fees amounting to ₱120.67 million and ₱117.71 million for the three months ended March 31, 2024 and 2023 (see Note 17).

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

Outstanding balances at yearend are unsecured, noninterest-bearing and settlement occurs in cash, unless otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recognized any impairment losses on amounts receivables from related parties as of March 31, 2024 and December 31, 2023. This assessment is undertaken each financial period through a review of the financial position of the related party and the market in which the related party operates.

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

---

#### 14. Rental Income and Income from Dues

##### *Rental income*

This account consists of rental income for the three months ended March 31, 2024 and 2023 from:

	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
Office, retail and parking spaces	<b>₱1,159,968,935</b>	₱1,179,845,229
Amortization of deferred credits (Note 11)	<b>10,260,764</b>	7,268,330
	<b>₱1,170,229,699</b>	₱1,187,113,559

Rental income from office, retail and parking includes income from the straight-line method of recognizing rental income amounting to ₱34.77 million and ₱69.53 million for the three months ending March 31, 2024 and 2023, respectively.

##### *Income from dues*

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

Set out below is the disaggregation of the Company's revenue from income from dues or non-lease component for the three months ending March 31, 2024 and 2023:

	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
Income from dues:		
CUSA	<b>₱212,257,387</b>	₱215,545,196
Air-conditioning	<b>8,926,467</b>	8,823,464
	<b>₱221,183,854</b>	₱224,368,660

---

#### 15. Income from Dues - Net

Income from dues - net pertain to CUSA and air-conditioning services of the Condominium Units where the Company determined that it is acting as an agent for these services (see Note 5). This account consists of the following for the three months ending March 31, 2024 and 2023:

	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
Dues	<b>₱39,531,912</b>	₱41,355,087
Less direct costs	<b>(25,449,327)</b>	(21,658,291)
	<b>₱14,082,585</b>	₱19,696,796

## 16. Other Income

This account pertains to miscellaneous income earned from forfeitures and penalties charged to tenants for late payments, interest income, and others. Other income amounted to ₱53.41 million and ₱11.94 million for the three months ended March 31, 2024 and 2023.

## 17. Costs and Expenses

### Direct Operating Costs

This account consists of the following for the three months ended March 31, 2024 and 2023:

	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
Management fees (Notes 10 and 13)	<b>₱120,667,620</b>	₱117,709,863
Contracted services	<b>28,927,967</b>	19,852,792
Repairs and maintenance	<b>21,830,287</b>	20,667,258
Utilities – net (Note 5)	<b>11,484,128</b>	20,095,862
Accretion of interest expense (Note 11)	<b>9,985,454</b>	6,957,113
Amortization (Note 9)	<b>7,317,866</b>	5,307,464
	<b>₱200,213,322</b>	₱190,590,352

Utilities - net pertains to net recoveries from tenants for the usage of light and water. Set out below is the disaggregation of the Company's utility dues billed to tenants in 2024 and 2023:

	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
Utility dues:		
Light	<b>₱124,744,329</b>	₱184,091,020
Water	<b>9,713,855</b>	4,295,228
Diesel and other charges	<b>(1,133,040)</b>	-
Costs:		
Light	<b>(132,190,027)</b>	(197,643,308)
Water	<b>(11,792,736)</b>	(8,891,267)
Diesel and other charges	<b>(826,509)</b>	(1,947,535)
	<b>(₱11,484,128)</b>	(₱20,095,862)

### General and Administrative Expenses

This account consists of the following for the three months ended March 31, 2024 and 2023:

	2024 (Unaudited)	2023 (Unaudited)
Rent expense (Note 18)	₱58,128,737	₱57,383,824
Taxes and licenses	26,359,391	27,270,725
Insurance expense	5,375,250	5,922,455
Supplies expense	1,045,525	1,383,992
Professional fees	1,042,340	1,141,929
Communication	4,019	7,447
Advertising and promotions	-	66,964
Others	4,515,876	5,086,222
	<b>₱96,471,138</b>	<b>₱98,263,558</b>

Others pertain to directors' fees, garbage fees, filing fees, and other expenses which are individually not material.

---

### 18. Lease Commitments and Contingencies

#### *The Company as lessor - operating lease*

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

Total rent income amounted to ₱1,170.23 million and ₱1,187.11 million for the three months ended March 31, 2024 and 2023, respectively.

#### *The Company as lessee - operating lease*

##### Building and Land Lease Agreements with RLC

On July 16, 2021, the Company entered into long-term building lease agreements with RLC for the lease of the Robinsons Cybergate 1 and Robinsons Cybergate 2 and long-term land lease agreements for the lease of land where Cyberscape Alpha, Cyberscape Beta, Tera Tower, Exxa-Zeta Tower, Robinsons Cybergate Cebu, Robinsons Galleria Cebu, Robinsons Place Luisita 1, Cybergate Naga and Cybergate Delta 1 are situated.

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

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

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

subject to a monthly rental fee equivalent to seven percent (7%) of the monthly rental income of Cyberscape Gamma.

Land Lease Agreement with BCDA

Simultaneous with the execution of Comprehensive Deed of Assignment, RLC assigned to the Company its rights, interests and obligations as a lessee including prepaid rent under the 25-year opening lease agreement it entered into with Bases Conversion and Development Authority (BCDA) in 2014 for a long-term lease of approximately 5,000 sqm parcel of land along Lawton Avenue, Bonifacio South, Taguig City where Cyber Sigma is currently located. The lease is payable at a fixed yearly rent of ₱50.00 million, subject to 3% annual escalation rate.

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

The rollforward analysis of lease liability for the three months ended March 31, 2024 and year ended December 31, 2023 follows:

	<b>March 31, 2024</b> <b>(Unaudited)</b>	December 31, 2023 <b>(Audited)</b>
Balance at beginning of year	<b>₱267,416,159</b>	₱257,365,719
Interest expense on lease liability	<b>2,529,165</b>	10,050,440
	<b>₱269,945,324</b>	₱267,416,159

The following are the amounts recognized in the statements of comprehensive income for the three months ending March 31, 2023 and 2024 from the above lease agreements as lessee:

	<b>2024</b> <b>(Unaudited)</b>	2023 <b>(Unaudited)</b>
Amortization of right-of-use asset (Notes 9 and 17)	<b>₱7,317,866</b>	₱5,307,464
Accretion of interest expense on lease liability	<b>2,529,165</b>	1,765,398
Total amounts recognized in the statement of comprehensive income	<b>₱9,847,031</b>	₱7,072,862

---

**19. Income Taxes**

Provision for income tax amounting to ₱7.44 million and ₱1.23 million for the three months ending March 31, 2024 and 2023, respectively, pertains to the final tax on interest income.

---

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

***15.1 Carrying Amounts and Fair Values by Category***

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

***15.2 Fair Value Hierarchy***

In accordance with PFRS 13, Fair Value Measurement, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring

basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

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

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

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

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

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

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

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

The Company has no financial assets or financial liabilities measured at fair value as of March 31, 2024 and December 31, 2023.

---

## 21. Notes to Statements of Cashflows

Noncash investing and financing activities pertain to the following:

### 2024

- Prior period's additions to investment properties that were paid during the year amounting to ₱4.19 million;
- Amortization of ROU asset amounting to ₱7.32 million (Notes 9 and 18); and
- Accretion of lease liability amounting to ₱2.53 million (Note 18).

### 2023

- Amortization of ROU asset amounting to ₱5.31 million (Notes 9 and 18); and
- Accretion of lease liability amounting to ₱1.77 million (Note 18).

---

**22. Events After Reporting Period**

On May 3, 2024, the Company declared its second regular cash dividends for calendar year 2024 covering the period January 1 to March 31, 2024 at ₱0.0990 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 May 31, 2024 to stockholders of record as of May 17, 2024.

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

**AGING OF RECEIVABLES**

**As of March 31, 2024**

	Total	Neither Past Due Nor Impaired	Past Due But Not Impaired				Past Due and Impaired
			Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	
Trade	₱372,276,234	₱324,301,836	₱3,001,111	₱8,668,782	₱12,579,992	₱23,724,513	₱-
Intercompany receivable	24,842,920	24,842,920	-	-	-	-	-
Others	20,065,609	20,065,609	-	-	-	-	-
	<b>₱417,184,763</b>	<b>₱369,210,365</b>	<b>₱3,001,111</b>	<b>₱8,668,782</b>	<b>₱12,579,992</b>	<b>₱23,724,513</b>	<b>₱-</b>



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

---

**FINANCIAL SOUNDNESS INDICATORS**

	<u>As of March 31, 2024</u>		<u>As of December 31, 2023</u>	
<b>Current Ratio</b>				
<u>Current Assets</u>	<u>2,187,262,649</u>		<u>2,193,726,889</u>	
Current Liabilities	1,351,617,706	1.62	1,444,885,399	1.52
<b>Acid test Ratio (Quick Ratio)</b>				
<u>Quick Assets</u>	<u>2,111,667,944</u>		<u>2,105,371,833</u>	
Current Liabilities	1,351,617,706	1.56	1,444,885,399	1.46
<b>Solvency Ratio</b>				
<i>Not applicable. The Company has no debt as of March 31, 2024 and December 31, 2023.</i>				
<b>Asset-to-Equity Ratio</b>				
<u>Total Assets</u>	<u>66,307,941,492</u>		<u>66,298,057,715</u>	
Total Equity	63,799,861,581	1.04	63,726,784,105	1.04
<b>Debt-to-Equity Ratio</b>				
<i>RCR does not have any financial indebtedness as of March 31, 2024 and December 31, 2023.</i>				
<b>Book Value Per Share</b>				
<u>Total Equity</u>	<u>63,799,861,581</u>		<u>63,726,784,105</u>	
Number of Shares Outstanding	10,726,804,330	₱5.95	10,726,804,330	₱5.94

	<b>For the Period Ended March 31</b>			
	<b>2024</b>		<b>2023</b>	
<b>Return on Assets</b>				
Net Income (12-month basis)	<b>11,501,150,386</b>	<b>0.17</b>	<b>(5,472,781,819)</b>	<b>-0.09</b>
Average Total Assets	<b>66,302,999,604</b>		<b>58,789,616,247</b>	
<b>Return on Equity</b>				
Net Income (12-month basis)	<b>11,501,150,386</b>	<b>0.18</b>	<b>(5,472,781,819)</b>	<b>-0.10</b>
Average Total Shareholders' Equity	<b>63,763,322,843</b>		<b>56,477,551,952</b>	
<b>Interest Coverage Ratio</b>				
<i>RCR does not have any financial indebtedness as of March 31, 2024 and 2023.</i>				
<b>Debt Service Coverage Ratio</b>				
<i>RCR does not have any financial indebtedness as of March 31, 2024 and 2023.</i>				
<b>Operating Margin Ratio</b>				
Operating Profit <sup>1</sup>	<b>1,094,557,612</b>	<b>0.79</b>	<b>1,081,268,206</b>	<b>0.79</b>
Total Revenues	<b>1,393,771,237</b>		<b>1,371,887,513</b>	
<b>Earnings Per Share</b>				
Net Income	<b>1,124,304,300</b>		<b>1,086,196,579</b>	
Weighted Average No. of Shares	<b>10,726,804,330</b>	<b>₱0.10</b>	<b>10,726,804,330</b>	<b>₱0.10</b>

<sup>1</sup>Operating profit excludes interest income amounting to ₱37.18 million and ₱6.16 million for the three months ending March 31, 2024 and 2023.

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

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND  
DECLARATION**

Total Unappropriated Retained Earnings - January 1, 2024		₱1,420,673,525
<hr/>		
Net income actually earned/realized during the period:		
Net income (loss) during the period closed to retained earnings	1,124,304,300	
Less: Non-actual/unrealized income net of tax		
Amount of provision for deferred tax during the period	-	
Fair value adjustment of Investment Property	27,952,424	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	(38,350,849)	1,113,905,875
<hr/>		
Add: Non-actual losses		
Adjustments due to deviation from PFRS/GAAP - loss		-
<hr/>		
Net income actually earned during the period		1,113,905,875
Add (Less):		
Dividend declarations during the period		(1,051,226,824)
<hr/>		
<b>TOTAL RETAINED EARNINGS, AVAILABLE FOR  DIVIDEND DECLARATION, MARCH 31</b>		<b>₱1,483,352,576</b>
<hr/> <hr/>		

## Exhibit III

### Item 3. Summary of All Real Estate Assets and Real Estate Transactions

#### A. Real Estate Assets

As of 31 March 2024, RL Commercial REIT, Inc.'s portfolio of real estate assets is composed of the following:

Property	Location	Cost (in pesos, millions)	Occupied GLA (in sqm.)	Occupancy Rate	Remaining Land and Bldg. Lease Term (in years)	Rental Income (in pesos, millions)	Gross Revenue (in pesos, millions)
Robinsons Equitable Tower	Pasig City	2,664.3	12,936	90%	n/a	42.3	55.4
Robinsons Summit Center	Makati City	9,123.8	29,217	93%	n/a	126.0	134.0
Cyberscape Alpha	Pasig City	8,366.9	47,868	96%	96	132.3	146.7
Cyberscape Beta	Pasig City	7,261.9	40,755	96%	96	105.5	129.6
Tera Tower	Quezon City	5,828.9	35,087	100%	96	80.0	97.5
Cyber Sigma	Taguig City	5,590.7	46,561	93%	15	136.3	157.1
Exxa-Zeta Tower	Quezon City	11,714.3	70,129	94%	96	154.7	182.0
Cyberscape Gamma	Pasig City	7,203.9	44,523	99%	48	108.3	130.5
Robinsons Cybergate Center 2	Mandaluyong Ci	6,881.8	41,662	95%	96	91.3	115.0
Robinsons Cybergate Center 3	Mandaluyong Ci	7,796.1	40,316	90%	96	118.4	142.6
Robinsons Cybergate Cebu	Cebu City	543.1	6,866	100%	96	11.6	17.2
Galleria Cebu	Cebu City	916.2	8,851	100%	96	11.6	16.4
Luisita BTS 1	Tarlac City	743.2	5,786	100%	96	9.7	12.3
Cybergate Naga	Naga City	702.7	6,069	100%	96	9.7	12.7
Cybergate Delta 1	Davao City	1,491.5	11,688	98%	96	18.7	24.3
Cybergate Bacolod	Bacolod City	1,206.3	9,322	90%	48	13.9	20.5

#### B. Real Estate Transactions for the period covering 01 January 2024 to 31 March 2024

RCR will consider asset acquisitions via different financing methods as the case may be, including but not limited to a tax-free exchange via asset-for-share swap or cash with the Sponsor, equity and debt capital raising transactions, bank loans, among others, depending on what is in RCR's best interests. As of 31 March 2024, RCR has zero debt.

#### C. Status of Reinvestment Plan

RCR and its sponsor, RLC, has filed for Reinvestment Plan last April 12, 2024. The Reinvestment Plan sets forth the planned use of the net proceeds received by RLC from the sale of 1,725,995,000 RCR shares at a transaction price of ₱4.92 per share. RLC received net proceeds of approximately 8.35 billion (net of taxes and fees attributable to the sale) on April 11, 2024.

RLC will disburse the ₱8.35 billion or the amount RLC is required to reinvest from the net proceeds of the sale of RCR shares to any of the projects mentioned in the said reinvestment plan. All disbursements for such projects are intended to be completed within one (1) year from receipt of the proceeds from the sale of RCR shares.