COVER SHEET

						1	8	4	0	4	4

SEC Registration Number

JG SUMMIT HOLDINGS, INC.

(Company's Full Name)

43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Road, Ortigas Center, Pasig City, Metro Manila

(Business Address: No. Street City/Town/Province)

Atty. Maria Celia H. Fernandez-Estavillo
Corporate Secretary

(Contact Person)

8633-7631 to 40

(Company Telephone Number)

1 2 **3 1**

Month *Day*
(Fiscal Year)

2 0 - I S

(Form Type)

last Thursday of May

Month *Day*
(Annual Meeting)

Preliminary Information Statement

Issuer of Securities under
SEC-BED Order No. 512, Series of 1993; SEC-BED Order No. 623, Series of 1993; SEC-BED Order No. 693, Series of 1994; SEC-BED Order No. 966, Series of 1994; and SEC-CFD Order No. 080, Series of 1998

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

JG SUMMIT
HOLDINGS, INC.
43rd FLOOR ROBINSONS EQUITABLE TOWER ADB AVE. COR. POVEDA RD. ORTIGAS CENTER, PASIG CITY
TEL. NO.: 633-7631 to 40, 240-8801 FAX NO.: 633-9207, 240-9106

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

MAY 14, 2021

Notice is hereby given that the Annual Meeting of the Stockholders of JG SUMMIT HOLDINGS, INC. will be held via video conferencing at **https://bit.ly/JGS2021ASM** on May 14, 2021 at 11:30 a.m. in accordance with the rules of the Securities and Exchange Commission.

The Agenda for the meeting is as follows:

1. Proof of notice of the meeting and existence of a quorum.
2. Reading and approval of the Minutes of the Annual Meeting of the Stockholders held on May 14, 2020.
3. Reading and approval of the Minutes of the Special Meeting of the Stockholders held on October 20, 2020.
4. Presentation of annual report and approval of the financial statements for the preceding year.
5. Election of Board of Directors.
6. Appointment of External Auditor.
7. Ratification of the acts of the Board of Directors and its committees, officers and management.
8. Consideration of such other matters as may properly come during the meeting.
9. Adjournment.

A brief explanation of each agenda item which requires stockholders' approval is provided herein. The Information Statement to be sent to the stockholders shall contain more detail on the rationale and explanation of each agenda item.

In light of current conditions and in support of the efforts to contain the outbreak of COVID-19, stockholders may only attend the meeting via remote communication. Stockholders intending to participate via remote communication must notify the Corporation by email to corporatesecretary@jgsummit.ph on or before May 7, 2021.

Stockholders who wish to cast their votes may do so via the method provided for voting *in absentia*, or by accomplishing the proxy form to be sent together with the Information Statement. The procedures for attending the meeting via remote communication and for casting votes *in absentia* are explained further in the Information Statement.

Stockholders who wish to vote by proxy shall send the proxies via email to corporatesecretary@jgsummit.ph or hard copies to The Office of the Corporate Secretary, 40th Floor, Robinsons Equitable Tower, ADB Avenue cor. Poveda Road, Ortigas Center, Pasig City.

Pursuant to Section 9, Article II of the Amended By-Laws of JG Summit Holdings, Inc., proxies must be received by the Corporate Secretary for inspection and recording not later than five (5) working days before the time set for the meeting, or not later than May 7, 2021. Validation of proxies shall be held on May 11, 2021.

Only stockholders of record as of April 5, 2021 shall be entitled to vote. **We are not soliciting proxies**.

By Authority of the Chairman

MARIA CELIA H. FERNANDEZ-ESTAVILLO
Corporate Secretary

JG SUMMIT
HOLDINGS, INC.
43rd FLOOR ROBINSONS EQUITABLE TOWER ADB AVE. COR. POVEDA RD. ORTIGAS CENTER, PASIG CITY
TEL. NO.: 633-7631 to 40, 240-8801 FAX NO.: 633-9207, 240-9106

ANNUAL MEETING OF STOCKHOLDERS
MAY 14, 2021

EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDERS' APPROVAL

The Corporation has established a designated website in order to facilitate the registration of and voting *in absentia* by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code. A stockholder or member who participates through remote communication or votes *in absentia* shall be deemed present for purposes of quorum.

The following is a summary of the guidelines for voting and participation in the meeting:

(i) Stockholders may attend the meeting by viewing the livestream at this link: **https://bit.ly/JGS2021ASM**. The livestream shall be broadcast via Microsoft Teams. Please refer to Annex E of the Information Statement for the detailed guidelines for participation via remote communication.
(ii) Questions and comments on the items in the Agenda may be sent to corporatesecretary@jgsummit.ph. Questions or comments received on or before May 7, 2021 may be responded to during the meeting. Any questions not answered during the meeting shall be answered via email.
(iii) Each item in the agenda for approval of the stockholders will be shown on the screen during the livestreaming as the same is taken up at the meeting.
(iv) Stockholders may cast their votes on any item in the agenda for approval via the following modes on or before May 7, 2021:
   a. By sending their proxies appointing the Chairman of the meeting to the Corporate Secretary;

   OR

   b. By voting *in absentia*, subject to validation procedures. Please refer to Annex E of the Information Statement for the detailed procedure for registration and voting *in absentia*.
(v) Stockholders may cast their votes on any item in the agenda for approval by sending their proxies appointing the Chairman of the meeting to the Corporate Secretary by email to corporatesecretary@jgsummit.ph or hard copies to the Office of the Corporate Secretary, 40th Floor, Robinsons Equitable Tower, ADB Avenue cor. Poveda Road, Ortigas Center, Pasig City on or before May 7, 2021.
   a. Stockholders holding shares through a broker may course their proxies through their respective brokers, which shall issue certification addressed to the Corporate Secretary and duly-signed by their authorized representative, stating the number of shares being voted and the voting instructions on the matters presented for approval.
   b. Stockholders may also send their duly-executed proxies directly to the Corporate Secretary. The proxies shall be sent together with the following supporting documents:
      i. Government-issued identification (ID) of the Stockholder;
      ii. For Stockholders with joint accounts: The proxy form must be signed by all joint Stockholders. Alternatively, they may submit a scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to sign the proxy.

iii. If holding shares through a broker, the certification from the broker stating the name of the beneficial owner and the number of shares owned by such Stockholder.

(vi) Stockholders intending to participate via remote communication who have not sent their proxies or voted *in absentia* must notify the Corporation by email to corporatesecretary@jgsummit.ph on or before May 7, 2021 in order to be counted for quorum. The email shall contain the following:
   a. If holding shares through a broker, certification from the broker stating the name of the beneficial owner and the number of shares owned by such Stockholder;
   b. Government-issued identification (ID) of the shareholder.

(vii) For purposes of quorum, the following stockholders shall be deemed present:
   a. Those who sent in their proxies before the deadline;
   b. Those who voted in absentia before the cut off time; and
   c. Those who notified the Corporation before the deadline of their intention to participate via remote communication.

(viii) The Office of the Corporate Secretary shall tabulate all votes received and an independent third party will validate the results. During the meeting, the Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for each item for approval under the agenda will be shown on the screen.

Reading and approval of the Minutes of the Annual Meeting of the Stockholders held on May 14, 2020

Copies of the minutes will be distributed to the stockholders before the meeting and will be presented to the stockholders for approval.

Reading and approval of the Minutes of the Special Meeting of the Stockholders held on October 20, 2020

Copies of the minutes will be distributed to the stockholders before the meeting and will be presented to the stockholders for approval.

Presentation of annual report and approval of the financial statements for the preceding year

The annual report and the financial statements for the preceding fiscal year will be presented to the stockholders for approval.

Election of Board of Directors

After having undergone the nomination process as conducted by the Corporate Governance Committee, the nominees for election as members of the Board of Directors, including independent directors, will be presented to the stockholders. The profiles of the nominees shall be provided in the Information Statement to be sent to the Stockholders. The members of the Board of Directors of the Corporation shall be elected by plurality vote.

Appointment of External Auditor

The Corporation's external auditor is SyCip Gorres Velayo & Co. and will be nominated for reappointment for the current fiscal year.

Ratification of the acts of the Board of Directors and its committees, officers and management

Ratification of the acts of the Board of Directors and its committees, officers and management of the Corporation since the last annual stockholders' meeting up to the current stockholders' meeting, as duly recorded in the corporate books and records of the Corporation, will be requested.

Consideration of such other matters as may properly come during the meeting

The Chairman will open the floor for comments and questions by the stockholders. The Chairman will decide whether matters raised by the stockholders may be properly taken up in the meeting or in another proper forum.

WE ARE NOT SOLICITING YOUR PROXY

Stockholders who wish to cast their votes may do so via the method provided for voting in absentia, or by accomplishing the proxy form provided below. The detailed procedure for casting votes in absentia shall be sent securely to the stockholders.

Stockholders who wish to vote by proxy shall send the proxies via email to corporatesecretary@jgsummit.ph or hard copies to the Office of the Corporate Secretary, 40F Robinsons Equitable Tower, ADB Avenue cor. Poveda Road, Ortigas Center, Pasig City not later than May 7, 2021.

P R O X Y

The undersigned stockholder of **JG SUMMIT HOLDINGS, INC.** (the "Corporation"), hereby appoints the Chairman of the meeting, as attorney-in-fact and proxy, to represent and vote all shares registered in his/her/its name at the Annual Meeting of the Stockholders of the Corporation to be held on **May 14, 2021** and adjournments and postponements thereof, for the purpose of acting on the following matters as fully to all intents and purposes as she/he/it might do if present and acting in person, and hereby ratifying and confirming all that the said attorney shall lawfully do or cause to be done by virtue of these presents:

1. Approval of the Minutes of the Annual Meeting of the Stockholders held on May 14, 2020.
_____Yes _____ No _____ Abstain

2. Approval of the Minutes of the Special Meeting of the Stockholders held on October 20, 2020.
_____Yes _____ No _____ Abstain

3. Approval of the financial statements for the preceding year.
_____Yes _____ No _____ Abstain

4. Election of Board of Directors.

	Yes	No	Abstain
1. James L. Go	_____	_____	_____
2. Lance Y. Gokongwei	_____	_____	_____
3. Lily G. Ngochua	_____	_____	_____
4. Patrick Henry C. Go	_____	_____	_____
5. Johnson Robert G. Go, Jr.	_____	_____	_____
6. Robina Gokongwei-Pe	_____	_____	_____
7. Cirilo P. Noel	_____	_____	_____
Independent Directors			
8. Jose T. Pardo	_____	_____	_____
9. Renato T. De Guzman	_____	_____	_____
10. Antonio L. Go	_____	_____	_____
11. Artemio V. Panganiban	_____	_____	_____

5. Appointment of SyCip Gorres Velayo & Co. as external auditor.
_____Yes _____ No _____ Abstain

6. Ratification of the acts of the Board of Directors and its committees, officers and management.
_____Yes _____ No _____ Abstain

7. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come during the meeting.
_____Yes _____ No _____ Abstain

____
PRINTED NAME OF STOCKHOLDER

____
SIGNATURE OF STOCKHOLDER / AUTHORIZED SIGNATORY

____
ADDRESS OF STOCKHOLDER

____
CONTACT TELEPHONE NUMBER

____
DATE

This proxy shall continue until such time as the same is withdrawn by me through notice in writing delivered to the Corporate Secretary at least three (3) working days before the scheduled meeting on **May 14, 2021.**

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A CORPORATE SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION DESIGNATING A CORPORATE OFFICER TO EXECUTE THE PROXY. IN ADDITION TO THE ABOVE REQUIREMENT FOR CORPORATIONS, A PROXY FORM GIVEN BY A BROKER OR CUSTODIAN BANK IN RESPECT OF SHARES OF STOCK CARRIED BY SUCH BROKER OR CUSTODIAN BANK FOR THE ACCOUNT OF THE BENEFICIAL OWNER MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER OR CUSTODIAN BANK HAS OBTAINED THE WRITTEN CONSENT OF THE ACCOUNT HOLDER.

JG SUMMIT
HOLDINGS, INC.
43rd FLOOR ROBINSONS EQUITABLE TOWER ADB AVE. COR. POVEDA RD. ORTIGAS CENTER, PASIG CITY
TEL. NO.: 633-7631, 637-1670, 240-8801 FAX NO.: 633-9387 OR 633-9207

CERTIFICATE

I, MARIA CELIA H. FERNANDEZ-ESTAVILLO, of legal age, Filipino, with office address at the 40th Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda St., Ortigas Center, Pasig City, hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of JG Summit Holdings, Inc. (the "Corporation") with principal office address at the 43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City, Metro Manila.

2. There are no directors, independent directors or officers of the Corporation who are currently appointed in any government agency or is an employee of any government agency.

MARIA CELIA H. FERNANDEZ-ESTAVILLO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 23 MAR 2021 at PASIG CITY, affiant exhibiting to me her SSS ID with No. 33-1625577-9.

Doc No. 472;
Page No. 96;
Book No. 2;
Series of 2021.

ANDRE RIA B. BUZETA-ACERO
Notary Public for Pasig, San Juan, and Pateros
Notarial Commission No. 248 extended
until June 30, 2021 pursuant to Bar Matter No.3795
40th Floor Robinsons Equitable Tower, ADB Ave.
cor. Poveda Road, Ortigas Center, Pasig City 1605
Roll of Attorneys No. 55199
PTR No. 8540878/01-11-2021/Makati City
IBP Receipt No. 144096/01-05-2021/Rizal Chapter

JG SUMMIT HOLDINGS, INC. ("JGSHI")

PROFILES OF THE NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS FOR THE YEAR 2021

1. Name : James L. Go
   Age : 81
   Designation : Chairman

   Business experience and education:

   Mr. James L. Go is the Chairman of JGSHI and Cebu Air, Inc. He is the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation, JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a Director of Meralco Powergen Corporation. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the PLDT Inc. (PLDT) since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. James L. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

2. Name : Lance Y. Gokongwei
   Age : 54
   Designation : President and Chief Executive Officer

   Business experience and education:

   Mr. Lance Y. Gokongwei is the President and Chief Executive Officer of JGSHI. He is the Chairman of Robinsons Retail Holdings, Inc., Universal Robina Corporation, Robinsons Land Corporation, Altus Property Ventures, Inc., JG Summit Petrochemical Corporation, JG Summit Olefins Corporation, and Robinsons Bank Corporation. He is also the President and Chief Executive Officer of Cebu Air, Inc. He is a director and Vice Chairman of Manila Electric Company and is a Director of Oriental Petroleum and Minerals Corporation, United Industrial Corporation Limited and Meralco Powergen Corporation. He is a member of the Board of Global Reporting Initiative. He is a trustee and Chairman of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

3. Name : Lily G. Ngochua
   Age : 89
   Designation : Director

   Business experience and education:

   Ms. Lily G. Ngochua has been a director of JGSHI since its formation in 1990. She is responsible for overseeing the Company's hotel and agro-industrial business in Cebu. She also supervises the purchasing and treasury departments of the URC Biscuit and Noodle Plants in Cebu and handles the treasury functions of the retail and mall business in Cebu. She received a Bachelor of Arts degree from Maryknoll College in Quezon City in 1957.

4. Name : Patrick Henry C. Go
Age : 50
Designation : Director

Business experience and education:

Mr. Patrick Henry C. Go has been a director of JGSHI since 2000. He is currently a director and Executive Vice President of Universal Robina Corporation and is the President and Chief Executive Officer of JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. In addition, he is a director of Robinsons Land Corporation and Robinsons Bank Corporation and Meralco Powergen Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo De Manila University and attended the General Management Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

5. Name : Johnson Robert G. Go, Jr.
Age : 55
Designation : Director

Business experience and education:

Mr. Johnson Robert G. Go, Jr. has been a director of JGSHI since August 18, 2005. He is currently a director of Universal Robina Corporation, Robinsons Land Corporation, Robinsons Bank Corporation and A. Soriano Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

6. Name : Robina Gokongwei Pe
Age : 59
Designation : Director

Business experience and education:

Ms. Robina Y. Gokongwei has been a director of JGSHI since April 15, 2009. She is the President and Chief Executive Officer of Robinsons Retail Holdings, Inc. (RRHI). Operating a diverse portfolio of brands, RRHI is one of the largest multi-format retailers in the country and is included in the Philippine Stock Exchange main index. She is also a director of Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation. She is a trustee and the secretary of the Gokongwei Brothers Foundation, Inc. and a trustee of the Immaculate Concepcion Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission and was a former trustee of the Ramon Magsaysay Awards Foundation. She attended the University of the Philippines-Diliman from 1978 to 1981 and obtained a Bachelor of Arts degree (Journalism) from New York University in 1984. She has two children, Justin, 25 and Joan, 15. She is married to Perry Pe, a lawyer.

7. Name : Cirilo P. Noel
   Age : 63
   Designation : Director

   Business experience and education:

   Mr. Cirilo (Vic) P. Noel has been a director of JGSHI since May 28, 2018. He is a lawyer and certified public accountant (CPA). He holds Chairman's position at Palm Concepcion Power Corporation (since June 2018) and Juxtapose Ergo Consultus, Inc. (since May 2019). He is also a member of the Board of Directors of PLC- Security Bank Corporation (since April 2018) and appointed Vice Chairman in April 2020. He is likewise a Board member of the following PLCs - Globe Telecom), Inc. (since April 2018), San Miguel Foods and Beverage), Inc. (since September 2018), and Robinsons Retail Holdings, Inc. (since August 2020). Vic also sits as a Board member of Transnational Diversified Corporation (since August 2020), Eton Properties, Inc. (since April 2019), Amber Kinetics Holdings Co. PTE Ltd. (since March 2018), LH Paragon Group, Golden ABC (since January 2018). He is a member of the Board of St. Luke's Medical Center-Global City (since August 2017). He is also a member of the Board of Trustees of St. Luke's Medical Center-Quezon City (since August 2017), St. Luke's Medical Center College of Medicine (since September 2018), and St. Luke's Medical Center Foundation, Inc. (from August 2018). He is also currently affiliated with the Makati Business Club, Harvard Law School Association of the Phils., and Harvard Club of the Philippines. Vic was a member of the Board of Directors of Philippine Airlines (from 2018 to 2019), PLC PAL Holdings, Inc. (from 2018 to 2019), Cal Comp Technology (Philippines) Inc. (from 2018 to 2020), and Transnational Diversified Group Inc (from August 2019 to August 2020). He held various positions in SGV & Co. Including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2016), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008), and Partner, Tax Services (from 1993 to 2017). He was also Ernst & Young (EY) ASEAN Tax Head and Far East Area Tax Leader (from 2004 to 2009). From 2004 to 2009, he was a Member of the E&Y Global Advisory Council and a Presiding Partner of the Asia Pacific Council. He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Law degree from the Ateneo Law School. He has a Master of Law degree from the Harvard Law School and a Fellow of the Harvard International Tax Program. He attended the AIM Management Development Program.

8. Name : Jose T. Pardo
   Age : 81
   Designation : Independent Director

   Business experience and education:

   Mr. Jose T. Pardo, 81, has been an independent director of JGSHI since August 6, 2003. He is presently the Chairman of the Philippine Stock Exchange, Securities Clearing Corporation of the Philippines, Philippine Savings Bank, Bank of Commerce, and Philippine Seven Corporation. He is also a Director of the National Grid Corporation of the Philippines, Monte Oro Grid Resources Corporation, Del Monte Philippines, Inc., ZNN Radio Veritas, League One Finance and Leasing Corporation, Araneta Hotels, Inc. and Synergy Grid and Development Phils., Inc. He also held positions in Government as former Secretary of the Department of Finance and former Secretary of the Department of Trade and Industry. Mr. Pardo is Chairman of PCCI Council of Business Leaders and ECOP Council of Business Leaders. He obtained his Bachelor of Science degree in Commerce, Major in Accounting and his Master's Degree in Business Administration from the De La Salle

University in Manila. He has been conferred on February 10, 2018 an Honorary Doctorate in Finance by the De La Salle University in Manila.

Mr. Pardo's expertise and many years of experience have been invaluable to the management of JGSHI in steering the company to the heights it has achieved and will attain in the future. We note that while SEC Memorandum Circular (MC) No. 19, Series of 2016 limits the term of independent directors to nine (9) years reckoned from 2012, the affirmative vote of stockholders representing majority of the Corporation's total outstanding capital stock for the election of Mr. Pardo shall be deemed approval from the stockholders for Mr. Pardo to serve as independent director of JGSHI for the ensuing year, as required under the aforementioned SEC MC.

9. Name : Renato T. de Guzman
Age : 70
Designation : Independent Director

Business experience and education:

Mr. Renato T. de Guzman has been an independent director of JGSHI since April 28, 2015. He was appointed Chairman of the Board of Trustees of the Government Service Insurance System in July 2015 under the previous administration and served as such until December 2016. He is currently a Director of Maybank Philippines, Inc. since April 2016 and Maybank Singapore Limited as of July 1, 2019. He is the Chairman of Nueva Ecija Good Samaritan Health System, Inc. and Good Samaritan College. He was a Senior Adviser of the Bank of Singapore until September 2017, Chief Executive Officer of the Bank of Singapore (January 2010-January 2015), ING Asia Private Bank (May 2000-January 2010), Country Manager Philippines of ING Barings (1990-2000), and Deputy Branch Manager of BNP Philippines (1980-2000). He holds a Bachelor of Science in Management Engineering from the Ateneo de Manila University, Master's Degree in Business Administration with Distinction at the Katholieke Universiteit Leuven, Belgium and a Masters in Management from McGill University, Canada.

10. Name : Antonio L. Go
Age : 80
Designation : Independent Director

Business experience and education:

Mr. Antonio L. Go has been an independent director of JGSHI since May 28, 2018. He is a Director of Equitable Computer Services, Inc. and is the Chairman of Equicom Savings Bank, ALGO Leasing and Finance, Inc. and My Health Ventures Corporation. He is also the Vice Chairman of Maxicare Healthcare Corporation. He is also a Director of Medilink Network, Inc., Equicom Manila Holdings, Equicom Inc., Equitable Development Corporation, United Industrial Corporation Limited (Singapore), T32 Dental Centre (Singapore), Dental Implant and Maxillofacial Centre (Hong Kong), Oriental Petroleum and Minerals Inc., Pin-An Holdings, Inc., Equicom Information Technology, Robinsons Retail Holdings, Inc., Cebu Air, Inc., and Steel Asia Manufacturing Corporation. He is a Non-Executive Officer of Dito Telecommunity Corporation. He is also a Trustee of Go Kim Pah Foundation, Equitable Foundation, Inc., and Gokongwei Brothers Foundation, Inc. He graduated from Youngstown University, United States with a Bachelor Science Degree in Business Administration. He attended the International Advance Management program at the International Management

Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankcard Management, Northwestern University, United States.

11. Name : Artemio V. Panganiban
Age : 84
Designation : Independent Director

Chief Justice Artemio V. Panganiban, Jr. (Ret.), 84, is nominated as independent director of JGSHI. He previously served as an independent director of Robinsons Land Corporation. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS
Information Statement Pursuant to Section 20
of the Securities Regulation Code

1. Check the appropriate box:

   [✓] Preliminary Information Statement
   [ ] Definitive Information Statement

2.	Name of Registrant as specified in its charter	:	**JG SUMMIT HOLDINGS, INC.** **(the "Corporation")**
3.	Province, country or other jurisdiction of incorporation or organization	:	**Metro Manila, Philippines**
4.	SEC Identification Number	:	**SEC Registration No. 184044**
5.	BIR Tax Identification Code	:	**TIN No. 000-775-860**
6.	Address of principal office	:	**43rd Floor Robinsons Equitable Tower** **ADB Avenue corner Poveda Street** **Ortigas Center, Pasig City** **Metro Manila**
7.	Registrant's telephone number, including area code	:	**(632) 8633-7631 to 40**
8.	Date, time and place of the meeting of security holders	:	**May 14, 2021** **11:30 A.M.** **Via remote communication at https://bit.ly/JGS2021ASM in accordance with the rules of the Securities and Exchange Commission**
9.	Approximate date on which copies of the Information Statement are first to be sent or given to security holders	:	**April 16, 2021**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of March 31, 2021)
Common Stock	**7,520,983,658**

11. Are any or all of registrant's securities listed on a Stock Exchange?

    Yes ___✓___ No _______

    The common shares of the Corporation are listed on the Philippine Stock Exchange.

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

Date, Time, and Place of Meeting	:	**May 14, 2021** **11:30 A.M.** **Via remote communication at https://bit.ly/JGS2021ASM in accordance with the rules of the Securities and Exchange Commission**
Complete Mailing Address of Principal Office	:	**43rd Floor Robinsons Equitable Tower** **ADB Ave. corner P. Poveda Road, Ortigas Center** **Pasig City, Metro Manila**
Approximate date on which copies of the Information Statement are first to be sent or given to security holders	:	**April 16, 2021**

WE ARE NOT SOLICITING PROXIES.

Item 2. Rights of Shareholders; Dissenters' Right of Appraisal

The Corporation recognizes the right of all shareholders to be treated fairly and equally whether they are controlling, minority, local or foreign. The Corporation respects the rights of shareholders as provided under the Revised Corporation Code and other laws, and as stated in its Articles of Incorporation and By-laws.

Any stockholder of the Corporation may exercise his appraisal right against the proposed actions which qualify as instances giving rise to the exercise of such right pursuant to and subject to the compliance with the requirements and procedure set forth under Title X of the Revised Corporation Code of the Philippines.

There are no matters to be acted upon by the stockholders at the Annual Meeting of the stockholders to be held on May 14, 2021 which would require the exercise of the appraisal right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the following persons have any substantial interest, direct or indirect, in any matter to be acted upon other than election to office:

1. Directors or officers of the Corporation at any time since the beginning of the last fiscal year;
2. Nominees for election as directors of the Corporation;
3. Associate of any of the foregoing persons.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Voting securities entitled to be voted at the meeting:

The Corporation has 7,520,983,658 outstanding common shares as of March 31, 2021. Every stockholder shall be entitled to one vote for each share of stock held as of the established record date.

(b) Record date:

All stockholders of record as of April 5, 2021 are entitled to notice and to vote at the Corporation's Annual Meeting of Stockholders.

Pursuant to Section 10, Article II of the By-Laws of the Corporation, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders. For purposes of determining the stockholders entitled to notice of, or to vote or be voted at any meeting of stockholders or any adjournments thereof, or entitled to receive payment of any dividends or other distribution or allotment of any rights, or for the purpose of any other lawful action, or for making any other proper determination of stockholders, the Board of Directors may provide that the stock and transfer books be closed for a stated period, which shall not be more than sixty (60) days nor less than thirty (30) days before the date of such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders. A determination of stockholders of record entitled to notice of or to vote or be voted at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for the adjourned meeting.

(c) Election of Directors:

Article II, Section 8 of the By-Laws provides that the directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for the year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes as the same principle among any number of candidates.

The report attached to this SEC Form 20-IS is the management report to stockholders required under SRC Rule 20 to accompany the SEC Form 20-IS and is hereinafter referred to as the "Management Report".

(d) Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Corporation's voting securities as of March 31, 2021

Title of Class	Names and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	Number of shares held	% to Total Outstanding
Common	Gokongwei Brothers Foundation, Inc. 43/F Robinsons-Equitable Tower ADB Ave. cor. Poveda St. Ortigas Center, Pasig City (stockholder)	Same as record owner (See note 1)	Filipino	2,096,930,273	27.88%

Title of Class	Names and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	Number of shares held	% to Total Outstanding
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (See note 2)	Filipino	1,846,177,857 (See note 3)	24.55%
Common	RSB-TIG No. 030-46-000001-9 17/F Galleria Corporate Center, EDSA cor. Ortigas Avenue, Quezon City (stockholder)	Trustee's designated officers (See note 4)	Filipino	1,084,985,186	14.43%
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (See note 2)	Non-Filipino	884,564,674 (See note 3)	11.76%

Notes:

1. Gokongwei Brothers Foundation, Inc. (the "Foundation") is a non-stock, non-profit corporation organized by the irrevocable donation by the incorporators, who are also Trustees of the Foundation, of shares of JG Summit Holdings, Inc. Under the Articles of Incorporation and By-Laws of the Foundation, except for salaries of employees and honoraria of consultants and similar expenses for actual services rendered to the Foundation or its projects, no part of the corpus or its income and increments shall benefit or be used for the private gain of any member, trustee, officer or any juridical or natural person whatsoever. The Chairman of the Board of Trustees shall exercise exclusive power and authority to represent and vote for any shares of stock owned by the Foundation in other corporate entities. The incumbent Chairman of the Board of Trustees of the Foundation is Mr. Lance Y. Gokongwei.

2. PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly-owned by Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current system of the PDTC, only participants (brokers and custodians) are recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participant is the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

3. Out of the PCD Nominee Corporation account, "Citibank N.B." and "Philippine Equity Partners, Inc." hold for various trust accounts the following shares of the Corporation as of March 31, 2021:

	No. of shares	% to Outstanding
Citibank N.A	1,064,860,279	14.16%
Philippine Equity Partners, Inc.	327,724,934	4.36%

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

4. Robinsons Bank – Trust & Investment Group (RSB-TIG) is the trustee of this trust account. The shares are voted by the trustee's designated officers.

2. Security Ownership of Management as of March 31, 2021

Title of Class	Names of beneficial owner	Position	Amount and nature of beneficial ownership	Citizenship	% to Total Outstanding
Named Executive Officers[1]					
Common	1. James L. Go	Director, Chairman	156,113,638 (D)	Filipino	2.08%
Common	2. Lance Y. Gokongwei	Director, President and Chief Executive Officer	568,930,503 (D)	Filipino	7.56%
Common	3. Patrick Henry C. Go	Director	98,175(D)	Filipino	*
Common	4. Robina Y. Gokongwei-Pe	Director	188,433,000 (D)	Filipino	2.51%
	Sub-Total		913,575,316		12.15%
Other Directors and Executive Officers					
Common	6. Lily G. Ngochua	Director	407,418 (D)	Filipino	*
Common	7. Johnson Robert G. Go, Jr.	Director	1(D)	Filipino	*
Common	8. Cirilo P. Noel	Director	1(D)	Filipino	*
Common	9. Jose T. Pardo	Director (Independent)	1(D)	Filipino	*
Common	10. Renato T. De Guzman	Director (Independent)	22,838 (D)	Filipino	*
Common	11. Antonio L. Go	Director (Independent)	1(D)	Filipino	*
Common	12. Lisa Y. Gokongwei-Cheng	Senior Vice President, Digital Transformation and Corporate Services	143,986,500(D)	Filipino	1.91%
Common	13. Maria Celia H. Fernandez-Estavillo	Senior Vice President, General Counsel and Corporate Secretary	5,250 (D)	Filipino	*
	Sub-Total		144,422,010		1.92%
	All directors and executive officers as a group unnamed		1,057,997,326		14.07%

Notes:
D – Direct
1. As defined under Part IV (B) (1) (b) of Annex "C" of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2020.

* less than 0.01%

3. Shares owned by foreigners

The total number of shares owned by foreigners as of March 31, 2021 is 6,354,792,349 common shares.

4. Voting Trust Holders of 5% or More as of March 31, 2021

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

5. Changes in Control

There has been no change in the control of the Corporation since the beginning of its last fiscal year.

The information as of March 31, 2021 on the section "Security Ownership of Certain Record and Beneficial Owners and Management" are found in Item 11, pages 87 to 89 of the Management Report.

Item 5. Directors and Executive Officers

(a) Directors and Corporate Officers

Information required hereunder is incorporated by reference to the section entitled "Directors and Executive Officers of the Registrant" on Item 9, pages 78 to 85 of the Management Report.

(b) Board Nomination and Election Policy

The Corporate Governance Committee shall oversee the process for the nomination and election of the Board of Directors.

The Corporate Governance Committee shall pre-screen and shortlist all candidates nominated to become members of the Board of Directors in accordance with the list of qualifications and disqualifications as defined in the Corporation's Revised Corporate Governance Manual with due consideration of the requirements of the Revised Corporation Code, the Securities Regulation Code ("SRC"), the Revised Code of Corporate Governance and relevant SEC Circulars such as the SEC Memorandum Circular No. 16, Series of 2002, the SEC Memorandum Circular No. 19, Series of 2016, as may be amended, relating to the Board of Directors.

The list of the nominees for directors as determined by the Corporate Governance Committee shall be final and no other nomination shall be entertained or allowed after the final list of nominees is prepared.

The members of the Corporate Governance Committee of the Corporation are the following:

1. Jose T. Pardo – Chairman (Independent Director)
2. Renato T. De Guzman – (Independent Director)
3. Antonio L. Go - (Independent Director)

The following individuals have been nominated for election as directors, including independent directors, at the Annual Meeting of Stockholders on May 14, 2021:

1. James L. Go
2. Lance Y. Gokongwei
3. Lily G. Ngochua
4. Patrick Henry C. Go
5. Robina Y. Gokongwei-Pe
6. Johnson Robert G. Go, Jr.
7. Cirilo P. Noel
8. Jose T. Pardo (Independent)
9. Renato T. De Guzman (Independent)
10. Antonio L. Go (Independent)
11. Artemio V. Panganiban, Jr. (Independent)

(c) Independent Directors

The Corporation has adopted the provisions of SRC Rule 38 on the nomination and election of independent directors and the Amended By-Laws of the Corporation substantially state the requirements on the nomination and election of independent directors set forth in SRC Rule 38.

Presented below is the Final List of Candidates for Independent Directors:

1. **Mr. Jose T. Pardo**, 81, has been an independent director of JGSHI since August 6, 2003. He is presently the Chairman of the Philippine Stock Exchange, Securities Clearing Corporation of the Philippines, Philippine Savings Bank, Bank of Commerce, and Philippine Seven Corporation. He is also a Director of the National Grid Corporation of the Philippines, Monte Oro Grid Resources

Corporation, Del Monte Philippines, Inc., ZNN Radio Veritas, League One Finance and Leasing Corporation, Araneta Hotels, Inc. and Synergy Grid and Development Phils., Inc. He also held positions in Government as former Secretary of the Department of Finance and former Secretary of the Department of Trade and Industry. Mr. Pardo is Chairman of PCCI Council of Business Leaders and ECOP Council of Business Leaders. He obtained his Bachelor of Science degree in Commerce, Major in Accounting and his Master's Degree in Business Administration from the De La Salle University in Manila. He has been conferred on February 10, 2018 an Honorary Doctorate in Finance by the De La Salle University in Manila.

Mr. Pardo's expertise and many years of experience have been invaluable to the management of JGSHI in steering the company to the heights it has achieved and will attain in the future. We note that while SEC Memorandum Circular (MC) No. 19, Series of 2016 limits the term of independent directors to nine (9) years reckoned from 2012, the affirmative vote of stockholders representing majority of the Corporation's total outstanding capital stock for the election of Mr. Pardo shall be deemed approval from the stockholders for Mr. Pardo to serve as independent director of JGSHI for the ensuing year, as required under the aforementioned SEC MC.

2. **Mr. Renato T. de Guzman***, 70*, has been an independent director of JGSHI since April 28, 2015. He was appointed Chairman of the Board of Trustees of the Government Service Insurance System in July 2015 under the previous administration and served as such until December 2016. He is currently a Director of Maybank Philippines, Inc. since April 2016 and Maybank Singapore Limited as of July 1, 2019. He is the Chairman of Nueva Ecija Good Samaritan Health System, Inc. and Good Samaritan College. He was a Senior Adviser of the Bank of Singapore until September 2017, Chief Executive Officer of the Bank of Singapore (January 2010-January 2015), ING Asia Private Bank (May 2000-January 2010), Country Manager Philippines of ING Barings (1990-2000), and Deputy Branch Manager of BNP Philippines (1980-2000). He holds a Bachelor of Science in Management Engineering from the Ateneo de Manila University, Master's Degree in Business Administration with Distinction at the Katholieke Universiteit Leuven, Belgium and a Masters in Management from McGill University, Canada.

3. **Mr. Antonio L. Go**, 80, has been an independent director of JGSHI since May 28, 2018. He is a Director of Equitable Computer Services, Inc. and is the Chairman of Equicom Savings Bank, ALGO Leasing and Finance, Inc. and My Health Ventures Corporation. He is also the Vice Chairman of Maxicare Healthcare Corporation. He is also a Director of Medilink Network, Inc., Equicom Manila Holdings, Equicom Inc., Equitable Development Corporation, United Industrial Corporation Limited (Singapore), T32 Dental Centre (Singapore), Dental Implant and Maxillofacial Centre (Hong Kong), Oriental Petroleum and Minerals Inc., Pin-An Holdings, Inc., Equicom Information Technology, Robinsons Retail Holdings, Inc., Cebu Air, Inc., and Steel Asia Manufacturing Corporation. He is a Non-Executive Officer of Dito Telecommunity Corporation. He is also a Trustee of Go Kim Pah Foundation, Equitable Foundation, Inc., and Gokongwei Brothers Foundation, Inc. He graduated from Youngstown University, United States with a Bachelor Science Degree in Business Administration. He attended the International Advance Management program at the International Management Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankcard Management, Northwestern University, United States.

4. **Chief Justice Artemio V. Panganiban, Jr. (Ret.)**, 84, is nominated as independent director of JGSHI. He previously served as an independent director of Robinsons Land Corporation. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of

Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored thirteen (13) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

In accordance with SEC Memorandum Circular No. 5, Series of 2017, the Certifications of Independent Directors executed by the aforementioned candidates for independent directors of the Corporation are attached hereto as Annex "A" (Jose T. Pardo), Annex "B" (Renato T. De Guzman), Annex "C" (Antonio L. Go), and Annex "D" (Artemio V. Panganiban, Jr.).

The nominees for Independent Directors were nominated by Mr. Lance Y. Gokongwei. None of the nominees for Independent Directors of the Corporation are related to Mr. Lance Y. Gokongwei.

(d) Significant Employees

There are no persons who are not executive officers of the Corporation who are expected by the Corporation to make a significant contribution to the business.

(e) Family Relationships

1. Mr. James L. Go is the uncle of Mr. Lance Y. Gokongwei.
2. Ms. Lily G. Ngochua is the sister of Mr. James L. Go.
3. Mr. Lance Y. Gokongwei is the nephew of Mr. James L. Go.
4. Ms. Robina Gokongwei Pe is the niece of Mr. James L. Go.
5. Mr. Patrick Henry C. Go is the nephew of Mr. James L. Go.
6. Mr. Johnson Robert G. Go, Jr. is the nephew of Mr. James L. Go.

(f) Involvement in Certain Legal Proceedings of Directors and Executive Officers

To the best of the Corporation's knowledge and belief and after due inquiry, and except as otherwise disclosed, none of the Corporation's directors, nominees for election as director or executive officer in the past five (5) years up to the date of this report:

1. have had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two year period of that time;

2. have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses;

3. have been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or

4. been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self regulatory organization, to

have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

(g) Certain Relationships and Related Transactions

1. Related Party Transactions with Subsidiaries and Affiliates

The Corporation and its subsidiaries and affiliates, in their regular conduct of business, have engaged in transactions with each other and with other affiliated companies, consisting principally of sales and purchases at market prices and advances made and obtained. (See Note 40 of the Consolidated Financial Statements as of and for the fiscal year ended December 31, 2020).

2. Directors Disclosures on Self-Dealing and Related Party Transactions

No transaction, without proper disclosure, was undertaken by the Corporation in which any director, executive officer, or any nominee for election as director was involved or had a direct or indirect material interest.

Directors, officers, and employees of the Corporation are required to promptly disclose any business or family-related transactions with the Corporation to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

(h) Appraisals and Performance Report for the Board

The attendance of the directors at the meetings of the Board of Directors held in 2020 is as follows:

Directors	No. of Meetings Attended/Held	Attendance Percentage
James L. Gokongwei	14/14	100%
Lance Y. Gokongwei	14/14	100%
Lily G. Ngochua	14/14	100%
Patrick Henry C. Go	14/14	100%
Robina Y. Gokongwei-Pe	14/14	100%
Johnson Robert G. Go, Jr.	14/14	100%
Cirilo P. Noel	14/14	100%
Jose T. Pardo	14/14	100%
Renato T. De Guzman	14/14	100%
Antonio L. Go	14/14	100%

The Board has established committees to assist in exercising its authority in monitoring the performance of the Corporation in accordance with its Revised Corporate Governance Manual, Code of Business Conduct, and related SEC Circulars. The Corporate Governance Committee of the Corporation oversees the performance evaluation of the Board and its committees and management.

Item 6. Compensation of Directors and Executive Officers

(a) Summary Compensation Table

The following tables list the names of the Corporation's Chief Executive Officer ("CEO") and the four (4) most highly compensated executive officers and summarizes their aggregate compensation for the two most recent fiscal years and the ensuing year.

Name	Position	Projected - Fiscal Year 2021			
A. CEO and Four (4) most highly compensated executive officers		Salary	Bonus	Others	Total
		P130,481,395	P2,000,000	P925,000	P126,415,436
1. James L. Go	Director, Chairman				
2. Lance Y. Gokongwei	Director, President & Chief Executive Officer				
3. Patrick Henry C. Go	Director				
4. Robina Y. Gokongwei-Pe	Director				
B. All other officers and directors as a group unnamed		P289,728,703	P3,000,000	P1,800,000	P184,806,395

Name	Position	Actual - Fiscal Year 2020			
A. CEO and Four (4) most highly compensated executive officers		Salary	Bonus	Others	Total
		P125,515,436	P2,000,000	P900,000	P126,415,436
1. James L. Go	Director, Chairman				
2. Lance Y. Gokongwei	Director, President & Chief Executive Officer				
3. Patrick Henry C. Go	Director				
4. Robina Y. Gokongwei-Pe	Director				
B. All other officers and directors as a group unnamed		P180,256,395	P3,000,000	P1,550,000	P184,806,395

Name	Position	Actual - Fiscal Year 2019			
A. CEO and Four (4) most highly compensated executive officers		Salary	Bonus	Others	Total
		P136,120,869	P2,500,000	P1,150,000	P139,770,869
1. John Gokongwei, Jr.	Chairman Emeritus				
2. James L. Go	Director, Chairman				
3. Lance Y. Gokongwei	Director, President & Chief Executive Officer				
4. Patrick Henry C. Go	Director				
5. Robina Y. Gokongwei-Pe	Director				
B. All other officers and directors as a group unnamed		P229,178,295	P4,000,000	P1,800,000	P234,978,295

(b) Compensation of Directors

1. Standard Arrangements

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

2. Other Arrangements

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

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

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

There are no compensatory plan or arrangement with respect to a named executive officer.

(d) Warrants and Options Outstanding

There are no outstanding warrants or options held by the Corporation's Chief Executive Officer, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

The Corporation's independent public accountant is the accounting firm of SyCip Gorres Velayo & Co. (SGV & Co.). The same accounting firm will be nominated for reappointment for the current fiscal year at the annual meeting of stockholders. The representatives of the principal accountant have always been present at prior years' meetings and are expected to be present at the current year's annual meeting of stockholders. They may also make a statement and respond to appropriate questions with respect to matters for which their services were engaged.

The current handling partner of SGV & Co. has been engaged by the Corporation from calendar years 2013 to 2020 and is expected to be rotated every seven (7) years in accordance with SRC Rule 68, as amended.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

The members of the Audit Committee of the Corporation are the following:

1) Antonio L. Go - Chairman (Independent Director)
2) Renato T. De Guzman – (Independent Director)
3) Jose T. Pardo - (Independent Director)
4) Cirilo P. Noel – (Non-Executive Director)
5) James L. Go – (Advisory Member)

The members of the Board Risk Oversight Committee of the Corporation are the following:

1) Renato T. De Guzman – Chairman (Independent Director)
2) Antonio L. Go - (Independent Director)
3) Jose T. Pardo – (Independent Director)
4) Lance Y. Gokongwei

The members of the Related Party Transaction Committee of the Corporation are the following:

1) Jose T. Pardo – Chairman (Independent Director)
2) Renato T. De Guzman – (Independent Director)
3) Cirilo P. Noel – (Non-Executive Director)

Item 8. None

C. ISSUANCE AND EXCHANGE OF SECURITIES

Items 9 - 14. None.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following are included in the agenda of the Annual Meeting of the Stockholders for approval of the stockholders:

1. Proof of notice of the meeting and existence of a quorum.
2. Reading and approval of the Minutes of the Annual Meeting of the Stockholders held on May 14, 2020.
3. Reading and approval of the Minutes of the Special Meeting of the Stockholders held on October 20, 2020.
4. Presentation of annual report and approval of the financial statements for the preceding year.
5. Election of Board of Directors.
6. Appointment of External Auditor.
7. Ratification of the acts of the Board of Directors and its committees, officers and management.
8. Consideration of such other matters as may properly come during the meeting.
9. Adjournment.

The matters approved and recorded in the Minutes of the Annual Meeting of the Stockholders last May 14, 2020 are as follows:

1. Proof of notice of the meeting and existence of a quorum.
2. Reading and approval of the Minutes of the Annual Meeting of the Stockholders held on May 30, 2019.
3. Presentation of annual report and approval of the financial statements for the preceding year.
4. Election of Board of Directors.
5. Appointment of External Auditor.
6. Ratification of the acts of the Board of Directors and its committees, officers and management.
7. Consideration of such other matters as may properly come during the meeting.
8. Adjournment

The Annual Meeting of the Stockholders was held on May 14, 2020 by remote communication and was attended by shareholders, the Board of Directors, and various officers of the Corporation. The shareholders were allowed to cast their votes by proxy or *in absentia* on each agenda item presented to them for approval, with the number of votes approving each agenda item indicated in their respective sections in the Minutes. The shareholders were also given the opportunity to send in their questions, express opinions, and make suggestions on various issues related to the Corporation by electronic mail. The Minutes of the Annual Meeting of the Stockholders held on May 14, 2020 may be viewed and/or downloaded at https://www.jgsummit.com.ph/docs/2021/03/Minutes%20of%20the%20Annual%20Meeting%20of%20Stockholders_May%2014%2C%202020.pdf

The same procedures were implemented for the Special Meeting of Stockholders of JGSHI held on October 20, 2020. The Minutes of the Special Meeting of the Stockholders held on October 20, 2020 may be viewed and/or downloaded at https://www.jgsummit.com.ph/docs/2021/03/Minutes%20of%20the%20Special%20Meeting%20of%20Stockholders_October%2020%2C%202020.pdf

Brief descriptions of material matters approved by the Board of Directors and Management and disclosed to the SEC and PSE since the last annual meeting of the stockholders held on May 14, 2020 for ratification by the stockholders:

<u>**Date of Board Approval**</u>	<u>**Description**</u>
May 13, 2020	Declaration of a regular cash dividend in the amount of Thirty Eight Centavos (₱0.38) per common share to stockholders of record as of June 11, 2020 and paid on July 8, 2020.
May 14, 2020	Results of the Organizational Meeting of the Board of Directors.
August 14, 2020	Amendment to Article Seventh of the Articles of Incorporation in order to re-classify the preferred non-voting shares into preferred voting shares and modify the dividend feature of the preferred voting shares
August 14, 2020	Declaration of stock dividends of the Corporation equivalent to five per cent (5%) of the total issued and outstanding shares of the Corporation
December 23, 2020	Sale by the Corporation of 30% of the issued and outstanding shares of Global Business Power Corporation to Meralco PowerGen Corporation.
January 18, 2021	Early Redemption of the Corporation's Ten-Year Bonds due 2024
March 18, 2021	Resetting of the annual meeting of the stockholders to May 14, 2021 and setting April 5, 2021 as the record date for said meeting.

Items 16 - 18. None.

Item 19. Voting Procedures

(a) The vote required for approval or election:

Pursuant to Section 6, Article II of the By-Laws of the Corporation, a majority of the subscribed capital, present in person or by proxy, shall be sufficient in a stockholders' meeting to constitute a quorum for the election of directors and for the transaction of any business whatsoever, except in those cases where the Revised Corporation Code requires the affirmative vote of a greater proportion.

(b) The method by which votes will be counted:

Article VII of the By-Laws also provides that the By-Laws may be amended or repealed by stockholders owning or representing a majority of the outstanding capital stock and by a majority of the Board of Directors at any regular meeting, or at any special meeting called for the purpose, or the Board of Directors may, in any regular or special meeting thereof amend or repeal these By-Laws or adopt new By-Laws, provided, however, that this power delegated to the Board of Directors, to amend or repeal these By-Laws or adopt new By-Laws shall be considered as revoked whenever stockholders representing majority of the outstanding capital stock of the Corporation shall so vote at a regular or special meeting called for the purpose.

In accordance with Article II, Section 7 of the By-Laws, every stockholder shall be entitled to vote, in person or by proxy, for each share of stock held by him which has voting power upon the matter in questions. The votes for the election of directors, and except upon demand by any stockholder, the votes upon any question before the meeting, except with respect to procedural questions determined by the Chairman of the meeting, shall be by viva voce or show of hands.

Article II, Section 8 of the By-Laws also provides that the directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes as the same principle among any number of candidates.

Sections 23 and 57 of the Revised Corporation Code provides that the Corporation may allow a stockholder to cast his vote in *absentia* via modes which the Corporation shall establish, taking into account the company's scale, number of shareholders or members, structure and other factors consistent with the basic right of corporate suffrage.

The Secretary shall record all the votes and proceedings of the stockholders and of the Directors in a book kept for that purpose.

Item 20. Participation of Stockholders by Remote Communication

In support of the efforts to contain the outbreak of COVID-19 and to ensure the safety and welfare of its stockholders, directors, officers, and employees, the Corporation will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication. The livestream of the meeting shall be viewable at the following web address: https://bit.ly/JGS2021ASM.

In order for the Corporation to properly conduct validation procedures, stockholders who have not sent their proxies or voted in *absentia* who wish to participate via remote communication must notify the Corporation by email to corporatesecretary@jgsummit.ph on or before May 7, 2021.

Please refer to Annex E for the detailed guidelines for participation via remote communication and the procedures for registration and casting votes in *absentia*.

Restriction that Limits the Payment of Dividends on Common Shares

None.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction.

Not Applicable. All shares of the Corporation are listed in the Philippine Stock Exchange.

Additional information as of March 31, 2021 are as follows:

1. Market Price

Fiscal Year 2021	High	Low
First Quarter (January to March 2021)	₱75.90	₱57.00

The market price of the Corporation’s common equity as of March 31, 2021 is **₱59.75.**

2. **The number of shareholders of record as of March 31, 2021 was 999.**

Common shares outstanding as of March 31, 2021 were 7,520,983,658 shares with a par value of ₱1.00 per share.

<u>Discussion on compliance with leading practices on corporate governance</u>

The Corporation adheres to the principles and practices of good corporate governance, as embodied in its Revised Corporate Governance Manual, Code of Business Conduct and related SEC Circulars.

On December 16, 2020, the Board of Directors approved the additional revisions made to the Revised Corporate Governance Manual of the Corporation in accordance with SEC Memorandum Circular No. 19, Series of 2016. The Revised Corporate Governance Manual was filed with the Securities and Exchange Commission on December 22, 2020. Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that the Corporation observes good governance and management practices. This is to assure the shareholders that the Corporation conducts its business with the highest level of integrity, transparency and accountability.

SEC Memorandum Circular No. 15, Series of 2017 mandates all listed companies to submit an Integrated Annual Corporate Governance Report (“I-ACGR”) on May 30 of the following year for every year that the Corporation remains listed in the PSE.

PSE Memorandum Circular CN No. 2017-0079 provides that the I-ACGR effectively supersedes the SEC’s Annual Corporate Governance Report and the PSE’s Corporate Governance Disclosure Report.

The Corporation likewise consistently strives to raise its financial reporting standards by adopting and implementing prescribed Philippine Financial Reporting Standards.

JG SUMMIT HOLDINGS, INC., AS REGISTRANT, WILL PROVIDE WITHOUT CHARGE, UPON WRITTEN REQUEST, A COPY OF THE REGISTRANT’S ANNUAL REPORT ON SEC FORM 17-A. SUCH WRITTEN REQUESTS SHOULD BE DIRECTED TO THE OFFICE OF THE CORPORATE SECRETARY, 40/F ROBINSONS EQUITABLE TOWER, ADB AVENUE CORNER POVEDA ST., ORTIGAS CENTER, PASIG CITY, METRO MANILA, PHILIPPINES.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct in all material respects. This statement is signed in the City of Pasig on April 6, 2021.

JG SUMMIT HOLDINGS, INC.

MARIA CELIA H. FERNANDEZ-ESTAVILLO
Corporate Secretary

ANNEX "A"

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **JOSE T. PARDO**, Filipino, of legal age and a resident of 704 Acacia St., Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of JG Summit Holdings, Inc. and have been its independent director since August 6, 2003.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period of Service
Philippine Stock Exchange, Inc.	Chairman/Independent Director	2011 to present
Securities Clearing Corporation of the Philippines	Chairman/Independent Director	2011 to present
Philippine Savings Bank	Chairman/Independent Director	2003 to present
Philippine Seven Corporation	Chairman/Independent Director	2015 to present
Bank of Commerce	Chairman/Non-Executive Director	2011 to present
Del Monte Philippines, Inc.	Independent Director	2018 to present
Araneta Hotels, Inc.	Independent Director	2016 to present
League One Finance and Leasing Corporation	Independent Director	2016 to present
Synergy Grid and Development Phils., Inc. (non-operating)	Independent Director	2014 to present
Monte Oro Grid Resources Corporation (Holding Co.)	Non-Executive Director	2016 to present
National Grid Corporation of the Philippines	Non-Executive Director	2009 to present
ZNN Radio Veritas (non-profit)	Director	2006 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of JG Summit Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of JG Summit Holdings, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of director/officer/substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding:

Offense charged/investigated	Tribunal or agency involved	Status
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of JG Summit Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this 18 MAR 2021, at PASIG CITY.

JOSE T. PARDO
Affiant

SUBSCRIBED AND SWORN to before me this 18 MAR 2021 at PASIG CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number 116-203-611.

Doc No. 464;
Page No. 94;
Book No. 2;
Series of 2021.

ANDRE RIA B. BUZETA-ACERO
Notary Public for Pasig, San Juan, and Pateros
Notarial Commission No. 248 extended
until June 30, 2021 pursuant to Bar Matter No.3795
40th Floor Robinsons Equitable Tower, ADB Ave.
cor. Poveda Road, Ortigas Center, Pasig City 1605
Roll of Attorneys No. 55199
PTR No. 8540878/01-11-2021/Makati City
IBP Receipt No. 144096/01-05-2021/Rizal Chapter

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RENATO T. DE GUZMAN**, Filipino, of legal age and a resident of Unit 16B/C Urdaneta Apartments, 6735 Ayala Avenue 1225, Makati City, after having been sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of JG Summit Holdings, Inc. and have been its independent director since April 28, 2015.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period of Service
Maybank Philippines, Inc.	Independent Director	2016 to present
Investment & Capital Corporation of the Philippines	Independent Director	2016 to present
Nueva Ecija Good Samaritan Health System	Chairman	2016 to present
Good Samaritan College	Chairman	2019 to present
Maybank Singapore Limited	Independent Director	2019 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of JG Summit Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of JG Summit Holdings, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of director/officer/substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding:

Offense charged/investigated	Tribunal or agency involved	Status
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of JG Summit Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this 2 3 MAR 2021, at PASIG CITY.

RENATO T. DE GUZMAN
Affiant

SUBSCRIBED AND SWORN to before me this 2 3 MAR 2021 at PASIG CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number 127-386-444.

Doc No. 478;
Page No. 97;
Book No. 2;
Series of 2021.

ANDRE RIA B. BUZETA-ACERO
Notary Public for Pasig, San Juan, and Pateros
Notarial Commission No. 248 extended
until June 30, 2021 pursuant to Bar Matter No.3795
40th Floor Robinsons Equitable Tower, ADB Ave.
cor. Poveda Road, Ortigas Center, Pasig City 1605
Roll of Attorneys No. 55199
PTR No. 8540878/01-11-2021/Makati City
IBP Receipt No. 144096/01-05-2021/Rizal Chapter

ANNEX "C"

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ANTONIO L. GO**, Filipino, of legal age and a resident of 51 Cambridge Circle, North Forbes Park, Makati City, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of JG Summit Holdings, Inc. and have been its independent director since May 23, 2018.

2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Equitable Computer Services, Inc.	Director	Present
Equicom Savings Bank	Chairman	Present
ALGO Leasing and Finance, Inc.	Chairman	Present
My Health Ventures Corporation	Chairman	Present
Maxicare Healthcare Corporation	Vice Chairman	Present
Medilink Network, Inc.	Director	Present
Equicom Manila Holdings, Inc.	Director	Present
Equicom Inc.	Director	Present
Equitable Development Corp.	Director	Present
United Industrial Corporation Limited (Singapore)	Independent Director	Present
T32 Dental Centre (Singapore)	Director	Present
Dental Implant and Maxillofacial Centre (Hongkong)	Director	Present
Oriental Petroleum and Minerals Corporation	Independent Director	Present
Pin-An Holdings, Inc.	Director	Present
Equicom Information Technology, Inc.	Director	Present
Cebu Air, Inc.	Independent Director	Present
Robinsons Retail Holdings, Inc.	Independent Director	Present
Steel Asia Manufacturing Corporation	Director	Present
Dito Telecommunity Corporation	Non-Executive Officer	Present
Go Kim Pah Foundation	Trustee	Present
Equitable Foundation, Inc.	Trustee	Present
Gokongwei Brothers Foundation, Inc.	Trustee	Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of JG Summit Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of JG Summit Holdings, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of director/officer/substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding:

Offense charged/investigated	Tribunal or agency involved	Status
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the corporate secretary of JG Summit Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this 18 MAR 2021, at PASIG CITY.

ANTONIO L. GO
Affiant

SUBSCRIBED AND SWORN to before me this 18 MAR 2021 at PASIG CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number 100-929-712.

Doc No. 465;
Page No. 94;
Book No. 2;
Series of 2021.

ANDREA RIA B. BUZETA-ACERO
Notary Public for Pasig, San Juan, and Pateros
Notarial Commission No. 248 extended
until June 30, 2021 pursuant to Bar Matter No.3795
40th Floor Robinsons Equitable Tower, ADB Ave.
cor. Poveda Road, Ortigas Center, Pasig City 1605
Roll of Attorneys No. 55199
PTR No. 8540878/01-11-2021/Makati City
IBP Receipt No. 144096/01-05-2021/Rizal Chapter

ANNEX "D"

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ARTEMIO V. PANGANIBAN**, Filipino, of legal age and a resident of 1203 Acacia St., Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of JG Summit Holdings, Inc.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period of Service
GMA Network, Inc.	Independent Director	2007 - present
First Philippine Holdings Corporation	Independent Director	2007 - present
Metro Pacific Investments Corporation	Independent Director	2007 - present
Manila Electric Company	Independent Director	2008 - present
Robinsons Land Corporation	Independent Director	2008 - present
GMA Holdings, Inc.	Independent Director	2009 – present
Petron Corporation	Independent Director	2010 – present
Asian Terminals, Inc.	Independent Director	2010 - present
PLDT, Inc.	Independent Director	2013 – present
Jollibee Foods Corporation	Non-executive Director	2012 - present
Metropolitan Bank and Trust Company	Senior Adviser	2007 – present
Double Dragon Properties Corporation	Adviser	2014 - present
Bank of the Philippine Islands	Member, Advisory Council	2016 - present
Merry Mart Consumer Corporation	Adviser	2020 - present
(For my full bio-data, log to my personal website: cjpanganiban.com)		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of JG Summit Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/ officer/ substantial shareholder of JG Summit Holdings, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of director/ officer/ substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any criminal or administrative investigation or proceeding pending in court:

Name of director/ officer/ substantial shareholder	Company	Nature of relationship
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of JG Summit Holdings, Inc. of any changes in the above-mentioned information within five days from its occurrence.

Done, this 31 MAR 2021, at PASIG CITY.

ARTEMIO V. PANGANIBAN
Affiant

SUBSCRIBED AND SWORN to before me this 31 MAR 2021 at PASIG CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number 106-197-693.

Doc No. 489;
Page No. 99;
Book No. 2;
Series of 2021.

ANDRE RIA B. BUZETA-ACERO
Notary Public for Pasig, San Juan, and Pateros
Notarial Commission No. 248 extended
until June 30, 2021 pursuant to Bar Matter No.3795
40th Floor Robinsons Equitable Tower, ADB Ave.
cor. Poveda Road, Ortigas Center, Pasig City 1605
Roll of Attorneys No. 55199
PTR No. 8540878/01-11-2021/Makati City
IBP Receipt No. 144096/01-05-2021/Rizal Chapter

ANNEX E

2021 ANNUAL STOCKHOLDERS' MEETING
OF
JG SUMMIT HOLDINGS, INC.

REGISTRATION AND PROCEDURE FOR
VOTING *IN ABSENTIA*
AND
PARTICIPATION VIA REMOTE COMMUNICATION

I. VOTING *IN ABSENTIA*

JG Summit Holdings, Inc. (the "Corporation") has established a designated website in order to facilitate the registration of and voting *in absentia* by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code.

1. Stockholders as of April 5, 2021 (the "Stockholder/s") may register by sending an email to corporatesecretary@jgsummit.ph with the following documents:

    a. For individual Stockholders:
        i. Government-issued identification (ID) of the Stockholder;
        ii. For Stockholders with joint accounts: A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account.
        iii. If holding shares through a broker, the certification from the broker stating the name of the beneficial owner and the number of shares owned by such Stockholder.

    b. For corporate Stockholders:
        i. Secretary's Certificate authorizing the designated representative to vote the shares owned by the corporate Stockholder;
        ii. Government-issued identification (ID) of the designated representative.
        iii. If holding shares through a broker, certification from the broker stating the name of the beneficial owner and the number of shares owned by such Stockholder.

    Registration shall be open from April 15, 2021 to April 26, 2021.

2. Registration shall be validated by the Office of the Corporate Secretary in coordination with the Stock Transfer Agent of the Corporation. Once the Stockholder has been successfully validated, the Stockholder shall be officially registered for the annual meeting and a digital ballot shall be generated for the Stockholder which shall be sent to the email address used by the Stockholder for registration.

3. The registered Stockholder may then proceed to fill out the ballot with the votes. All items in the agenda for approval shall be shown one at a time and the registered Stockholder may vote Yes, No or Abstain. The vote is considered cast for all the registered Stockholder's shares.

4. Once voting on all the agenda items is finished, the registered Stockholder is encouraged to review the votes before submitting the ballot. The Stockholder can then proceed to submit the accomplished ballot by clicking the 'Submit' button. A summary of the votes cast shall be sent to the email address of the

registered Stockholder. Once the ballot has been submitted, votes may no longer be changed. Multiple submissions of the digital ballot under the same shareholder for the same shares shall be invalidated.

5. Voting in absentia shall be open from April 27, 2021, to May 6, 2020.

6. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia* together with the votes cast by proxy, and an independent third party will validate the results.

7. Stockholders who register and vote on the website for voting *in absentia* are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Corporation and by any other relevant third party for the purpose of electronic voting *in absentia* for the Annual Stockholders' Meeting and for all other purposes for which the Stockholder can cast his/her/its vote as a stockholder of the Corporation.

II. PARTICIPATION VIA REMOTE COMMUNICATION

1. Stockholders may attend the meeting on May 14, 2021 at 11:00 a.m. via the following livestreaming link: **https://bit.ly/JGS2021ASM**. The livestream shall be broadcast via Microsoft Teams, which may be accessed either on the web browser or on the Microsoft Teams app. Those who wish to view the livestream may sign in using any Microsoft account or may join the stream anonymously.

2. Stockholders who have not sent their proxies or registered and voted *in absentia* website ("Unregistered Stockholders") may still attend the meeting through the broadcast link. In order to be counted for the determination of quorum, Unregistered Stockholders are requested to notify the Corporation by e-mail to corporatesecretary@jgsummit.ph on or before by May 6, 2021 of their intention to participate in the meeting by remote communication.

   For validation purposes, the notification email form the Stockholder shall contain the following:

   a. Stockholders who have registered and voted in absentia before the cut off date;
   b. Stockholders who have sent their proxies before the deadline;
   c. Stockholders who have notified the Corporation of their intention to participate in the meeting by remote communication before the deadline.

3. Questions and comments on the items in the Agenda may be sent to corporatesecretary@jgsummit.ph. Questions or comments received on or before May 6, 2021 may be responded to during the meeting. Any questions not answered during the meeting shall be answered via email.

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Description of Business

(A) Business Development

JG Summit Holdings, Inc. (JG Summit / the Company / the Group), which is controlled by the Gokongwei Family, was incorporated in November 1990 as the holding company for a group of companies with substantial business interests in foods, agro-industrial and commodities, real estate and hotel, air transportation, banking and petrochemicals. The Company also has core investments in telecommunications and power generation and distribution.

The Company is one of the largest and most diversified conglomerates within the Philippines. The Company was listed on the PSE in 1993.

The Company and its subsidiaries (the Group), conduct businesses throughout the Philippines, but primarily in and around Metro Manila (where it is based) and in the regions of Luzon, Visayas and Mindanao.

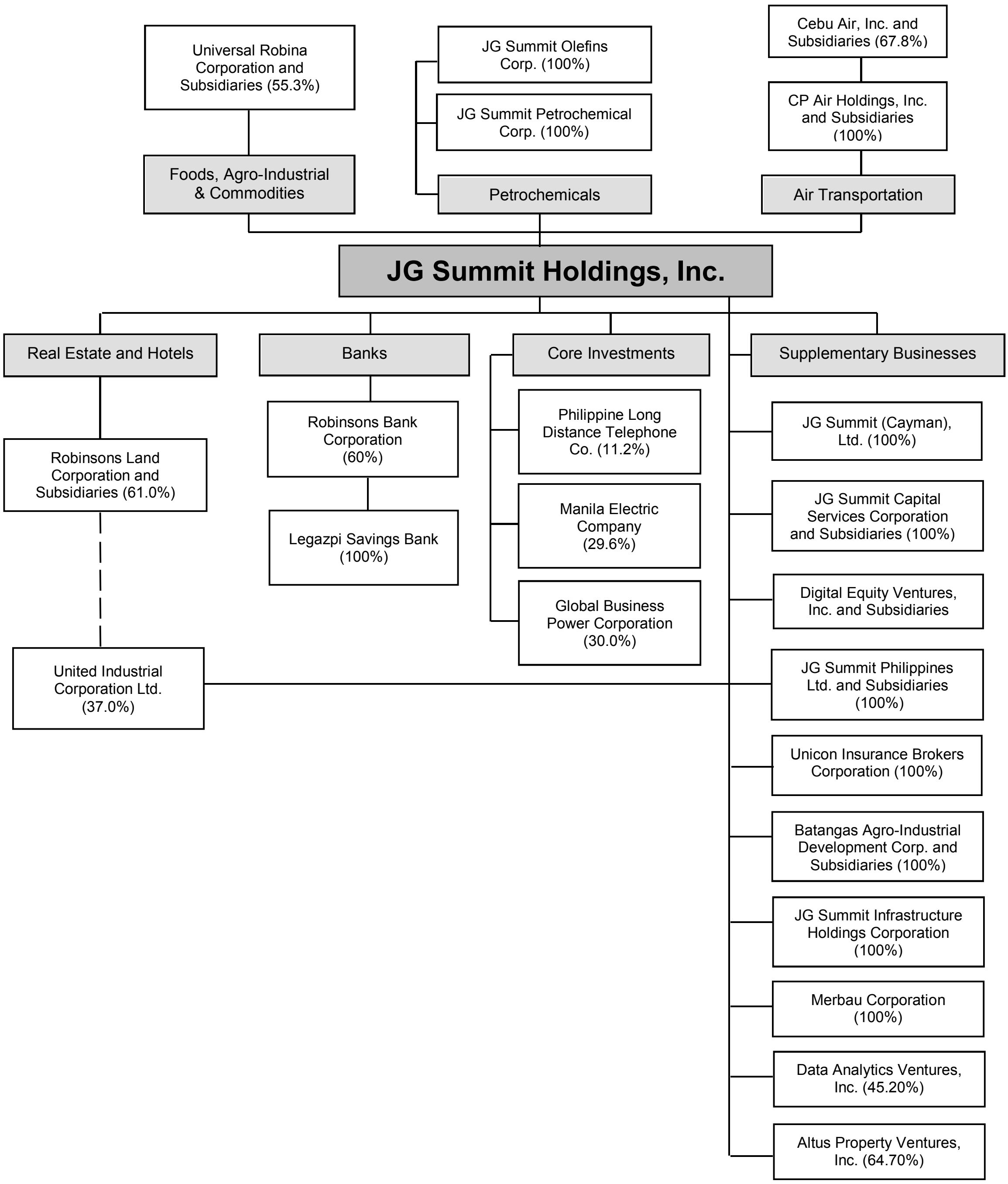
The Group also has a branded consumer foods business in the People's Republic of China (PRC), ASEAN and Oceania (New Zealand and Australia) regions, and a core investment in a property development company in Singapore.

The Company has not been into any bankruptcy, receivership or similar proceedings for the past two years.

The Gokongwei Family beneficially owns approximately 17.4% of the outstanding share capital of the Company. In addition, certain members of the Gokongwei Family are trustees of the Gokongwei Brothers Foundation, which holds interest in approximately 27.9% of the existing outstanding share capital of the Company.

(B) Business of Issuer

The industry segments where the Company and its subsidiaries and affiliates operate are summarized below:



The following table shows the breakdown of the Company's revenues and net profits from continuing operations by business areas (in millions except % amounts):

	REVENUES						**Net Income attributable to Parent Co.**					
	2020		2019		2018		**2020**		2019		2018	
	Peso	**%**	Peso	%	Peso	%	Peso	%	Peso	%	Peso	%
Food, Agro-Industrial and Commodity Food Products	**133,174**	**60**	134,032	44	127,670	44	**5,938**		5,399	17	5,086	27
Air Transportation	**22,302**	**10**	84,874	28	74,250	25	**(15,091)**		6,185	20	2,653	14
Petrochemicals	**22,021**	**10**	30,075	10	43,776	15	**(1,979)**		971	3	1,054	5
Real estate and hotels	**27,897**	**13**	36,690	12	32,758	11	**5,701**		11,334	36	8,249	43
Banks	**9,190**	**4**	8,132	3	6,144	2	**561**		432	2	191	1
Other Supplementary Businesses	**8,012**	**4**	9,364	3	8,827	3	**4,198**		6,902	22	2,358	12
Adjustments/eliminations	**(956)**	–	(1,344)	–	(1,509)	–	**204**		62	–	(405)	(2)
Total from Continuing Operations	**221,640**	**100**	301,823	100	291,916	100	**(468)**		31,285	100	19,186	100

Information as to domestic and foreign revenues, including foreign currency denominated revenues and dollar linked revenues, and their contributions to total revenues follow (in millions except % amounts):

	2020		**2019**		**2018**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Domestic	**158,721**	**72**	205,285	68	191,174	65
Foreign	**62,919**	**28**	96,538	32	100,742	35
	221,640	**100**	301,823	100	291,916	100

a) FOODS, AGRO-INDUSTRIAL AND COMMODITIES

Business Development

The Company operates its food business through Universal Robina Corporation (URC), which is one of the largest branded food product companies in the Philippines, with the distinction of being called the country's first "Philippine Multinational." It has established a strong presence in ASEAN and has further expanded its reach to the Oceania region. URC was founded in 1954 when Mr. John Gokongwei, Jr. established Universal Corn Products, Inc., a cornstarch manufacturing plant in Pasig. URC is involved in a wide range of food-related businesses, including the manufacture and distribution of branded consumer foods, production of hogs and poultry, manufacture of animal feeds and veterinary products, flour milling, and sugar milling and refining. It has also ventured into the renewables business for sustainability through Distillery and Cogeneration divisions. In the Philippines, URC is a dominant player with leading market shares in snacks, candies and chocolates and is a significant player in biscuits. It is also the largest player in the Ready-to-Drink (RTD) tea market and cup noodles, and is a competitive 3rd player in coffee business. With seven mills operating as of December 31, 2020, URC Sugar division remains to be the largest producer in the country based on capacity aided by the purchase of Roxas Holdings, Inc.'s sugar mill, ethanol plant and other investment properties in La Carlota City, Negros Occidental. The acquisition will allow for operational synergies between La Carlota and URC's existing operations in Sugar and continue in the efforts to support the development of the sugar industry in the

Philippines. URC's financial condition remained solid in the said period despite the acquisition.

Principal Products or Services

URC operates its food business through operating divisions and wholly owned or majority-owned subsidiaries that are organized into three business segments: branded consumer foods, agro-industrial products and commodity food products.

Branded consumer foods (BCF) segment, including packaging division, is the URC's largest segment contributing about 77.8% of revenues for the year ended December 31, 2020. Established in the 1960s, URC's branded consumer foods segment manufactures and distributes a diverse mix of salty snacks, chocolates, candies, biscuits, packaged cakes, beverages and instant noodles. The manufacturing, distribution, sales, and marketing activities of BCF segment are carried out mainly through URC's branded consumer foods division consisting of snack foods, beverage, and noodles, although URC conducts some of its branded consumer foods operations through its majority-owned subsidiaries and joint venture companies. URC established URC BOPP Packaging and URC Flexible Packaging divisions to engage in the manufacture of bi-axially oriented polypropylene (BOPP) films for packaging companies and flexible packaging materials to cater various URC branded products. Both manufacturing facilities are located in Simlong, Batangas and are ISO 9001:2008 certified for Quality Management Systems.

Majority of URC's consumer foods business is conducted in the Philippines but has expanded more aggressively into other ASEAN markets, primarily through its wholly-owned subsidiary, URC International. In 2014, URC has expanded its reach to the Oceania region through the acquisition of Griffin's Foods Limited, a leading snacks player in New Zealand, which owns many established brands such as Griffin's, Cookie Bear, Eta, Huntley & Palmer's, and Nice & Natural. In 2016, URC acquired Consolidated Snacks Pty Ltd., which trades under Snacks Brand Australia (SBA), the second largest salty snacks player in Australia with a wide range of chips including the iconic brands like Kettle, Thins, CC's and Cheezels. The international operations contributed about 31% of URC's sale of goods and services for the year ended December 31, 2020.

URC's agro-industrial products segment operates four divisions: (1) Robina Farm-Hogs, (2) Robina Farm-Poultry, (3) the manufacturing and distribution of animal feeds (URC Feeds), and (4) the production and distribution of animal health products (URC Veterinary Drugs). This segment contributed approximately 8.9% of sale of goods and services in 2020.

URC's commodity food products segment operates three divisions: (1) sugar milling and refining through Sugar division, (2) flour milling and pasta manufacturing through Flour division, and (3) renewable energy development through Distillery and Cogeneration divisions. This segment contributed approximately 13.3% of sale of goods and services in 2020.

The percentage contribution to URC's sale of goods and services for each of the three years ended December 31, 2020, 2019 and 2018, by each of URC's principal business segments is as follows:

	For the years ended December 31		
	2020	2019	2018
Branded Consumer Foods Group	**77.8%**	78.9%	80.2%
Agro-Industrial Group	**8.9%**	9.8%	9.2%
Commodity Foods Group	**13.3%**	11.3%	10.6%
	100.0%	100.0%	100.0%

The geographic percentage distribution of URC's revenues for three years ended December 31, 2020, 2019 and 2018 is as follows:

	For the years ended December 31		
	2020	2019	2018
Philippines	**69.0%**	68.6%	66.2%
International	**31.0%**	31.4%	33.8%
	100.0%	100.0%	100.0%

Customers

None of the URC's businesses is dependent upon a single customer or a few customers that a loss of anyone of them would have a material adverse effect on the Company. URC has no single customer that, based upon existing orders, will account for 20.0% or more of the URC's total sale of goods and services.

Distribution, Sales and Marketing

URC has developed an effective nationwide distribution chain and sales network that it believes provide its competitive advantage. URC sells its branded food products primarily to supermarkets, as well as directly to top wholesalers, large convenience stores, large scale trading companies and regional distributors, which in turn sell its products to other small retailers and down line markets. URC's branded consumer food products are distributed to approximately 180,000 outlets in the Philippines and sold through various retailers and regional distributors. URC intends to expand its distribution network coverage in the Philippines by increasing the number of retail outlets that its sales force and distributors directly service.

The branded consumer food products are generally sold by URC from salesmen to wholesalers or supermarkets, and regional distributors to small retail outlets. 15 to 30-day credit terms are extended to wholesalers, supermarkets and regional distributors.

URC believes that its emphasis on marketing, product innovation and quality, and strong brand equity has played a key role in its success in achieving leading market shares in the different categories where it competes. In particular, URC launched "Jack 'n Jill" as a master umbrella brand for all its snack food products in order to enhance customer recognition. URC devotes significant expenditures to support advertising and branding to differentiate its products and further expand market share both in the Philippines and in its overseas markets, including funding for advertising campaigns such as television commercials and radio and print advertisements, as well as trade and consumer promotions.

For URC agro-industrial group (AIG), both piggery and poultry farms have been accredited as GAHP (Good Animal Husbandry Practice), 100% compliant to Good

Manufacturing Practices (GMP) and its meats and eggs have been certified as No Hormone, and Antibiotic residue free. This has allowed AIG to aggressively capture the quality conscious meat segment of the country as embodied by the Robina Farms brand with its key positioning of Robina raised, Family safe products. Similarly, the Feeds business headed by their brand champions such as Uno+, Supremo Gamefowl, and Top Breed Dog meals increased its distribution network supported by the Kabalikat Farm Program covering Hog and Gamefowl raisers.

Competition

The BCF business is highly competitive and competition varies by country and product category. URC believes that the principal competitive factors include price, taste, quality, convenience, brand recognition and awareness, advertising and marketing, availability of products and ability to get its product widely distributed. Generally, URC faces competition from both local and multinational companies in all of its markets. In the Philippines, major competitors in the market segments in which it competes include Liwayway Marketing Corporation, Republic Biscuit Corporation, Suncrest Foods Inc., Monde Nissin Corporation, Nestle Philippines Inc., and Mondelez Philippines, Inc. Internationally, major competitors include Procter & Gamble, Mars Inc., Lotte Group, Perfetti Van Melle Group, PT Mayora Indah Tbk, Tan Hiep Phat Beverage Group, Nestlé S.A., PepsiCo, Inc., and Mondelez International, Inc.

URC AIG has re-oriented its business model under three major business segments: Farms, Feeds, and Food Drug & Disinfectant (FDD). This re-orientation will allow URC AIG to pivot itself toward capturing the new opportunities brought about by the current changes in the agri sector as well as the new normal. The market for AIG is now more diverse, ranging from it original agri based categories such as geeds to its more consumer oriented categories such as processed meat under farms, and alcohol under the FDD business group. Consistent as before, the market is highly fragmented, competitive, consumer driven, and principally domestic. URC is focused and known as a ‘Kabalikat’ sharing best practices with partners and providing total solutions and protection to Filipino consumers nationwide.

URC’s key competitive factors are brand equity, product quality, affordability, supply availability and reliability. Considering that the 3 major business segments Farms, Feeds, & FDD; are represented by core products directly and indirectly used by the common household, the said categories are subject to continuous changes particularly customer preferences and lifestyle. Key competitors include San Miguel Corporation, UNAHCO (Unilab group), Aboitiz Inc. and Bounty Farms.

Enhancement and Development of New Products

URC intends to continuously introduce innovative new products, product variants and line extensions in the snackfoods (snacks, biscuits, candies, chocolates and bakery), beverage, and grocery (instant noodles and tomato-based) products. This year alone, URC’s Branded Consumer Foods Philippines has introduced 30 new products, which contributed 4.61% to its total sales.

URC supports the rapid growth of the business through line expansion, construction and acquisition of plants.

Raw Materials

A wide variety of raw materials are required in the manufacture of the URC’s food products, including corn, wheat, flour, sugar, robusta coffee beans, palm oil and cocoa powder. Some of which are purchased domestically and some of which are imported.

URC also obtains a major portion of its raw materials from its commodity food products segments, such as flour and sugar, and flexible packaging materials from its packaging segment. A portion of flexible packaging material requirements is also purchased both locally and from abroad (Vietnam and Indonesia), while aseptic packaging is purchased entirely from China.

For its feeds segment, URC requires a variety of raw materials, including corn grains, soya beans and meals, feed-wheat grains, wheat bran, wheat pollard, soya seeds, rice bran, copra meal and fish meal. URC purchases corn locally from corn traders and imports feed-wheat from suppliers in North America, Australia, Europe and China. Likewise, soya seeds are imported by URC from the USA.

For its FDD segment, URC sources its major raw materials locally. The key ingredient in Alcohol is rectified spirit which is sourced internally from its distillery plant across the country. For its animal health products, URC requires a variety of antibiotics and vitamins, which it acquires from suppliers in Europe and Asia. URC maintains approximately two months physical inventory and one month in-transit inventory for its imported raw materials.

For its farm business, URC requires a variety of raw materials, primarily close-herd breeding stocks. For its poultry business, URC purchases the parent stock for its layer chicks from Dekalb from Europe and Hy-line from the USA. Robina Farms obtains all of the feeds it requires from its Feeds segment and substantially all of the minerals and antibiotics from its FDD segment as part of its vertical integration. URC purchases vaccines, medications and nutritional products from a variety of suppliers based on the values of their products.

URC obtains sugar cane from local farmers. Competition for sugar cane supply is very intense and is a critical success factor for its sugar business. Additional material requirements for the sugar cane milling process are either purchased locally or imported.

URC generally purchases wheat, the principal raw material for its flour milling and pasta business, from suppliers in the United States, Canada and Australia.

URC's policy is to maintain a number of suppliers for its raw and packaging materials to ensure a steady supply of quality materials at competitive prices. However, the prices paid for raw materials generally reflect external factors such as weather conditions, commodity market fluctuations, currency fluctuations and the effects of government agricultural programs. URC believes that alternative sources of supply of the raw materials that it uses are readily available. URC's policy is to maintain approximately 30 to 90 days of inventory.

Patents, Trademarks, Licenses, Franchises, Concessions or Labor Contract

URC owns a substantial number of trademarks registered with the Bureau of Trademarks subject to the provisions of Republic Act (RA) 8293 also known as the Intellectual Property Code of the Philippines (IP Code) and recorded with the Intellectual Property Office of the Philippines (IPPHL). In addition, certain trademarks have been strategically registered in other countries in which it operates. These trademarks are important in the aggregate because brand name recognition is a key factor in the success of many of URC's product lines. Trademark registration is a means to protect these brand names from counterfeiting and infringement.

Trademarks registered under RA 166, also known as the Trademark Law, are registered for twenty (20) years. Upon renewal, these trademarks become subject to the IP Code having a registration period of ten (10) years and renewable thereafter. In general, trademarks in other countries have a ten-year registration which are renewable as well, allowing relatively a lifetime of territorial and limited trademark registration.

URC also uses brand names under licenses from third parties. These licensing arrangements are generally renewable based on mutual agreement. URC's licensed brands include Nissin Cup Noodles, Nissin Yakisoba Instant Noodles and Nissin Pasta Express, Vitasoy, Calbee and B'lue, among others.

Licensing Agreements are voluntarily registered with the Documentation, Information and Technology Transfer Bureau of the IPPHL.

Regulatory Overview
As manufacturer of consumer food and commodity food products, URC is required to guarantee that the products are pure and safe for human consumption, and that URC conforms to standards and quality measures prescribed by the Bureau of Food and Drugs (BFAD).

URC's sugar mills are licensed to operate by the Sugar Regulatory Administration (SRA) and renew its sugar milling licenses at the start of every crop year. URC is also registered with the Department of Energy as a manufacturer of bio-ethanol and as a renewable energy developer.

All of URC's livestock and feed products have been registered with and approved by the Bureau of Animal Industry, an agency of the Department of Agriculture which prescribes standards, conducts quality control test of feed samples, and provides technical assistance to farmers and feed millers.

Some of URC's projects, such as the sugar mill and refinery, bioethanol production, biomass power cogeneration and hog and poultry farm operations, are registered with the Board of Investments (BOI) which allows URC certain fiscal and non-fiscal incentives.

Effects of Existing or Probable Governmental Regulations on the Business
URC operates its businesses in a highly regulated environment. These businesses depend upon licenses issued by government authorities or agencies for their operations. The suspension or revocation of such licenses could materially and adversely affect the operation of these businesses.

Research and Development
URC develops new products and variants of existing product lines, researches new processes and tests new equipment on a regular basis in order to maintain and improve the quality of URC's food products. In Philippine operations alone, about ₱193 million was spent for research and development activities in 2020 and approximately ₱144 million ₱52 million in 2019 and 2018, respectively.

URC has research and development staff for its branded consumer foods and packaging divisions located in its research and development facility in Metro Manila and in each of its manufacturing facilities. In addition, URC hires experts from all over the world to assist its research and development staff. URC conducts extensive research and development for new products, line extensions for existing products and for improved production, quality control and packaging as well as customizing products to meet the local needs and tastes in the international markets. URC's commodity foods segment also utilizes this research and development facility to improve their production and quality control. URC also strives to capitalize on its existing joint ventures to effect technology transfers.

URC has a dedicated research and development team for its agro-industrial business that continually explores advancements in feeds, breeding and farming technology. URC regularly conducts market research and farm-test for all of its products. As a policy, no commercial product is released if it was not tested and used in Robina Farms.

Transactions with Related Parties
The largest shareholder, JG Summit Holdings, Inc., is one of the largest and most diversified conglomerates listed on the Philippine Stock Exchange. JG Summit provides URC with certain corporate center services including finance, strategy and development, government affairs, governance and management systems, internal audit, procurement, human resources, general counsel, information technology, digital transformation office, and advertising and public relations. JG Summit also provides URC with valuable market expertise in the Philippines as well as intra-group synergies.

Costs and Effects of Compliance with Environmental Laws
The operations of URC are subject to various laws and regulations enacted for the protection of the environment, including Philippine Clean Water Act (R.A. No. 9275), Clean Air Act (R.A. No. 8749), Ecological Solid Waste Management Act (R.A. No. 9003), Toxic Substances and Hazardous and Nuclear Wastes Control Act (R.A. No. 6969), Pollution Control Law (R.A. No. 3931, as amended by P.D. 984), the Environmental Impact Statement System (P.D. 1586), Laguna Lake Development Authority (LLDA) Act of 1966 (R.A. No. 4850), Renewable Energy Act (R.A. No. 9513), Electric Power Industry Reform Act (R.A. No. 9136) and Environmental Compliance Certificates (ECCs) requirements of P.D. No. 1586, in accordance with DENR Administrative Order No. 2003-30. URC believes that it has complied with all applicable environmental laws and regulations, an example of which is the installation of wastewater treatment systems in its various facilities. Compliance with such laws does not have, and, in the URC's opinion, is not expected to have, a material effect upon URC's capital expenditures, earnings or competitive position. As of December 31, 2020, URC has invested about ₱361.0 million in wastewater treatment in its facilities in the Philippines.

<u>b) REAL ESTATE AND HOTELS</u>

Business Development
The Company operates its real estate business through Robinsons Land Corporation (RLC), which is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the construction and operation of lifestyle commercial centers, offices, hotels, and warehouse facilities; and the development of mixed-use properties, residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an 'investment' component, in which it develops, owns and operates commercial real estate projects (principally lifestyle commercial centers, office buildings, hotels and warehouse facilities); and a 'development' component, in which it develops real estate projects for sale (principally residential condominiums, service lots, house and lot packages and commercial lots).

RLC was incorporated on June 4, 1980 and its shares were offered to the public in an initial public offering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989.

On November 13, 2017, the BOD of RLC approved in principle the stock rights offering (SRO) of up to ₱20 billion composed of 1.1 billion common shares, with a par value of ₱1.00 per share, to all stockholders as of record date January 31, 2018. RLC intended to use the proceeds from the Offer to finance the acquisition of land located in various parts of the country for all its business segments.

RLC has obtained the approval of the BOD of the Philippine Stock Exchange, Inc. (PSE) for the listing and trading of the rights shares on January 10, 2018, while the PSE's confirmation of exempt transaction covering the offer was obtained on December 14, 2017. The following are the key dates of the SRO:

- Pricing date – January 24, 2018
- Ex-date – January 26, 2018
- Record date – January 31, 2018
- Offer period – February 2 to 8, 2018
- Listing date – February 15, 2018

RLC has successfully completed its ₱20 billion SRO of common shares following the close of the offer period on February 8, 2018. A total of 1.1 billion common shares from the SRO were issued at a price of ₱18.20 each. The listing of the shares occurred on February 15, 2018.

On July 31, 2019, the BOD of RLC approved the declaration of property dividend, of up to One Hundred Million (100,000,000) common shares of Altus Property Ventures, Inc. (APVI) (formerly Altus San Nicolas Corp.) in favor of the registered shareholders (the Receiving Shareholders) as of August 15, 2019. The SEC approved the property dividend declaration on November 15, 2019 and the Certificate Authorizing Registration was issued by the Bureau of Internal Revenue on December 6, 2019.

The Receiving Shareholders received a ratio of one (1) share of APVI for every fifty-one and 9384/10000 (51.9384) shares of RLC, net of applicable final withholding tax on December 20, 2019. No fractional shares were issued and no shareholder was entitled to any fractional shares.

RLC's remaining interest in APVI after the dividend distribution is 6.11%.

Principal Products or Services

RLC has five business divisions: a) Commercial Centers, b) Residential, c) Office Buildings, d) Hotels and Resorts, and e) Industrial and Integrated Developments.

a.) Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages lifestyle centers throughout the Philippines. The Commercial Centers Division accounted for ₱5.96 billion or 23% of RLC's revenues and ₱4.11 billion or 30% of RLC's EBITDA in calendar year 2020 and ₱13.25 billion or 43% of RLC's revenues and ₱8.82 billion or 51% of RLC's EBITDA in calendar year 2019. As of December 31, 2020 and 2019, RLC's Commercial Centers Division had assets valued on a historical cost less depreciation basis at ₱77.61 billion and ₱73.47 billion, respectively.

RLC's Commercial Centers Division has felt the most impact of the pandemic on its operations especially on the first half of 2020. Rental concessions were provided to support the recovery of partner tenants affected by temporary mall closures and quarantine restrictions. In the second half of 2020, mall revenues started to rebound on the back of sustained improvements in operational gross leasable area, number of operational tenants and foot traffic. These performance indicators are expected to gradually rise over time as the government continues to ease quarantine restrictions.

During calendar year 2020, the Commercial Centers Division started expanding the front portion of its Dumaguete mall. The total mall count remains at 52, with nine (9) of the malls in Metro Manila and the rest in other urban areas throughout the Philippines. System-wide leased percentage posted at 93%. In addition, GFA slightly declined to approximately 3.0 million square meters due to the deconsolidation of APVI's assets from RLC following the property dividend distribution.

Aside from expanding mall footprint, several innovative services were rolled out in 2020 to facilitate worry-free shopping experiences. Robinsons Malls' 'Pickup Station', 'RDelivery', and 'RPersonal Shopper' offer safe and easy ways for customers to shop, while enabling partner tenants to expand consumer reach.

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for RLC. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be a major driver for RLC's growth in the future.

As of calendar year 2020, RLC has two (2) new malls, two (2) expansions and one mall to reopen in the planning and development stage for completion in the next two (2) years. RLC's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

b.) Residential Division

The Residential Division, which focuses on the construction and sale of residential condominium, subdivision projects and other real estate properties, is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are.

- **Robinsons Luxuria** - builds its brand on providing a seamless pampered experience via its generous living spaces, distinctive style infrastructure, iconic locations and attention to service and detail. It provides uniquely luxurious living spaces through its projects located in iconic locations such as Cebu, Ortigas Center and Makati. As of December 31, 2020, there are nine (9) residential condominium buildings/towers under the Robinsons Luxuria portfolio, of which eight (8) have been completed and one (1) project is under construction.
- **Robinsons Residences** - offers the perfect urban home for professionals and urbanities, combining prime locations with contemporary designs, comfortably spacious units, stress-busting amenities and lifestyle perks and privileges. As of December 31, 2020, Robinsons Residences segment had a portfolio of thirty three (34) residential condominium buildings/towers, of which twenty-six (26) had been

completed and seven (8) projects are under various stages of development.

- **Robinsons Communities -** is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to their workplace, schools and leisure centers. As of December 31, 2020, Robinsons Communities had completed twenty six (28) residential condominium buildings/towers and two (2) subdivision projects. It has seven (9) on-going projects in different stages that are scheduled for completion over the next five years. Robinsons Communities is currently focusing on the development of both mid-rise and high-rise residential condominium projects that primarily offer compact units. Its condominium projects are located in Metro Manila and Tagaytay City while the subdivisions are in Quezon City.
- **Robinsons Homes** - offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home. As of December 31, 2020, Robinsons Homes has thirty nine (39) projects in its portfolio. Ten (10) of these projects are on-going construction. Among the thirty nine (39) projects, twenty eight (29) have been substantially completed and sold.

c.) Office Buildings Division

Office Buildings division develops office buildings for lease. RLC engages outside architects and engineers for the design of its office developments. Due to the sustained growth from the IT Business Process Management (IT-BPM) sector and increasing office space demands from other multinational and logistic companies, RLC has secured a number of major customers as long-term tenants in its office buildings. It also has continuously improved its developments including building features, office layouts and amenities. RLC is one of the leading providers of office spaces in the Philippines.

In its effort to be environmentally responsive, Robinsons Offices has built sustainable, green office buildings over the years. The projects are Leadership in Energy and Environmental Design (LEED) certified. The US Green Building Council registered LEED buildings are: Tera Tower (LEED Gold), Exxa Tower (LEED Silver), Zeta Tower (LEED Silver) and Giga Tower (LEED Gold).

In addition, Robinsons Offices has placed high emphasis on the health and well-being of its tenants. In this regard, it embarked on deploying technological innovations for its buildings such as metal detectors with thermal scanners and destination control elevators with turnstiles. These provide safe and easy access to premises within the building. Also, RLC installed microbial film on frequently touched surfaces to help prevent the spread of viruses.

In 2020, the Office Buildings Division completed two new offices namely Robinsons Luisita Office 3 (located within RLC's Robinsons Luisita Complex in Tarlac City) and Cybergate Delta 2 (located within the Robinsons Cyberpark Davao). The two new offices increased net leasable area by 4% to 613,000 square meters and brought the total count of office developments located in central business districts and in key cities across the country to twenty-five (25). System-wide leased rate rate as of December 31, 2020 is 91%.

Meanwhile, RLC continues to strengthen its portfolio of flexible workspace business, 'work.able'. work.able offers plug and play workspaces to clients who are looking for flexible office options such as private offices, venues for meetings and events and co-working spaces. In November 2020, RLC successfully completed its first two (2) build-to-suit work.able projects at Giga Tower and Cyber Sigma with sign-ups from two multinational companies, capping the number of operational work.able sites to five (5) as of December 31, 2020.

Also in 2020, the Office Buildings Division partially completed Cyber Omega which is located in Ortigas Center, Pasig City. Together with one (1) Metro Manila and three (3) provincial office structures, RLC is expected to complete Cyber Omega in 2021 which will boost the total leasable area by approximately 18%.

d.) Hotels and Resorts Division

RLC’s Hotels and Resorts division has a diverse portfolio covering the following brand segments: upscale international deluxe hotels, mid-market boutique city hotels, essential service value hotels, and most recently, the luxury resort category. As of December 31, 2020, RLC operated twenty (20) hotels and resort for a total of 3,188 rooms in strategic metropolitan and urbanized locations consisting of eleven (11) Go Hotels, six (6) Summit Hotels and three (3) international deluxe brands.

In 2020, RLC operated a maximum of 13 of its 20 hotel properties in the midst of a global pandemic that crippled the hospitality and tourism industries. Occupancy rates in these operational hotels ranged from 20% to 96% as of December 31, 2020. Meanwhile, the completion of remaining rooms in Dusit Thani Mactan Cebu increased total room keys to approximately 3,188.

In response to the challenges brought about by quarantine measures, RLC repurposed its accommodation facilities and offered relevant solutions to customes. Summit Hotels and Resorts and Go Hotels launched ‘Working-On-the-Go Private Offices’ to offer affordable private office packages for the growing work-at-home population. Go Hotels also rolled out long-stay services under the ‘Just-Got-Home’ program, which primarily attracted urban professionals looking for a budget-friendly place that is in close proximity to their workplaces and other key establishments.

In preparation for the anticipated recovery of domestic tourism in the near-term, the Hotels and Resorts Division plans to increase hotel room count by 10% to over 3,400 operational rooms with the opening of Summit Naga, Summit GenSan, Go Hotels Naga and Go Hotels Tuguegarao. In 2022, RLC intends to launch Fili Urban Resort, the Philippines’ first ever five-star homegrown hotel, and Westin Sonata, our fourth international hotel. These new properties will push total hotel room count up by 19% to over 4,100 rooms by the end of 2022.

e.) Industrial and Integrated Developments Division

RLC’s Industrial and Integrated Developments Division focuses on mixed-used developments and masterplanned communities. These developments incorporate different property formats such as residences, work places, commercial centers, logistics facilities and other institutional developments into a single setting.

Despite the Covid-19 pandemic, IID carried on with the development of its destination estates namely Bridgetowne--the 30.6-hectare property that connects the cities of Pasig and Quezon, Sierra Valley--the 18-hectare property in Cainta and Taytay, Rizal, and Montclair – the 204-hectare property in Porac, Pampanga.

For Bridgetowne, sufficient progess for the completion of its phase 1 was accomplished in 2020 and it is expected to be completed by Q2 of 2021. Sierra Valley’s interim retail component was completed in 2020 and 50% of which has been leased out by the end of the year. For Montclair, the early development of its new interchange connecting to

SCTEX was started in 2020. RLC expects to receive all necessary permits and approvals for the new interchange in 2021.

RLC will continue to make substantial progress in its landmark destination estates. To strengthen earnings, the division will likewise explore innovative real estate formats, new business ventures, and strategic partnerships for its mixed-use developments.

The percentage contribution to RLC's revenues for the three years ended December 31, 2020, 2019 and 2018 by each of its business segment is as follows:

	For the years ended December 31		
	2020	2019	2018
Residential Buildings	**48.0%**	29.8%	29.4%
Commercial Centers	**23.0%**	43.3%	40.4%
Office Buildings	**23.0%**	17.4%	14.5%
Hotels	**4.0%**	8.0%	6.7%
IID	**2.0%**	1.5%	9.0%
	100.0%	100.0%	100.0%

Competition

Commercial Centers Division

RLC has two major competitors in its Commercial Centers Division – SM Prime Holdings, Inc. (SMPHI) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SMPHI's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

Residential Division

- **Robinsons Luxuria**

  The Robinsons Luxuria brand continues to develop projects that cater to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC aims to increase its share of this elite market segment and steer buyers of competitors such as Ayala Land Premier, Rockwell Land Corporation (ROCK), Century Properties Group, Inc. (CPGI) and Megaworld Corporation (MEG) to its developments.

- **Robinsons Residences**
  RLC's competitors (Alveo Land, MEG, Filinvest Land, Inc. (FLI) and Ortigas & Co.) under this segment target the same market and offer similar products. There are also a number of players who try to compete in this segment of the market with one or two projects. Projects under Robinsons Residences remain among the top of mind developments as a result of growing experienced sales and distribution network and our convenient locations. Projects are located within Central Business Districts or RLC's mixed-use development.
- **Robinsons Communities**
  RLC Robinsons Communities has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), FLI, SMPHI and DMCI Homes. Based on public records and independent industry reports and its own market knowledge, RLC believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. RLC believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.
- **Robinsons Homes**
  Robinsons Homes stands in close competition with ALI, FLI and Vista Land Lifescapes, Inc. (VLL). It competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Angono, Cavite, Batangas, Puerto Princesa, Bacolod, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is committed to provide green communities with lifestyle amenities in response to changing needs of the market. RLC believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success. In order to cater to varying market profiles, Robinsons Homes launched its five sub-brands namely: Forbes Estates for Premier development, Bloomfields for the high-end market, Brighton for mid-cost development, Springdale for the affordable market segment and Happy Homes for socialized housing.

Office Buildings Division
RLC believes that competition for office space is principally on the basis of location, quality and reliability of the project's design and equipment, reputation of the developer, availability of space, and PEZA registration. The biggest competitors of RLC under this segment are ALI, Megaworld and SM. It competes in this market on the basis of the strategic locations of its buildings, including their proximity to the malls and residences as part of its mixed-use developments, and its accessibility to public transportation, building features as the office projects can accommodate all types of tenants including companies in the IT Business Process Management (IT-BPM) sector, corporate headquarters and traditional offices. RLC also believes that its established reputation of good quality, ease of doing business, and completing projects on time makes it one of the most preferred choices of the IT-BPM industry as well as local and multinational companies. RLC is committed in providing an excellent customer experience and satisfaction by developing office projects of high quality and reliability, meeting the evolving needs of its customers.

Hotels and Resorts Division
RLC competes in different markets for its hotels and resorts segments. Across all of its hotel formats, its main competitors in terms of number of rooms are: Ayala Land, Alliance Global Group Inc., SM Hotels and Conventions Corporation, and Filinvest Land

Inc. Aside from these large hotel owners and developers, there is a growing number of small independent players and foreign entrants that increases the competitive landscape of hospitality in the country. The influx of foreign arrival and regional travellers in the Philippines stimulates growth and opportunities for many in the hospitality and tourism industry, and is likewise strongly supported by government incentive programs.

RLC believes in its market strength rooted from a deep understanding of the mass Filipino consumer. RLC continues to solidify its position and ability to serve travellers in multiple points of the Philippines through growing its hotel and resorts portfolio while enhancing its overall brand. With its longstanding expertise in developing and managing hotels and resorts, RLC is focused on scaling its business with improving standards leading up to world-class quality.

Industrial and Integrated Developments Division

Though Industrial and Integrated Developments is a new Division under RLC, RLC is not a newcomer in integrated developments. RLC has developed four major mixed used developments in Metro Manila alone, namely, Robinsons Galleria, Robinsons Forum, Robinsons Manila, and Robinsons Magnolia. These projects are anchored by Robinsons Mall with components of Office and/or Residential and/or Hotel/Leisure. With the formation of the Industrial and Integrated Development Division, RLC can now focus on this new fast growing development format.

Despite the Covid-19 pandemic, major developers are still into integrated developments. Developers have been acquiring big parcels of land and incorporating different real estate components to attract investors and customers. The biggest competitors of RLC in integrated developments are Ayala Land, Inc., Megaworld Corp, Filinvest, Inc., Double Dragon Properties Corp., and SM Prime Holdings.

Even before the Covid-19 pandemic, demand for logistics facilities has been on the rise in the country and this demand further increased during the pandemic. Under its RLX Logistics Facilities brand, the Industrial and Integrated Developments Division develops excellent quality logistics facilities in industrial centers of growth around the Philippines. The biggest competitors of RLC in the development of logistics facilities are Ayala Land Logistics Holdings Corp. and Double Dragon Properties Corp.

IID will harness opportunities for synergies with RLC’s other business units: Commercial, Residential, Hotel, and Office Division. RLC, having years of experience in these real estate components, will thus have a competitive advantage. With efficient master planning, innovative designs, and quality construction, RLC is committed to sustainable and future-proof communities.

Raw Materials/Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management’s evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for the construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes RLC will undertake to procure the construction materials when it believes that it has an advantage in doing so. RLC typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge. If RLC believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

Customers
RLC has a broad base of customers, comprised of both local and foreign individuals, and institutional clients. RLC is not dependent on a single or a few customers, the loss or any of which would have a material adverse effect on the business taken as a whole.
.
Related Party Transactions
RLC leases significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

In addition, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications.

Regulatory and Environmental Matters

Shopping Malls
Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

Residential Condominium and Housing and Land Projects
Presidential Decree No. 957 (The Subdivision and Condominium Buyers' Protective Decree) as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. The law covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. It also sets out standards for lower density developments.

Republic Act No. 4726 (The Condominium Act), on the other hand, is the primary law governing condominiums. The law covers the legal definition of a condominium, the rights of a unit owner, and the rules governing transfers, conveyances and partitions in condominiums.

The Housing and Land Use Regulatory Board (HLURB) is the administrative agency of the Government which, together with local government units, enforces these laws and has jurisdiction to regulate the real estate trade and business. Subdivision or condominium units may be sold or offered for sale only after a license to sell (LTS) has been issued by the HLURB. The LTS may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

All subdivision and condominium plans are subject to approval by the relevant Local Government Unit (LGU) in which the project is situated and by the HLURB. The development of subdivision and condominium projects can commence only after the HLURB has issued a development permit.

Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the LGU and HLURB.

Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Republic Act No. 9646 (The Real Estate Service Act of the Philippines) provides that real estate consultants, appraisers, assessors and brokers must pass the requisite exams and be duly registered and licensed by the Professional Regulation Commission (PRC), while real estate salespersons, or those who act of a real estate broker to facilitate a real estate transaction, only need to be accredited by the PRC.

Project permits and the LTS may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws.

Residential subdivision developments must comply with applicable laws and standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls, but the minimum parking area requirement may be further increased by ordinances promulgated by LGUs.

Republic Act (RA) No. 7279 (Urban Development and Housing Act of 1992), as amended by Republic Act No. 10884 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost and at least 5% of condominium area or project cost, at the option of the developer, in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. RLC has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future.

The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under R.A. No. 10884, income derived by domestic corporations from the development and sale of socialized housing is exempt from project related income taxes, capital gains tax on raw lands used for the project, value-added tax for the project contractor concerned, transfer tax for both raw completed projects, and donor's tax for lands certified by the LGUs to have been donated for socialized housing purposes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by RLC, any changes in the tax treatment of income derived from the sale of socialized housing units may affect its effective rate of taxation.

Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the "Hotel Code") in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification. The Philippine Department of Tourism is in the process of revising the current classification from Hotel Class System to Hotel Star Rating System.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

Since the onset of the COVID-19 pandemic in 2020, the Philippine hospitality industry has been subjected to various implementing rules and regulations set by the government's Inter-Agency Task Force (IATF) and Department of Tourism. These guidelines are regularly updated according to the requirements of community quarantine classifications intended to manage and curb the pandemic.

Zoning and Land Use

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

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

Special Economic Zone
The Philippine Economic Zone Authority (PEZA) is a government corporation that operates, administers and manages designated special economic zones (Ecozones) around the country. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials. Information technology (IT) enterprises offering IT services (such as call centers and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. RLC actively seeks PEZA registration of its buildings, as this provides significant benefits to its tenants. As of 2020, a number of RLC malls and office buildings are PEZA-registered.

United Industrial Corporation Limited
In May 1999, the Company, through a subsidiary, acquired a 23.0% stake in a Singapore listed company, United Industrial Corporation Limited (UIC) which is one of the largest property developers in Singapore owning various office buildings that are located in prime locations in Singapore and China. As of December 31, 2020, the Company's indirect interest in the shares of UIC increased to 37.0%.

c) AIR TRANSPORTATION

Business Development
Cebu Air, Inc. (CEB) is an airline that operates under the trade name "Cebu Pacific Air" and is the leading low-cost carrier in the Philippines. It pioneered the "low fare, great value" strategy in the local aviation industry by providing scheduled air travel services targeted to passengers who are willing to forego extras for fares that are typically lower than those offered by traditional full-service airlines while offering reliable services and providing passengers with a fun travel experience.

CEB was incorporated on August 26, 1988 and was granted a 40-year legislative franchise to operate international and domestic air transport services in 1991. It commenced its scheduled passenger operations in 1996 with its first domestic flight from Manila to Cebu. In 1997, it was granted the status as an official Philippine carrier to operate international services by the Office of the President of the Philippines pursuant to Executive Order (E.O.) No. 219. International operations began in 2001 with flights from Manila to Hong Kong.

With the liberalization of the airline industry in 1995, JG Summit acquired 49.0% of CEB's outstanding capital stock to undertake domestic and international flights to and from major cities in the Philippines and around the world. In September 2001, the Company, through a subsidiary, acquired the remaining 51.0% of CEB's capital stock, thus making it a wholly owned subsidiary as of year-end 2001. In May 2006, CEB was acquired by CP Air Holdings Inc. (CP Air) through a deed of assignment by the Company, which resulted in the 100% ownership by CP Air of CEB. CP Air is a wholly owned subsidiary of the Company. On October 26, 2010, CEB's common stock was listed with the PSE. As of December 31, 2020, JG Summit has 67.9% effective ownership in CEB.

In 2005, CEB adopted the low-cost carrier (LCC) business model. The core element of the LCC strategy is to offer affordable air services to passengers. This is achieved by having: high-load, high-frequency flights; high aircraft utilization; a young and simple fleet composition; and low distribution costs.

CEB has twelve special purpose entities (SPE) that it controls, namely: Panatag Two Aircraft Leasing Limited (PTALL), Summit C Aircraft Leasing Limited (SCALL), Tikgi Aviation One Designated Activity Company (TOADAC), Summit D Aircraft Leasing Limited (SDALL), CAI Limited (CL), Sampaguita Leasing Co., Ltd. (SLCL), Dia Boracay Ltd. (DBL), Mactan Leasing Co., Ltd. (MLCL), Cebuano Leasing Co., Ltd. (CLCL), Dia El Nido Ltd. (DENL), Tarsier Leasing Co., Ltd. (TLCL), and RAMEN Aircraft Leasing Limited (RALL). Other than CAI Limited, these are SPEs in which CEB does not have equity interest, but have entered into finance lease arrangements with for funding of various aircraft deliveries.

On March 20, 2014, CEB acquired 100% ownership of Tiger Airways Philippines (TAP), including 40% stake in Roar Aviation II Pte. Ltd. (Roar II), a wholly owned subsidiary of Tiger Airways Holdings Limited (TAH). On April 27, 2015, with the approval of the Securities and Exchange Commission (SEC), TAP was rebranded and now operates as CEBGO, Inc.

On November 3, 2020, CEB signed a Deed of Absolute Sale of Shares with SIA Engineering Company Limited (SIAEC) for the acquisition of SIAEC's entire 51% shareholding in Aviation Partnership (Philippines) Corporation (A-plus) in addition to its existing 49% interest, making A-plus a wholly owned subsidiary of CEB.

CEB, its twelve SPEs, CEBGO, Inc. and A-plus are consolidated for financial reporting purposes.

On March 1, 2018, CEB incorporated 1Aviation Groundhandling Services Corporation (1Aviation), a wholly-owned subsidiary before the sale of 60% equity ownership to Philippine Airport Ground Support Solutions, Inc. (PAGSS) and Mr. Jefferson G. Cheng. The subsequent sale has resulted to a joint venture between the aforementioned parties.

In May 2017, CEB lost control over Ibon Leasing Limited (ILL) due to loss of power to influence the relevant activities of ILL as the result of sale of aircraft to third party. Accordingly, CEB derecognized its related assets and liabilities in its consolidated financial statements.

In April 2018, Cebu Aircraft Leasing Limited (CALL) and Sharp Aircraft Leasing Limited (SALL) were dissolved due to the sale of aircraft to third parties.

In October 2018, Panatag Three Aircraft Leasing Limited (PTHALL) was dissolved due to refinancing of the related loans.

In December 2018, Summit A Aircraft Leasing Limited (SAALL) and Summit B Aircraft Leasing Limited (SBALL) were dissolved due to refinancing of the related loans. Vector Aircraft Leasing Limited (VALL) was subsequently dissolved due to sale of three (3) A320 aircraft to third parties that have been leased back by CEB.

In June and August 2019, Boracay Leasing Limited (BLL) and Surigao Leasing Limited (SLL) were dissolved due to full payment of loans and transfer of ownership of related aircraft to CEB and CAI Limited. Panatag One Aircraft Leasing Limited (POALL) was also subsequently dissolved in December 2019 due to the sale of the related three (3) A320CEO aircraft to Allegiant Travel Company.

As of December 31, 2020, CEB operates an extensive route network serving 43 domestic routes and 9 international routes with a total of 577 scheduled weekly flights, as it gradually recommenced operations last June 3 on a General Community Quarantine (GCQ) to GCQ city basis in terms of scheduled services. CEB will continue to expand its operations as more local governments welcome flights into their cities. It operates from seven hubs, including the Ninoy Aquino International Airport (NAIA) Terminal 3 and Terminal 4 both located in Pasay City, Metro Manila; Mactan-Cebu International Airport located in Lapu-Lapu City, part of Metropolitan Cebu; Diosdado Macapagal International Airport (DMIA) located in Clark, Pampanga; Davao International Airport located in Davao City, Davao del Sur; Ilo-ilo International Airport located in Ilo-ilo City, regional center of the western Visayas region; and Kalibo International Airport in Kalibo, Aklan and Laguindingan Airport in Misamis Oriental.

As of December 31, 2020, CEB operates a fleet of 74 aircraft which comprises of twenty-six (26) Airbus A320 CEO, seven (7) Airbus A321 CEO, five (5) Airbus A320 NEO, seven (7) Airbus A321 NEO, eight (8) Airbus A330 CEO, eight (8) ATR 72-500, and thirteen (13) ATR 72-600 aircraft. It operates its Airbus aircraft on both domestic and international routes and operates the ATR 72-500 and ATR 72-600 aircraft on domestic routes, including destinations with runway limitations. The average aircraft age of the CEB's fleet is approximately 5.6 years as of December 31, 2020.

Aside from passenger service, the CEB also provides airport-to-airport cargo services on its domestic and international routes. In addition, it offers ancillary services such as cancellation and rebooking options, in-flight merchandising such as sale of duty-free products on international flights, baggage and travel-related products and services.

The percentage contributions to CEB's revenues of its principal business activities are as follows:

	For the years ended December 31		
	2020	2019	2018
Passenger Services	**55.8%**	72.7%	73.2%
Cargo Services	**23.9%**	6.8%	7.4%
Ancillary Services	**20.3%**	20.5%	19.4%
	100.0%	100.0%	100.0%

On May 16, 2016, CEB and other market champions in Asia Pacific, announced the formation of the world's first, pan-regional low-cost carrier alliance, the Value Alliance. CEB, together with Jeju Air (Korea), Nok Air (Thailand), Scoot (Singapore) and Tigerair Singapore will deliver greater value, connectivity and choice for travel throughout Southeast Asia and North Asia, as the airlines bring their extensive networks together.

On February 23, 2015 and May 12, 2016, CEB signed a forward sale agreement with a subsidiary of Allegiant Travel Company (collectively known as "Allegiant"), covering CEB's sale of ten (10) Airbus A319 aircraft. The aircraft were delivered to Allegiant on various dates in 2015 until 2018.

In May 2017 and November 2017, CEB entered into sale and operating leaseback transactions with Ibon Leasing Limited and JPA No. 78/79/80/81 Co., Ltd. which transferred economic ownership of two (2) and four (4) Airbus A320 aircraft, respectively. In July and August 2018, CEB entered into a sale and operating leaseback transaction with JPA No. 117/118/119 Co., Ltd. covering three (3) Airbus A320 aircraft.

On December 18, 2018, CEB signed another forward sale agreement with Allegiant covering three (3) A320 CEO aircraft. The aircraft were delivered to Allegiant on various dates within 2019.

There are no material reclassifications, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business that was made in the past three years. CEB has not been subjected to any bankruptcy, receivership or similar proceeding in the said period.

Distribution Methods of Products or Services

CEB has three principal distribution channels: the internet; direct sales through booking sales offices, call centers and government/corporate client accounts; and third-party sales outlets.

Internet

In January 2006, CEB introduced its internet booking system. Through www.cebupacificair.com, passengers can book flights and purchase services online. The system also provides passengers with real time access to CEB's flight schedules and fare options. CEBGO, Inc.'s flights can be booked through the Cebu Pacific website and its other booking channels starting March 2014.

As part of the strategic alliance between CEB and TAH, the two carriers entered into an interline agreement with the first interline flights made available for sale in TAH's website starting July 2014. Interline services were made available in Cebu Pacific's website in September 2014. With this, guests of both airlines now have the ability to cross-book flights on a single itinerary and enjoy seamless connections with an easy one-stop ticketing for connecting flights and baggage check-in. In December 2014, CEB also launched its official mobile application which allows guests to book flights on-the-go through their mobile devices.

CEB's participation in the Value Alliance with other low-cost carriers in the region will increase its distribution reach by enabling its customers to view, select and book the best-available airfares on flights from any of the airlines in a single transaction, directly from each partner's website. This is made possible through the groundbreaking technology developed by Air Black Box (ABB). ABB allows guests to enjoy the full suite of ancillary choices they have come to appreciate from low cost carriers across all partner airline sectors in a single itinerary.

Booking Offices and Call Centers

As of December 31, 2020, CEB has a network of five booking offices located throughout the Philippines and four regional booking offices in Hong Kong, South Korea, Japan and China. It directly operates these booking offices which also handle customer service issues, such as customer requests for change of itinerary. It also uses a third-party call center outsourcing service to help accommodate heavy call traffic. Its employees who work as reservation agents are also trained to handle customer service inquiries and to convert inbound calls into sales. Purchases made through call centers can be settled through various modes, such as credit cards, payment centers and authorized agents.

Government/Corporate Client Accounts

As of December 31, 2020, CEB has government and corporate accounts for passenger sales. It provides these accounts with direct access to its reservation system and seat inventory as well as credit lines and certain incentives. Further, clients may choose to settle their accounts by post-transaction remittance or by using pre-enrolled credit cards.

Third Party Sales Outlets
As of December 31, 2020, CEB has a network of distributors in the Philippines selling its domestic and international air services within an agreed territory or geographical coverage. Each distributor maintains and grows its own client base and can impose on its clients a service or transaction fee. Typically, a distributor's client base would include agents, travel agents or end customers. CEB also has a network of foreign general sales agents, wholesalers, and preferred sales agents who market, sell and distribute the CEB's air services in other countries.

Customers
CEB's business is not dependent upon a single customer or a few customers that a loss of anyone of which would have a material adverse effect on CEB.

Competition
The Philippine aviation authorities deregulated the airline industry in 1995 eliminating certain restrictions on domestic routes and frequencies which resulted in fewer regulatory barriers to entry into the Philippine domestic aviation market. On the international market, although the Philippines currently operates under a bilateral framework, whereby foreign carriers are granted landing rights in the Philippines on the basis of reciprocity as set forth in the relevant bilateral agreements between the Philippine government and foreign nations, in March 2011, the Philippine government issued E.O. 29 which authorizes the Civil Aeronautics Board (CAB) and the Philippine Air Panels to pursue more aggressively the international civil aviation liberalization policy to boost the country's competitiveness as a tourism destination and investment location.

Currently, CEB faces intense competition on both its domestic and international routes. The level and intensity of competition varies from route to route based on a number of factors. Principally, it competes with other airlines that service the routes it flies. However, on certain domestic routes, CEB also considers alternative modes of transportation, particularly sea and land transport, to be competitors for its services. Substitutes to its services also include video conferencing and other modes of communication.

CEB's major competitors in the Philippines are Philippine Airlines ("PAL"), a full-service Philippine flag carrier; PAL Express (formerly Airphil Express) a low-cost domestic operator and which code shares with PAL on certain domestic routes and leases certain aircraft from PAL; and Philippines Air Asia (a merger between former Air Asia Philippines and Zest Air). Most of the CEB's domestic and international destinations are also serviced by these airlines. CEB is the leading domestic airline in the Philippines by passengers carried, with a market share of 51%.

CEB is the leading regional low-cost airline offering services to more destinations and serving more routes with a higher frequency between the Philippines and other ASEAN countries than any other airline in the Philippines. CEB currently competes with the following LCC's and full-service airlines in its international operations: AirAsia, Jetstar Airways, PAL, Cathay Pacific, Singapore Airlines and Thai Airways, among others.

Publicly-Announced New Product or Service
CEB continues to analyze its route network. It can opt to increase frequencies on existing routes or add new routes/destinations. It can also opt to eliminate unprofitable routes and redeploy capacity.

CEB will have fifty (50) aircraft deliveries from 2021 to 2027. CEB has a firm order for sixteen (16) ATR 72-600 with options to acquire an additional ten (10) ATR 72-600. The new ATR 72-600 will be equipped with the high density Armonia cabin, the widest cabin in the turboprop market. It will be fitted with seventy-eight (78) slim-line seats and wider overhead bins with 30% more stowage space for greater comfort for passengers. Thirteen (13) out of the sixteen (16) ATR 72-600 aircraft were delivered as of December 31, 2020 while three (3) are scheduled for delivery from 2021 to 2022. CEB also has an existing order for thirty-two (32) Airbus A321 NEO (New Engine Option) aircraft with options for a further ten Airbus A321 NEO. Airbus A321 NEO will be the first of its type to operate in the Philippines, being a larger and longer-haul version of the familiar Airbus A320. These 236-seater aircraft will have a much longer range which will enable CEB to serve places the A320 cannot reach. Seven (7) out of 32 Airbus A321 NEO order were already delivered as of December 31, 2020. The rest will be delivered between 2020 and 2027.

In 2018, CEB received the seven (7) new A321 CEO aircraft it has ordered from Airbus S.A.S on June 7, 2017. In the same year, CEB has entered into lease agreements with Avolon Aerospace Leasing Limited for five (5) Airbus A320NEO, all of which have been delivered from 2019 to 2020. In October and December 2019, CEB has also placed new orders for sixteen (16) Airbus A330 NEO aircraft and sixteen (16) A320 NEO family aircraft which includes up to ten (10) A321XLR, for delivery from 2021 until 2026. These orders allow CEB to meet the increased capacity requirements.

CEB is also set to venture into the dedicated freighter market making it the only passenger airline in the Philippines with dedicated cargo planes. The first converted ATR 72-500 freighter aircraft was received in August 2019 while the second will be delivered by early 2021.

Raw Materials

Fuel is a major cost component for airlines. CEB's fuel requirements are classified by location and sourced from various suppliers.

CEB's fuel suppliers at its international stations include PTT-Hongkong, PTT-Bangkok, Shell-Singapore, Shell-Narita, Shell-Dubai, SK Corp-Korea, Caltex-Australia and World Fuel-China among others. It also purchases fuel from local suppliers like Petron, Chevron Manila and Shell Manila. CEB purchases fuel stocks on a per parcel basis, in such quantities as are sufficient to meet its monthly operational requirements. Most of CEB's contracts with fuel suppliers are on a yearly basis and may be renewed for subsequent one-year periods.

Dependence on One or a Few Major Customers and Identify any such Major Customers

CEB's business is not dependent upon a single customer or a few customers that a loss of anyone of which would have a material adverse effect on CEB.

Patents, Trademarks, Licenses, Franchises, Concessions and Royalty Agreements

<u>Trademarks</u>

Trademark registrations with the Intellectual Property Office of the Philippines (IPOPhil) prior to the effective date of Republic Act (R.A) No. 8293, or the current Intellectual Property Code of the Philippines, are valid for twenty (20) years from the date of issue of the certificate of registration. Meanwhile, trademark registrations covered by R.A. No. 8293 are valid for ten (10) years from the date of the certificate of registration. Regardless of whether the trademark registration is for twenty years or ten years, the same may be renewed for subsequent ten-year terms.

CEB holds the following valid and subsisting trademark registrations:

- CEBU PACIFIC, the Cebu Pacific feather-like device, CEBU PACIFIC AIR, CEBU PACIFIC AIR.COM;
- The CEB Mascot;
- Various trademarks for CEB Company's branding campaigns such as WHY EVERYONE FLIES, WHY EVERYJUAN FLIES, A NETWORK MADE WIDER WITH CEBU PACIFIC, SUPER SEAT FEST, TRAVEL SURE, and the logos used for such purposes;
- CEBGO and the Cebgo logo;
- A trademark for the strategic alliance entered into by CEB and TAH
- 1AV, 1AVIATION, and the 1AV logo with 1AV name and logo combined for its airport ground-handling services, needs, and other requirements.

On June 1, 2015, CEB rolled out its new logo which features shades of the Philippines' land, sea, sky and sun. This new branding also symbolizes the airline's growth and evolution from a low-cost pioneer to its larger operations today. The new logo and new branding have been registered as trademarks of CEB.

Meanwhile, CEB has twenty-six (26) trademarks registered with the Intellectual Property Office of China and three trademarks with the Intellectual Property Office of Singapore. On 24 October 2017, CEB registered four trademarks for CEBU PACIFIC'S wordmark, logo, and stylized wordmark under the Madrid - International Trademark System for Australia, Brunei, Japan, Cambodia, Korea, USA, and Vietnam valid for ten years from the date of the certificate of registration.

CEB has also incorporated the business names "Cebu Pacific" and "Cebu Pacific Air" with its Articles of Incorporation, as required by Memorandum Circular No. 21-2013 issued by the SEC. Registering a business name with the SEC precludes another entity engaged in the same or similar business from using the same business name as one that has been registered.

CEB, together with other airline members, also has trademarks registered for the Value Alliance logo in various jurisdictions.

On November 27, 2019, CEB filed twenty-eight (28) new applications for trademark registration with the IPOPhil for its branding campaigns, twenty-four (24) of which have already been granted on different dates in 2020. On December 11, 2019, CEB also filed four additional applications for trademark registration to further bolster its marketing strength, all of which have been granted in 2020.

<u>Licenses / Permits</u>
CEB operates its business in a highly regulated environment. CEB's business depends upon the permits and licenses issued by the government authorities or agencies for its operations which include the following:

- Legislative Franchise to Operate a Public Utility
- Certificate of Public Convenience and Necessity
- Letter of Authority
- Air Operator Certificate
- Certificate of Registration
- Certificate of Airworthiness

CEB also has to seek approval from the relevant airport authorities to secure airport slots for its operations.

Franchise
In 1991, pursuant to R.A. No. 7151, CEB was granted a franchise to operate air transportation services, both domestic and international. In accordance with the CEB's franchise, this extends up to year 2031:

a) CEB is subject to franchise tax of five percent of the gross revenue derived from air transportation operations. For revenue earned from activities other than air transportation, CEB is subject to corporate income tax and to real property tax.

b) In the event that any competing individual, partnership or corporation received and enjoyed tax privileges and other favorable terms which tended to place CEB at any disadvantage, then such privileges shall have been deemed by the fact itself of the CEB's tax privileges and shall operate equally in favor of CEB.

In December 2008, pursuant to R.A. No. 9517, CEBGO, Inc. (formerly TAP), CEB's wholly owned subsidiary, was granted a franchise to establish, operate and maintain domestic and international air transport services with Clark Field, Pampanga as its base. This franchise shall be for a term of twenty-five (25) years.

Government Approval of Principal Products or Services
CEB operates its business in a highly regulated environment. CEB's business depends upon the permits and licenses issued by the government authorities or agencies for its operations which include the following:

- Legislative Franchise to Operate a Public Utility
- Certificate of Public Convenience and Necessity
- Letter of Authority
- Air Operator Certificate
- Certificate of Registration
- Certificate of Airworthiness

CEB also has to seek approval from the relevant airport authorities to secure airport slots for its operations.

As an airline operator, CEB recognizes the effect of the nature and extent of regulations on the results of its operations. Consequently, in conducting its businesses, CEB has secured or seeks to secure all relevant and applicable government approvals at both the national and local levels.

Basic permits and licenses required of airlines operating in the Philippines are set forth below:

Legislative Franchise to Operate a Public Utility
A public utility is an entity which renders services, including transportation services, to the general public for compensation. Its essential feature is that its service is not confined to privileged individuals but is open to the general public.

The 1987 Philippine constitution requires that a franchise, certificate, or any other form of authorization for the operation of a public utility may only be granted to Filipino citizens or to corporations or associations organized under Philippine laws whose capital is at least 60 per cent owned by Filipino citizens. Franchises are granted for a period not exceeding

50 years and always upon the condition that they be subject to amendment, alteration, or repeal by Congress when the common good requires.

Certificate of Public Convenience and Necessity
A CPCN is a permit issued by the Civil Aeronautics Board (CAB) authorizing a domestic person or entity, that is at least 60 per cent owned by Filipinos, to engage in international and/or domestic, scheduled and/or non-scheduled air transportation services. Once issued, the grantee must obtain approval for any proposed change in its routes and schedules, frequency of flights, type and class of service and equipment. It is also required to request approval of proposed tariffs, showing all rates, fares, charges and conditions of carriage and any change therein. Moreover, a grantee of a CPCN may operate even without a legislative franchise. A CPCN is renewable every 5 years.

Foreign Air Operator Permit
A Foreign Air Operator Permit is the approval granted by the national civil aviation authority to a foreign aircraft operator authorizing the operation of a foreign registered aircraft on flights into and out of the issuing country, which CEB needs in order to operate to foreign jurisdictions.

Air Operator Certificate ("AOC")
The AOC is issued by the Civil Aviation Authority of the Philippines (CAAP) to enable the air carrier to operate in the Philippines, with a term of one year, pursuant to Administrative Order 121 s. 2001. Prior to issuance, the applicant must undergo a five-phase certification process by the CAAP, wherein the proposed plan/site, routes, key management personnel, and aircrafts will be evaluated.

Certificate of Registration
The CAAP requires that all aircraft to be used by a Philippine air carrier must be registered in the Philippines. This certificate of registration (C of R), which shall be carried aboard the aircraft for all operations, is secured from CAAP once the Philippine air carrier has submitted and met all the requirements for the registration. The said certificate has a validity of 1 year and renewed every year thereafter, and for as long as the aircraft is operated and/or owned by a Philippine air carrier.

Certificate of Airworthiness
Each aircraft must also be issued a certificate of airworthiness (C of A) by the CAAP before it can be used for operations in the Philippines. To obtain this, the applicant must submit and comply with the C of A requirements. Part of the requirements is also to secure customs clearance for the aircraft, and a radio license from the National Telecommunications Commission. This certificate is secured from CAAP once the evaluation of the submitted documents is completed and the aircraft has successfully passed the CAAP Inspector's acceptance and conformity inspections. The said certificate has a validity of 1 year and renewable annually thereafter.

Aviation Insurance Coverage
As a mandatory requirement under the Philippine Civil Aviation Regulations, an operator of aircraft must have valid insurance covering aircraft hull, each person, freight and mail onboard aircraft and third party liability. Furthermore, under the same Philippine Civil Aviation Regulations, no person may operate a civil aircraft in general aviation operations unless it has within the aircraft documents evidencing, among others, aircraft insurance coverage.

Thus, certificates of insurance and reinsurance evidencing adequate aviation insurance coverage per aircraft must be issued (and placed within the aircraft) as required by the Philippine Civil Aviation Regulations. Likewise, certificates of insurance and reinsurance evidencing adequate aviation insurance coverage must be issued in various international destinations and/or routes where CEB flies as a requirement of the Civil Aviation Authority of the relevant jurisdiction where CEB flies to.

Adequate aviation insurance coverage is being secured by CEB for its fleet, with validity period of October 26 of the current year up to October 25 of the succeeding year, and is being renewed annually.

Fares

Under RA 776, the CAB is empowered to approve fares, rates and charges, conditions of carriage, schedules and schedule changes, charters and airline exchange rates. Pursuant to the liberalization policy, domestic airfares are deregulated for routes operated by more than one carrier. Price setting is left to the discretion of the airlines, along with the level of capacity they want to offer in the market. Any proposed fare must, however, be submitted to the CAB for formal confirmation. For routes serviced by a single operator, airfares are still regulated and subject to the approval of the CAB. For international fares, most of the country's air services agreements adopt a dual-approval concept, under which fares have to be approved by the aviation authorities of both countries.

Acquisition of Aircraft, Lease Agreements, and contract loan or financing

All aircraft purchases, as well as lease agreements entered into by air carriers, whether for equipment, facilities, aircraft or hangars, and any contract loan or financing secured by an air carrier in the amount of ₱500,000.00 or more must be approved by the CAB.

Maintenance

RA 776 and RA 9497 created the CAB and the CAAP, respectively, to supervise and oversee the safety and maintenance procedures of the airlines. The maintenance programme, and any changes thereto, must be approved by the CAAP. Operations specifications per aircraft model must also be approved by the CAAP.

Effects of Existing or Probable Government Regulations on the Business

Civil Aeronautics Administration and CAAP

Policy-making for the Philippine civil aviation industry started with R.A. No. 776, known as the Civil Aeronautics Act of the Philippines (the "Act"), passed in 1952. The Act established the policies and laws governing the economic and technical regulation of civil aeronautics in the country. It established the guidelines for the operation of two regulatory organizations, CAB for the regulation of the economic activities of airline industry participants and the Air Transportation Office, which was later transformed into the CAAP, created pursuant to R.A. No. 9497, otherwise known as the Civil Aviation Authority Act of 2008.

The CAB is authorized to regulate the economic aspects of air transportation, to issue general rules and regulations to carry out the provisions of R.A. No. 776, and to approve or disapprove the conditions of carriage or tariff which an airline desires to adopt. It has general supervision and regulation over air carriers, general sales agents, cargo sales agents, and airfreight forwarders, as well as their property, property rights, equipment, facilities and franchises.

The CAAP, a government agency under the supervision of the Department of Transportation and Communications for purposes of policy coordination, regulates the technical and operational aspects of air transportation in the Philippines, ensuring safe, economic and efficient air travel. In particular, it establishes the rules and regulations for the inspection and registration of all aircraft and facilities owned and operated in the Philippines, determine the charges and/or rates pertinent to the operation of public air utility facilities and services, and coordinates with the relevant government agencies in relation to airport security. Moreover, CAAP is likewise tasked to operate and maintain domestic airports, air navigation and other similar facilities in compliance with the International Civil Aviation Organization (ICAO), the specialized agency of the United Nations whose mandate is to ensure the safe, efficient and orderly evolution of international civil aviation.

CEB complies with and adheres to existing government regulations.

Aviation Safety Ranking and Regulations

In early January 2008, the Federal Aviation Administration (FAA) of the United States (U.S.) downgraded the aviation safety ranking of the Philippines to Category 2 from the previous Category 1 rating. The FAA assesses the civil aviation authorities of all countries with air carriers that operate to the U.S. to determine whether or not foreign civil aviation authorities are meeting the safety standards set by the ICAO. The lower Category 2 rating means a country either lacks laws or regulations necessary to oversee airlines in accordance with minimum international standards, or its civil aviation authority is deficient in one or more areas, such as technical expertise, trained personnel, record-keeping or inspection procedures. Further, it means Philippine carriers can continue flying to the U.S. but only under heightened FAA surveillance or limitations. In addition, the Philippines was included in the "Significant Safety Concerns" posting by the ICAO as a result of an unaddressed safety concern highlighted in the recent ICAO audit. As a result of this unaddressed safety concern, Air Safety Committee (ASC) of the European Union banned all Philippine commercial air carriers from operating flights to and from Europe. The ASC based its decision on the absence of sufficient oversight by the CAAP.

In February 2013, the ICAO has lifted the significant safety concerns on the ability of CAAP to meet global aviation standards. The ICAO SSC Validation Committee reviewed the corrective actions, evidence and documents submitted by the Philippines to address the concerns and determined that the corrective actions taken have successfully addressed and resolved the audit findings.

On April 10, 2014, the ASC of the European Union lifted its ban on Cebu Air, Inc. after its evaluation of the airline's capacity and commitment to comply with relevant aviation safety regulations. On the same date, the US FAA also announced that the Philippines has complied with international safety standards set by the ICAO and has been granted a Category 1 rating. The upgrade to Category 1 status is based on a March 2014 FAA review of the CAAP. With this, Philippine air carriers can now add flights and services to the U.S.

In September and December 2014, CEB received CAAP's approval for extended range operations in the form of a certification for Extended Diversion Time Operations (EDTO) of up to 90 and 120 minutes, respectively. EDTO refers to a set of rules introduced by the ICAO for airlines operating twin-engine aircraft on routes beyond 60 minutes flying time from the nearest airport. This certification allows CEB to serve new long haul markets and operate more direct routes between airports resulting to more fuel savings and reduced flight times.

In April 2018, CEB has fully complied with the IATA Operational Safety Audit (IOSA) and now joins a roster of 437 airlines that have met the highest standard for safety in the airline industry. IOSA is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an airline. To secure the accreditation, CEB has invested in technology that would improve its capability to manage safety risks such as on-board Runway Overrun Prevention System (ROPS) cockpit technology for its Airbus fleet for purposes of monitoring runway conditions prior to landing, Area Navigation (RNAV) data for more accurate navigation and approaches to various airports and a Fatigue Risk Management System to ensure that pilots are at adequate levels of alertness.

These developments open the opportunity for CEB to establish new routes to other countries in the U.S. and Europe.

In December 2019, CEB officially joined the International Air Transportation Association (IATA) to gain access to expertise and learnings on best practices and innovations among global airlines, as well as help formulate policies on critical aviation issues. IATA, the trade association for the global airline industry, is comprised of over 290 member-airlines from 117 countries, representing 82% of global air traffic.

E.O. 28 and 29

In March 2011, the Philippine government issued E.O. 28 which provides for the reconstitution and reorganization of the existing Single Negotiating Panel into the Philippine Air Negotiating Panel (PANP) and Philippine Air Consultation Panel (PACP) (collectively, the Philippine Air Panels). The PANP shall be responsible for the initial negotiations leading to the conclusion of the relevant ASAs while the PACP shall be responsible for the succeeding negotiations of such ASAs or similar arrangements.

Also in March 2011, the Philippine government issued E.O. 29 which authorizes the CAB and the Philippine Air Panels to pursue more aggressively the international civil aviation liberalization policy to boost the country’s competitiveness as a tourism destination and investment location. Among others, E.O. 29 provides the following:

- In the negotiation of the ASAs, the Philippine Air Panels may offer and promote third, fourth and fifth freedom rights to the country’s airports other than the NAIA without restriction as to frequency, capacity and type of aircraft, and other arrangements that will serve the national interest as may be determined by the CAB; and
- Notwithstanding the provisions of the relevant ASAs, the CAB may grant any foreign air carriers increases in frequencies and/or capacities in the country’s airports other than the NAIA, subject to conditions required by existing laws, rules and regulations. All grants of frequencies and/or capacities which shall be subject to the approval of the President shall operate as a waiver by the Philippines of the restrictions on frequencies and capacities under the relevant ASAs.

The issuance of the foregoing EOs may significantly increase competition.

ASEAN Open Skies Agreement

In February 2016, the Philippine government ratified the ASEAN Open Skies agreement which allows designated carriers of ASEAN countries to operate unlimited flights between capitals, leading to better connectivity and more competitive fares and services. Subject to regulatory approvals, this liberalized and equitable air services agreement further allows carriers to upgrade its ASEAN flights to wide-bodied aircraft and increase capacity without the need for air talks thus allowing airlines to focus on expanding its operations, stimulating passenger traffic, and improving customer experience rather than spending valuable resources on negotiating for additional air rights.

Air Passenger Bill of Rights

The Air Passenger Bill of Rights (the "Bill"), which was formed under a joint administrative order of the Department of Transportation and Communications, the CAB and the Department of Trade and Industry, was signed and published by the Government on December 11, 2012 and came into effect on December 21, 2012. The Bill sets the guidelines on several airline practices such as overbooking, rebooking, ticket refunds, cancellations, delayed flights, lost luggage and misleading advertisement on fares.

R.A. No. 10378 - Common Carriers Tax Act

R.A. No. 10378, otherwise known as the Common Carriers Tax Act, was signed into law on March 7, 2013. This act recognizes the principle of reciprocity as basis for the grant of income tax exceptions to international carriers and rationalizes other taxes imposed thereon by amending sections 28(A)(3)(a), 109, 108 and 236 of the National Internal Revenue Code, as amended.

Among the relevant provisions of the act follows:

a.) An international carrier doing business in the Philippines shall pay a tax of two and one-half percent (2 1/2%) on its Gross Philippine Billings, provided, that international carriers doing business in the Philippines may avail of a preferential rate or exemption from the tax herein imposed on their gross revenue derived from the carriage of persons and their excess baggage on the basis of an applicable tax treaty or international agreement to which the Philippines is a signatory or on the basis of reciprocity such that an international carrier, whose home country grants income tax exemption to Philippine carriers, shall likewise be exempt from the tax imposed under this provision;
b.) International air carriers doing business in the Philippines on their gross receipts derived from transport of cargo from the Philippines to another country shall pay a tax of three percent (3%) of their quarterly gross receipts; and
c.) VAT exemption on the transport of passengers by international carriers.

While the removal of CCT takes away the primary constraint on foreign carrier's capacity growth and places the Philippines on an almost level playing field with that of other countries, this may still be a positive news for the industry as a whole, as it may drive tourism into the Philippines. With Cebu Pacific's dominant network, CEB can benefit from the government's utmost support for tourism.

Research and Development

CEB incurred minimal amounts for research and development activities, which do not amount to a significant percentage of revenues.

Costs and Effects of Compliance with Environmental Laws

The operations of CEB are subject to various laws enacted for the protection of the environment. CEB has complied with the following applicable environmental laws and regulations:

- Presidential Decree No. 1586 (Establishing an Environmental Impact Assessment System) which directs every person, partnership or corporation to obtain an

Environmental Compliance Certificate (ECC) before undertaking or operating a project declared as environmentally critical by the President of the Philippines. Petro-chemical industries, including refineries and fuel depots, are considered environmentally critical projects for which an ECC is required. CEB has obtained ECCs for the fuel depots it operates and maintains for the storage and distribution of aviation fuel for its aircraft.

- R.A. No. 8749 (The Implementing Rules and Regulations of the Philippine Clean Air Act of 1999) requires operators of aviation fuel storage tanks, which are considered as a possible source of air pollution, to obtain a Permit to Operate from the applicable regional office of the Environment Management Bureau (EMB). CEB's aviation fuel storage tanks are subject to and are compliant with this requirement.

- R.A. No. 9275 (Implementing Rules and Regulations of the Philippine Clean Water Act of 2004) requires owners or operators of facilities that discharge regulated effluents to secure from the Laguna Lake Development Authority (LLDA) (Luzon area) and/or the applicable regional office of the EMB (Visayas and Mindanao areas) a Discharge Permit, which is the legal authorization granted by the Department of Energy and Natural Resources for the discharge of waste water. CEB's operations generate waste water and effluents for the disposal of which a Discharge Permit was obtained from the LLDA and the EMB of Region 7 which enables it to discharge and dispose of liquid waste or water effluent generated in the course of its operations at specifically designated areas. CEB also contracted the services of government-licensed and accredited third parties to transport, handle and dispose its waste materials.

Compliance with the foregoing laws does not have a material effect to CEB's capital expenditures, earnings and competitive position.

On an annual basis, CEB spends approximately ₱28,000 in connection with its compliance with applicable environmental laws for the above.

d) PETROCHEMICALS

Business Development
JG Summit Petrochemical Corporation (JGSPC) was incorporated in the Philippines on February 24, 1994 and is 100% owned by the Company.

Its primary purpose is to engage in, operate, conduct, maintain, manage and carry on the business of manufacturing, dealing and marketing of polyethylene (PE) and polypropylene (PP) and related petrochemical products or by-products, in all their forms, varieties and stages of production and preparation, or of any article or commodity consisting of, or partly consisting of petrochemicals. The plant is the Philippines' first integrated PE and PP complex and is located at Barangay Simlong, Batangas City.

Currently, JGSPC has an annual polymer production capacity of 320,000 metric tons (MT) for PE and 190,000 MT for PP.

Principal Products or Services
JGSPC manufactures PE and PP. JGSPC's principal product lines include High Density Polyethylene (HDPE) grades for film, blow molding, monofilament, pipe and injection molding applications. Linear Low-Density Polyethylene (LLDPE) grades for film and injection molding applications and PP homopolymer grades for yarn, film, injection

molding and thermoforming applications and random copolymer PP grades for blow molding and injection molding applications.

The percentage contribution to JGSPC's revenues for the three years ended December 31, 2020, 2019 and 2018 by each of its principal product categories is as follows:

	For the years ended December 31		
	2020	**2019**	2018
Polyethylene (PE)	**58.1%**	**60.8%**	57.9%
Polypropylene (PP)	**41.9%**	**39.2%**	42.1%
	100.0%	**100.0%**	100.0%

JGSPC products are sold under the EVALENE brand name, are compliant with FDA Philippines food-contact requirements and are also Halal certified. In addition, JGSPC ensures adherence to the highest standards for quality management, environmental performance, and occupational health and safety management with its ISO 9001:2015, ISO 14001:2015, and OHSAS 18001:2007 certifications.

Distribution, Sales and Marketing
JGSPC sells directly to small, medium and large plastic converters in the Philippines through its in-house sales group. Product distribution to the domestic market is handled directly by JGSPC in coordination with third party trucking services. JGSPC also sells PE and PP for export to international markets, either direct to resin end users or through reputable.

Competition
To be highly competitive, JGSPC is committed to produce consistently good quality products using world-class technology and by employing highly competent plastics processing personnel. Continuous research and development is conducted in-house by the Product Management Group, with the assistance of polymer technology licensors Univation and WR Grace.

JGSPC is the largest polymer resins producer and the only local manufacturer that can produce both PE and PP in an integrated complex. The two other companies that produce polyolefins produce either PE or PP only. These are NPC Alliance Corporation (NPCAC), whose production capacity is 250,000 MT per annum for PE, and Philippine Polypropylene Inc. (PPI), whose production capacity is 160,000 MT per annum for PP. Manufacturing sites of both competitors are located in Bataan province, north of Manila. The balance for the local polyolefins demand is supplied by imported material brought in either directly by local plastic products manufacturers or by international and local traders. Imported PE and PP resin goods are currently JGSPC's primary competition.

JGSPC through its Marketing Department also is able to develop specialty PE and PP grades for specific niche markets, products for which may be difficult to source via the import market.

Raw Materials/Suppliers
The principal raw materials used by JGSPC in the production of its polyolefin products are polymer-grade propylene and ethylene, commonly known as olefins, which are mainly derived from naphtha produced in the oil refining process. Prior to the completion of JG Summit Olefins Corporation (JGSOC)'s Naphtha Cracker Plant, JGSPC purchased olefins from international sources though suppliers which include Japanese trading companies Marubeni and Mitsui & Co. Ltd.

Since November 2014, JGSOC now directly supplies JGSPC with previously imported raw materials ethylene and propylene. Per design, the olefins output capacity of JGSOC matches the feedstock volume requirements of JGSPC.

JGSOC will be the direct supplier of pyrolysis gasoline and mixed C4 upon commissioning of JGSPC's aromatics and butadiene plants.

Customers
JGSPC aims to supply the majority of manufacturers of plastic-based products in the Philippines. It also sells its products to internal parties which include the packaging division of URC, and to external parties comprised of more than 300 local manufacturers. Loss of any one customer would not have a materially adverse effect on JGSPC. JGSPC also exports PE and PP worldwide.

Related Party Transactions
JGSPC, in its regular conduct of business, has engaged in transactions with the Company and its affiliates. These transactions principally consist of sales, advances to and from these affiliated companies.

Regulatory Overview
The Philippine Government through the DTI's Board of Investments (BOI) implements policies which directly affect the various manufacturing industries including the petrochemical industry. Under the Philippine Investment Priorities Plan, the BOI has the power to grant fiscal incentives to manufacturers establishing new plants or undertaking rehabilitation or expansion programs. Through several dialogues held with the BOI, JGSPC has emphasized the importance of fully developing the petrochemical industry to help with the sustainable development of the Philippine economy. The BOI has granted JGSPC's capacity expansion project generous fiscal incentives such as income tax holiday (ITH) and duty-free importation of capital equipment, as well as tax credits on locally purchased equipment. JGSPC's ITH incentive on capacity expansion project ended on September 30, 2016.

Costs and Effects of Compliance with Environmental Laws
JGSPC takes pride in consistently undertaking projects to help preserve the environment. The safety of employees and the community is foremost and is never compromised. JGSPC complies with all applicable laws on the environment and is committed to be environmentally responsible by having an effective environmental management system based on the requirements of ISO 14001:2004 (EMS). Compliance with such laws has not had, and in JGSPC's opinion, is not expected to have a material effect upon JGSPC's capital expenditures, earnings or competitive position.

e) OLEFINS

Business Development
JG Summit Olefins Corporation (JGSOC) was incorporated in the Philippines on April 22, 2008. JGSOC is wholly owned by the Company and is setup to operate the country's first Naphtha Cracker Plant.

The naphtha cracker is a back integration for the existing PE and PP plants of JGSPC. The cracking facility was constructed adjacent to the existing PE and PP plants of JGSPC. Commercial operations commenced on November 1, 2014.

Principal Products or Services
The technology selected for the naphtha cracking facility of JGSOC is licensed by CB&I Lummus (formerly ABB Lummus Global), an experienced licensor and worldwide supplier of ethylene technology with around 40% of worldwide capacity currently licensed. The cracker is the first of its kind in the Philippines.

The plant was initially built to produce 320,000 MT of polymer-grade ethylene and 190,000 MT of polymer-grade propylene.

After its expansion in 2020, the plant can now produce 480,000 MT of polymer-grade ethylene, 240,000 MT of polymer-grade propylene, 250,000 MT of pyrolysis gas and 180,000 MT of mixed C4 on a per annum basis.

Customers
JGSOC sells its primary products ethylene and propylene directly to JGSPC, while other products pyrolysis gasoline and mixed C4 are exported to international markets.

Raw Materials/Suppliers
The feedstock naphtha is purchased from international sources. JGSOC also imported LPG in November 2015 which was used as cracker feedstock simultaneous with naphtha in November and December 2015 productions. Importations of LPG and its use as cracker feedstock are performed when economically feasible.

Registration with the Board of Investments (BOI)
JGSOC is registered with the BOI under the Omnibus Investments Code of 1987 (E.O. 226) on December 15, 2010 as a new producer of ethylene, propylene, pyrolysis gasoline and other by-products produced by the Naphtha Cracker Project on a Pioneer status. Under its certificate of registration, JGSOC shall be entitled to certain tax and nontax incentives such as: (a) ITH for six (6) years from actual start of commercial operations; only income generated from the registered activity shall be entitled to ITH incentives; additional deduction from taxable income of fifty percent (50%) of wages corresponding to the increment of direct labor; (c) employment of foreign nationals; (d) tax credit for taxes and duties on raw materials and supplies and semi-manufactured products used on its export products and forming part thereof, among others; (e) simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies; (f) access to Customs Bonded Manufacturing Warehouse (CBMW); (g) exemption from wharfage dues, export taxes, duties, imposts and fees on export products; and (h) importation of consigned equipment.

Expansion Projects
Currently ongoing is JGSPC's expansion projects for the petrochemical complex, which shall increase existing capacities as well as provide for new production units, as follows:

- A new aromatics extraction unit using Sulzer GTC's GT-BTX® to produce 90,000 MTA of benzene, 50,000 MTA of toluene, 30,000 MTA of mixed xylenes, and 20,000 MTA of mixed aromatics;
- A new butadiene extraction unit using Lummus Technology's BASF Process to produce 70,000 MTA butadiene and 110,000 MTA raffinate-1;
- Increase in capacity for the existing PP plant to 300,000 MTA; and
- A new bimodal PE plant using Chevron Phillip's MarTECH™ loop slurry polymerization technology to produce additional 250,000 MTA.

JGSPC and JGSOC were in technical shutdown during the 4th quarter of 2019 for a complex-wide turnaround maintenance and project tie-ins. Integrated operations resumed in March 2020.

JGSPC's aromatics and butadiene extraction plants, and PP expansion plant are set for commissioning in April 2021, while the new bimodal PE plant is expected to be commissioned by first quarter of 2022.

The expansion project, with its additional volumes and new downstream value-added products, is a step towards product diversification of the Philippine petrochemical industry, and aims to strengthen further the industrial value chain for the various domestic manufacturing sectors.

f) BANKING SERVICES

Robinsons Bank Corporation (RBC/the Bank), a commercial bank, is the surviving entity between the merger of Robinsons Savings Bank and Robinsons Bank Corporation (formerly known as The Royal Bank of Scotland (Phils.)) as approved by the Bangko Sentral ng Pilipinas (BSP) in December 2010 and by the SEC in May 2011. 60% of the common stocks are owned by JG Capital Services Corporation (JGCSC), a wholly-owned subsidiary of JG Summit, while Robinsons Holdings Inc. (RRHI) owns the remaining 40%.

Robinsons Savings Bank started its operations in November 1997, and was a wholly-owned subsidiary of JGSCS at that time. In the second quarter of 2010, JGCSC and RRHI then jointly acquired 100% of the shares of The Royal Bank of Scotland (Phils.).

RBC continues to look for attractive mergers and acquisitions to fast track its goal to become a significant player in the banking industry in the next five years. In December 2012, RBC acquired Legazpi Savings Bank (LSB), making it a wholly owned subsidiary of the Bank. With this venture, RBC intends to utilize the capacity and branch network of LSB as its vehicle to engage in countryside banking and microfinance lending.

On June 27, 2018, the Bank's Board of Directors approved the increase of the Bank's Authorized Capital Stock from ₱15.0 billion to ₱27.0 billion at ₱10.0 par value per share. The 25% of the net increase amounting to ₱3.0 billion was subscribed and paid in full by the major stockholders of the Bank namely JGCSC and RRHI who subscribed and paid the amount of ₱1.8 billion and ₱1.2 billion, respectively. The increase in Bank's Authorized Capital Stock was approved by the BSP on December 12, 2018 and by the SEC last March 18, 2019.

Based on the BSP data, as of September 30, 2020, of the forty-six (46) universal and commercial banks operating in the Philippines, the Bank ranked 18th in terms of Total Assets; 15th in terms of Total Loans (net); 18th in terms of Total Deposits; 16th in terms of Return on Equity (ROE); and 15th in terms of Total Capital.

Principal Products or Services
As of December 31, 2020, RBC's products and services are made available to its corporate, commercial and retail clients through multiple channels: 163 branch networks in 2020 (of which 149 belongs to the Bank; 14 are LSB branches); 10 Branch-Lites (5 Bank, 5 LSB); 354 ATMs (169 are onsite and 166 are offsite, 19 LSB);online banking (https://www.robinsonsbank.com.ph); and mobile banking which are made available to

and can be accessed by Android and iOS users. (include agency banking partners, i.e. Premiumbikes & GrowSari).

Having a proven track record in the banking industry and as JG Summit's major financial service arm, RBC continuously strives to carry on its vision of leading the country to global-competitiveness through quality and innovative banking products and services. It provides a broad range of traditional banking services such as savings, current and time deposits, treasury and trust products, and foreign currency-denominated deposits. It also offers commercial loans, consumer loans such as housing, car and personal loans, motorcycle loans, micro financing, and other products or services such as cash management, trade financing and remittance, among others. In 2017, the Bank unleashed the power of 2 Gives through Robinsons Bank DOS Mastercard. The DOS card is the first and only credit card in the market that automatically splits all transactions into two monthly installments at 0%. The card is 3D Secure, providing the card holders protection from fraud and scheme.

RBC aims to be among the top big banks in the country and continues to be a strategic player in the industry. RBC prides itself with a business portfolio of market leaders, a solid financial position, and a formidable management team which steers the Bank ahead of changing times and through the challenges that come along with it. Thus, RBC is positioned not only to be more responsive in meeting the banking requirements of its retail customers and business partners, but also to fully serve the general banking public.

Status of Publicly Announced New Products and Services
Robinsons Bank introduced the following products and services in 2020:

PRODUCTS AND SERVICES	DATE LAUNCHED
RBank Sign Up	April 24, 2020
QuickR	May 29, 2020
Sprout Solutions Partnership	July 10, 2020
SignUp Payroll	July 23, 2020
RRewards Savings Account	September 3, 2020
RBank Digital	September 25, 2020
Corporate ADA	November 11, 2020

Competition
The Philippine banking industry is a mature market that has, in recent years, been subject to consolidation and liberalization, including liberalization of foreign ownership restrictions. As of December 31, 2020, there are 46 universal and commercial (local and foreign) banks in the Philippines, according to the BSP. The Bank faces significant levels of competition amid a number of these Philippine banks and the presence of branches of international banks. These include, but not limited to, banks with greater financial and capital resources, bigger market share, and larger brand recognition than the Bank.

Increased competition may arise from:

- other large Philippine banking and financial institutions with significant presence in Metro Manila and large country-wide branch networks;
- foreign banks, due to, among other things, relaxed foreign bank ownership standards permitting large foreign banks to expand their branch network through acquiring domestic banks;
- ability of the Bank's competitors to establish new branches in Metro Manila due to the removal of the existing new branch license restriction scheme in 2014;

- domestic banks entering strategic alliances with foreign banks with significant financial and management resources;
- continued consolidation in the banking sector involving domestic and foreign banks, driven in part by the gradual removal of foreign ownership restrictions;
- the impact of financial technologies in developing and transforming banking products and services; and
- the entry of fintech companies offering financial services.

The Bank faces the challenges of such increased competition. In 2019, the Bank increased its equity by ₱3.0 billion to sustain the increasing size of its loan portfolio.

Per BSP data for the period 2015 to 3Q2020, the ranking of the Bank in the last five years shows the competitive strength of Robinsons Bank against its peers.

The table below summarizes the Bank's ranking in the last five years in terms of total assets and total loans (net):

Year	Total Assets	Ranking
2016	75.9 billion	20th
2017	105.1 billion	19th
2018	121.4 billion	18th
2019	128.1 billion	18th
3Q2020	139.4 billion	18th

Total Loans (Net)	Ranking
37.8 billion	21st
58.6 billion	19th
67.7 billion	17th
79.7 billion	16th
92.9 billion	15th

Trademarks and Licenses

Except for software license agreements which it entered into in the ordinary course of business with some information technology companies, the Bank's business and operations are not dependent upon any patents, trademarks, copyrights, licenses, franchises, and royalty agreements.

In 2018 and 2019, the SEC approved the following business names and styles of the Bank, namely: RBank, RBC, Robinsons Bank, RobinsonsBank, Robinsons Bank Corp., RBank Corp., RBank Corporation, RobinsonsBankCorp., and Robinsons Commercial Bank.

As of December 31, 2020, the Bank was also able to cause the registration of the trade names of its new products before the IPPHL, namely:

Trade Name	Date of Registration	Term
"UNO"	November 30, 2017	Ten years (until November 30, 2027)
"DOS"	November 30, 2017	Ten years (until November 30, 2027)
"Direct2Bank"	September 28, 2018	Ten years (until September 28, 2028)
"Simple Savings"	November 22, 2018	Ten years (until November 22, 2028)
"Businesslinker"	November 1, 2018	Ten years (until November 1, 2028)

In 2019 and early 2020, the Bank filed for registration of the trade names of the following new products before the Intellectual Property Office (IPO). Processing of registration is still pending with the IPO.

Trade Name	**Date of Filing**
RBank	November 12, 2018
Go! Auto Loan Growing Opportunities	August 5, 2019
Go! Housing Loan Growing Opportunities	August 5, 2019
Go! Small Biz Loan Growing Opportunities	August 5, 2019

Trade Name	Date of Filing
Go! Consumer Loans Growing Opportunities	August 5, 2019
QuickR	March 10, 2020
QuickR Way to Pay	March 10, 2020
IPONsurance	March 10, 2020
RBankMo Malapit Sayo	June 25, 2020
RBank Sign Up	June 25, 2020
RBank Digital	June 25, 2020
MyWealth	July 19, 2020
RBank Remit	June 25, 2020
RRewards Savings	June 25, 2020
e-Ayuda	November 11, 2020
instaBalé	November 11, 2020

Strong Investor Base

RBC is part of the JG Summit Holdings conglomerate. It maintains good patronage of the concessionaires, contractors and suppliers of the JG Group of Companies; exhibiting strong deposit and loan acquisitions. The Bank being owned by JGSCS and RRHI, RBC is in the company of leading and established corporations in the country today.

Regulatory Overview

As a domestic commercial bank, the Bank is governed by the rules and regulations of the BSP and other government regulators. As such, the Bank ensures that its business operations comply with all applicable government laws, rules and regulations such as BSP mandate on financial inclusions, limits, circulars, Capital Adequacy Ratio, reserves, liquidity, AMLA, and other reportorial requirements.

g) CORE INVESTMENTS

PLDT, Inc. (PLDT)

On March 29, 2011, the Company executed a sale and purchase agreement with PLDT under which PLDT has agreed to purchase all the rights, title and interest in the assets of Digitel. The acquisition was completed on October 26, 2011 following the issuance by the SEC of its confirmation of the valuation of the enterprise assets and the approval by National Telecommunications Commission of the transfer of 51.6% interest in Digitel. In November 2011, the Company subsequently sold 5.81 million and 4.56 million PLDT shares to an associate company of First Pacific Company Limited and NTT Docomo, Inc., respectively for approximately US$600 million. The Company is represented in PLDT's board of directors with one board seat. The transaction triggered a mandatory tender offer for the acquisition of the remaining 48.5% of Digitel shares held by the public. PLDT launched a tender offer for such shares that ended January 16, 2012.

In December 2019, the Company acquired 7,046,979 American Depositary Receipts (ADRs) of PLDT amounting to ₱7.0 billion, which was then converted into common shares in January 2020 and resulted to the Company's additional 3.3% stake in PLDT. The Company has a total of 11.27% interest in PLDT after the transaction. PLDT is one of the largest and most diversified telecommunications provider in the Philippines, which provides a wide range of telecommunications services in the country through its extensive fibre optic backbone and wireless, fixed line, broadband and satellite networks. PLDT's business comprises three divisions: wireless, fixed line and BPO.

Manila Electric Company (Meralco)

On December 11, 2013, the Company completed the purchase of a 27.1% stake in Manila Electric Company (Meralco) for ₱71.9 billion, which was funded by a combination of debt and equity capital. Meralco is the largest electricity distributor in the country, which provides electricity to over 5 million consumers in 34 cities and 77 municipalities. On June 14, 2017, the Company acquired additional 2.44% stake in Meralco for ₱6.9 billion, resulting in the increase in ownership interest in Meralco to 29.56%.

Global Business Power Corporation (GBPC)
On June 30, 2016, the Company completed the purchase of a 30.0% stake in GBPC for ₱ 11.82 billion. GBPC is one of the leading independent power producers in the Visayas region and Mindoro island with a combined gross maximum capacity of 704 MW comprising 696.5 MW of power supplied to the Visayas grid and 7.5 MW of power supplied within Mindoro island.

On December 23, 2020, the Company entered into a share purchase agreement with Meralco PowerGen for the sale of 30% of the issued and outstanding shares of GBPC for a total consideration of ₱12.0 billion which shall be paid in installments. The purchase price will be subject to adjustment based on the amount of dividends from GBPC that the Company will be entitled to receive after the signing date. The carrying value is reclassified as 'Assets held for sale' in the consolidated statement of financial position as of December 31, 2020.

Luzon International Premiere Airport Development Corporation (LIPAD)
On February 18, 2019, the Company invested in LIPAD. The shares acquired represented 33% of LIPAD's total outstanding common shares. LIPAD is a corporation organized and incorporated in the Philippines to engage in the operation and maintenance of airports, whether operating as a domestic or international airport or both, including day-to-day administration, functioning, management, manning, upkeep, and repair of all facilities necessary for the use or required for the safe and proper operation of airports. In December 2020, the Company made additional investment amounting to ₱115.5 million equivalent to 115.5 million shares.

h) SUPPLEMENTARY BUSINESSES

Part of the Group's digital transformation was the establishment JG Digital Equity Ventures (JGDEV) and Data Analytics Ventures Inc. (DAVI) in 2018 and 2019, which currently trail blazing the Group's next generation of digital business.

JGDEV, the Group's venture capital arm, is investing its US$50M fund in sustainable and scalable fintech start ups that would have impact in the Southeast Asian market and create value to the JG Summit's ecosystem.

In 2020, JGDEV assessed well over 100 startups and made investments in:
- iPrice, a Malaysia-based e-commerce enabler with operations across Southeast Asia;
- Growsari, a B2B operator that helps sari-sari-stores digitally procure goods and transform them into community hubs that serve as payment centers and ecommerce drop-off points, among others;
- Zyllem, a virtual logistics platform that allows companies to have real-time visibility and optimization over their logistics network; and
- ZUZU, an all-in-one hotel operating system that provides a revenue management system and a distribution solution for independent hotel operators.

JGDEV was also admitted as a limited partner in Openspace Ventures Fund III, a fund that invests in early-stage tech companies in the region and managed by one of the most active investors in Southeast Asia.

DAVI, on the other hand, aims to unlock value from customer data across the JG Summit's ecosystem to uncover new insights and drive behavior through precision marketing, customer intelligence, performance dashboards and predictive analytics. It intends to manage the largest digital lifestyle rewards program anchoring on Robinsons Rewards and GetGo.

In 2020, it focused on ecommerce engagement making significant improvement to its Robinsons Rewards loyalty program, and ended the year with multiple online merchants that shoppers could engage with through their mobile phones, in the safety of their homes. It also enabled onboarding through a mobile app, with no physical card, bringing in a significant number of new members into the loyalty program.

It has also partnered with Facebook to launch a first in the world online to offline solution - Collaborative Ads for Store Sales (CASS) in 2020. Moreover, DAVI teamed up with NielsenIQ to provide customized product offers to Robinsons Rewards members through big data analytics.

The Group also has an interest in insurance brokering, securities investments, and business process outsourcing.

Competition
Many of the Group's activities are carried on in highly competitive industries. Given the Group's diversity, the Group competes with different companies domestically and internationally, depending on the product, service or geographic area. While the Group is one of the largest conglomerates in the Philippines, its subsidiaries compete in different sectors against a number of companies with greater manufacturing, financial, research and development and market resources than the Group.

The following table sets out the Group's principal competitors in each of the principal industry segments in which it operates:

Industry Segment	Principal Competitors
Branded Consumer Foods, Agro-Industrial and Commodity Food Products	Liwayway Marketing Corporation, Republic Biscuit Corporation, Suncrest Foods Inc., Monde Nissin Corporation, Nestle Philippines Inc., and Mondelez Philippines, Inc., Procter & Gamble, Mars Inc., Lotte Group, Perfetti Van Melle Group, PT Mayora Indah Tbk, Tan Hiep Phat Beverage Group, Nestle S.A., PepsiCo, Inc., and Mondelez International, Inc., San Miguel Corporation, UNAHCO (Unilab Group), Aboitiz Inc., and Bounty Farms.
Real Estate and Hotels	SM Prime Holdings, Inc., Ayala Land, Inc., Ayala Land Premier Rockwell Land Corporation, Century Properties Group, Inc., Megaworld Corporation, Alveo Land, Filinvest Land, Inc., Ortigas & Co., Avida Land, DMCI Homes, Vista Land & Lifescapes, Inc., Alliance Global Group Inc., Double Dragon Properties Corp
Air Transportation	PAL, PAL Express, Philippines Air Asia for domestic flights; AirAsia, Jetstar Airways, PAL, Cathay Pacific, Singapore Airlines and Thai Airways, among others for International flights

Industry Segment	Principal Competitors
Banking and Financial Services	Bank of Commerce, Philippine Bank of Communications, and Maybank Philippines Incorporated
Petrochemicals	Imports

Publicly-Announced New Product or Service

Other than those discussed above under the air transportation and banking segments, the Group has no publicly-announced new product or service as of the date of the report.

Patents, Trademarks, Licenses, Franchises Concessions, Royalty Agreements

The Group owns a substantial number of trademarks registered with the Intellectual Property Office of the Philippines (IPPHL). Trademark registrations with the IPPHL prior to the effective date of Republic Act No. 8293, or the current Intellectual Property Code of the Philippines, are valid for 20 years from the date of issue of the certificate of registration. Meanwhile, trademark registrations covered by Republic Act No. 8293 are valid for ten years from the date of the certificate of registration. Regardless of whether the trademark registration is for 20 years or ten years, the same may be renewed for subsequent ten-year terms.

The Group also has various licenses and franchises issued by the government to enable them to operate its diverse businesses including food, real estate, banking and financial services, telecommunications, air transportation and power generation.

Effect of Existing or Probable Governmental Regulations on the Business

The Company operates the majority of its businesses, including food, real estate, banking and financial services, telecommunications, air transportation and power generation activities, in a highly regulated environment. Many of these businesses depend upon licenses or franchises issued by the government authorities or agencies for their operations. These businesses would be materially adversely affected by the suspension or revocation of these licenses or franchises, which in turn may have a material adverse effect upon the Company. In addition, the introduction or inconsistent application of, or changes in regulations may from time to time materially affect the Company’s operations.

Cost and Effects of Compliance with Environmental Laws

The operations of the Company are subject to various laws enacted for the protection of the environment. The Company believes that it has complied with all applicable Philippine environmental laws and regulations, an example of which is the installation of waste and industrial water treatments in its various facilities. Compliance with such laws has not had, and in the Company’s opinion, is not expected to have, a material effect upon the Company’s capital expenditures, earnings or competitive position.

Employees and Labor

The number of full-time employees employed by the Company and its operating subsidiaries as of December 31, 2020 is shown in the following table:

Company	No. of Employees
Branded Consumer Foods, Agro-industrial and Commodities	14,259
Airlines	2,662
Property Development and Hotel Management	2,623
Finance	1,915
Petrochemicals	1,184
Supplementary Businesses	867
	23,510

The Company's management believes that good labor relations generally exist throughout the operating companies. For most of the operating companies, collective bargaining agreements exist between the relevant representative unions for the employees and the relevant operating companies. The collective bargaining agreements generally cover a five-year term with a right to renegotiate the economic terms of the agreement after three years, and contain provisions for annual salary increment, health and insurance benefits and closed-shop arrangements. The management believes that those collective bargaining agreements, which are soon to expire or which have expired, will, as a result of existing good labor relations, be successfully renewed or renegotiated.

Risks

The major business risks facing the Group are as follows:

a. *Competition*

   Many of the Group's activities are in highly competitive industries. The Group faces competition in all segments of its businesses both in the Philippine market and in international markets. The Group's ability to compete effectively will require continuous efforts in sales and marketing of our existing products, development of new products and cost rationalization. There can be no assurance that the Group's sales volume and market share will not be adversely affected by negative consumer reaction to higher prices as a result of price reduction or promotional sales undertaken by its competitors.

b. *Financial Market*

   The Group has a foreign exchange exposure primarily associated with fluctuations in the value of the Philippine Peso against the U.S. dollar and other foreign currencies. The Group's revenues are predominantly denominated in Pesos, while certain expenses, including fixed debt obligations, are denominated in foreign currencies. Prudent fund management is employed to minimize effects of fluctuations in interest and currency rates.

c. *Raw Materials*

   The Group's production operations are dependent in obtaining adequate supply of raw materials on a timely basis. In addition, its profitability depends in part on the prices of raw materials since a portion of the Group's raw material requirements is imported including packaging materials. To mitigate these risks, alternative sources of raw materials are used in operations.

d. Cost and Availability of Fuel

The cost and availability of fuel are subject to many economic and political factors and events occurring throughout the world, the most important of which are not within the Group's control. Fuel prices have been subject to high volatility, fluctuating substantially over the past several years. Any increase in the cost of fuel or any decline in the availability of adequate supplies of fuel could have a material adverse effect on the Group's airline operations and profitability. The airline business implements various fuel management strategies to manage the risk of rising fuel prices including hedging.

e. Key Executives

The Company's key executives play an integral part in the latter's success. The experience, knowledge, business relationships and expertise of these executives could be difficult to replace and may result in a decrease in the Company's operating proficiency and financial performance should any of them decide to leave the Company.

f. Philippine Regulations

The Group operates a material part of its businesses in a highly regulated environment. Many of these businesses depend upon licenses and franchises issued by government authorities or agencies for their operation. These businesses would be materially adversely affected by the suspension or revocation of these licenses or franchises.

The Group is also subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety, among others. Many of these environmental laws and regulations are becoming increasingly stringent and compliance to such is becoming increasingly complex and costly.

Working Capital

The working capital requirement of each subsidiary varies depending on the industry it is engaged in and is financed by operations and short-term loans from banks.

Item 2. Properties

JG Summit and its Subsidiaries conduct businesses throughout the Philippines, but primarily in and around Metro Manila (where it is based) and in the regions of Visayas and Mindanao. Substantially, all facilities are owned by the Company and are in good condition.

URC operates the manufacturing/farm facilities located in the following:

Location (Number of facilities)	Type of Facility	Owned/Rented	Condition
Pasig City (4)	Branded consumer food plant, flour mills and feed mill	Owned	Good
Libis, Quezon City (1)	Branded consumer food plant	Owned	Good
Cabuyao, Laguna (1)	Branded consumer food plant	Owned	Good
Luisita, Tarlac (1)	Branded consumer food plant	Rented/Owned	Good
San Fernando, Pampanga (1)	Branded consumer food plant	Rented/Owned	Good
Dasmariñas, Cavite (2)	Branded consumer food plants	Owned	Good
Cagayan de Oro (1)	Branded consumer food plant	Owned	Good
San Pedro, Laguna (2)	Branded consumer food plants	Owned	Good
Calamba, Laguna (1)	Branded consumer food plant	Rented/Owned	Good

Location (Number of facilities)	Type of Facility	Owned/Rented	Condition
San Pablo, Laguna (1)	Branded consumer food plant	Owned	Good
Biñan, Laguna (1)	Branded consumer food plant	Owned	Good
Antipolo, Rizal (5)	Poultry and piggery farms, slaughterhouse and meat processing plant	Rented/Owned	Good
Naic, Cavite (1)	Poultry farm	Owned	Good
San Miguel, Bulacan (4)	Feed mill, poultry and piggery farms	Owned	Good
Bustos, Bulacan (1)	Piggery farm	Owned	Good
Novaliches, Quezon City (1)	Piggery farm	Owned	Good
Rosario, Batangas (1)	Piggery farm	Owned	Good
Davao City, Davao (1)	Flour mill	Owned	Good
Tabok City, Cebu (1)	Branded consumer food plant	Owned	Good
San Fernando, Cebu (1)	Branded consumer food plant	Owned	Good
Mandaue City, Cebu (1)	Feed mill	Owned	Good
Bais, Negros Oriental (1)	Distillery plant	Owned	Good
Manjuyod, Negros Oriental (1)	Sugar mill	Owned	Good
Piat, Cagayan (1)	Sugar mill	Owned	Good
Kabankalan, Negros Occidental (2)	Sugar mill and cogeneration plant	Owned	Good
San Enrique, Iloilo City (1)	Sugar mill	Owned	Good
Santa Catalina, Negros Oriental (1)	Sugar mill	Owned	Good
Balayan, Batangas (1)	Sugar mill	Owned	Good
La Carlota City, Negros Occidental (2)	Sugar mill and distillery plant	Owned	Good
Simlong, Batangas (3)	BOPP plant/Flexible packaging	Owned	Good
Samutsakhorn Industrial Estate, Samutsakhorn, Thailand (6)	Branded consumer food plants	Owned	Good
Pasir Gudang, Johor, Malaysia (1)	Branded consumer food plant	Owned	Good
Jiangsu, China (1)	Branded consumer food plant	Owned	Good
Guangdong, China (1)	Branded consumer food plant	Owned	Good
Industrial Town, Bekasi, Indonesia (2)	Branded consumer food plants	Owned	Good
VSIP, Binh Duong Province, Vietnam (3)	Branded consumer food plants	Owned	Good
Thach That District, Ha Noi, Vietnam (1)	Branded consumer food plant	Owned	Good
Mingaladon, Yangon, Myanmar (1)	Branded consumer food plant	Rented/Owned	Good
Papakura, Auckland, New Zealand (1)	Branded consumer food plant	Owned	Good
Wiri, Auckland, New Zealand (1)	Branded consumer food plant	Owned	Good
hfield, Sydney, New South Wales, Australia (1)	Branded consumer food plant	Rented	Good
ktown, Sydney, New South Wales, Australia (1)	Branded consumer food plant	Rented	Good
dale, Melbourne, Victoria, Australia (1)	Branded consumer food plant	Rented	Good
ıard Hills, Sydney, New South Wales, Australia (1)	Warehouse	Rented/Owned	Good

URC intends to continuously expand the production and distribution of the branded consumer food products internationally through the addition of manufacturing facilities located in geographically desirable areas, especially in the ASEAN countries, the realignment of the production to take advantage of markets that are more efficient for production and sourcing of raw materials, and increased focus and support for exports to other markets from the manufacturing facilities. It also intends to enter into alliances with local raw material suppliers and distributors. Annual lease payments for rented properties amounted to ₱253.0 million in 2020.

RLC has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by RLC and none of which are subject of any mortgage, lien or any form of encumbrance. RLC also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them with exclusive development and marketing rights.

The following are locations of RLC's properties:

a) Land

Location	Use	Status
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/Office Building/Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Residential/Mall/Office Building/Mixed-use (mall/hotel/residential)	No encumbrances
Parañaque City	Residential	No encumbrances
Muntinlupa City	Residential	No encumbrances
Las Piñas City	Mall	No encumbrances
Taguig City	Residential	No encumbrances
Malabon City	Mall	No encumbrances
San Juan City	Residential/Hotel	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/Residential/Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential/Mall	No encumbrances
Isabela	Mall	No encumbrances
Ilocos Norte	Mixed-use (mall/office)	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Cagayan	Mall	No encumbrances
Laguna	Mall	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Iloilo	Mall	No encumbrances
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Hotel/Residential/Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Mixed-use (mall/hotel)	No encumbrances
Capiz	Mall	No encumbrances
Antique	Mall	No encumbrances

Location	Use	Status
Visayas		
Visayas area	Land bank	No encumbrances
Mindanao		
Agusan Del Norte	Mixed-use (mall/hotel)	No encumbrances
Misamis Oriental	Residential	No encumbrances
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/Residential	No encumbrances
Lanao Del Norte	Mixed-use (mall/hotel)	No encumbrances
Davao Del Norte	Mall	No encumbrances
Bukidnon	Mall	No encumbrances
Mindanao area	Land bank	No encumbrances

b) Building and Improvements

Location	Use	Status
Metro Manila		
Manila	Mixed-use (mall/residential/hotel)	No encumbrances
Quezon City	Residential/Office Building/Mixed-use (mall/residential/hotel/office)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential/office)	No encumbrances
Makati City	Office Building/Residential	No encumbrances
Pasig City	Residential/Mall/Office Building/Mixed-use (mall/hotel/residential)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Residential/Warehousing facility	No encumbrances
Las Pinas City	Mall	No encumbrances
Taguig City	Residential/Office Building	No encumbrances
Malabon City	Mall	No encumbrances
San Juan City	Residential/Hotel	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall/Office Building	No encumbrances
Batangas	Mall/Residential	No encumbrances
Cavite	Mall/Residential/Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Mall/Residential	No encumbrances
Isabela	Mall	No encumbrances
Ilocos Norte	Mixed-use (mall/office)	No encumbrances
Camarines Sur	Mall/Office Building	No encumbrances
Cagayan	Mall	No encumbrances
Laguna	Mall	No encumbrances

Location	Use	Status
Visayas		
Iloilo	Mall/Mixed-use (mall/hotel)	No encumbrances
Negros Occidental	Mall/Hotel	No encumbrances
Cebu	Hotel/Mixed-use (mall/hotel/residential/office)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mall/Mixed-use (mall/hotel)	No encumbrances
Capiz	Mall	No encumbrances
Antique	Mall	No encumbrances
Mindanao		
Misamis Oriental	Mall/Residential	No encumbrances
Davao Del Sur	Mall/Hotel/Office Building	No encumbrances
South Cotabato	Mall/Residential	No encumbrances
Agusan Del Norte	Mixed-use (mall/hotel)	No encumbrances
Davao Del Norte	Mall	No encumbrances
Lanao Del Norte	Mixed-use (mall/hotel)	No encumbrances
Bukidnon	Mall	No encumbrances
China		
Chengdu	Residential	No encumbrances

RLC owns all the land properties upon which all of its existing commercial centers and offices are located except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan De Oro, (iii) Robinsons Cainta, (iv) Robinsons Pulilan, (v) Robinsons Place Jaro, (vi) Cyber Sigma, and (vii) Robinsons Place Tuguegarao. These seven land properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta, Pulilan, Cyber Sigma and Tuguegarao properties are for 25 years each and commenced in December 2003, January 2008, August 2014 and January 2018, respectively. Renewal options for Cainta, Pulilan, Cyber Sigma and Tuguegarao are available to RLC with an Option to Purchase the property and its improvements for Cyber Sigma. The lease for the Jaro, Iloilo property is for 30 years and commenced in March 2015.

As of December 31, 2020, CEB does not own any land. CEB, however, owns an office building that serves as its corporate headquarters and training center, and the buildings on either side of the corporate headquarters that serves as additional offices and storage of some departments, office of 1Aviation, and office of A-Plus, all located at the Domestic Road, Barangay 191, Zone 20, Pasay City. The land on which said office buildings stand is leased from the Manila International Airport Authority (MIAA). CEB also leases its hangar, aircraft parking and other operational space from MIAA.

CEB owns the Philippine Academy for Aviation Training, Inc. (PAAT) building located in C.M. Recto, Clark Freeport Zone, Philippines. This is subleased to PAAT. The land on which this building stands is leased from the Clark Development Corporation.

As of December 31, 2020, CEB has 74 aircraft consisting of 27 aircraft financed under lease liabilities, 39 aircraft financed under debt arrangements (including finance leases), and 8 aircraft purchased off lease and unencumbered. Kindly refer to Notes 12, 18 and 31 of the Notes to consolidated financial statements for the detailed discussions on properties, leases, purchases and capital expenditure commitments.

RBC currently owns the following properties:

- A commercial condominium unit located at 17th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City;
- A parcel of land with an area of 314 square meters located at No. 1861 Evangelista Street, Bgy. Pio del Pilar, Makati City, with commercial building thereon;
- Legazpi branch located at Corner, Rizal and Mabini Sts., Dinagaan, Legazpi City 100 and 72; and
- Guinobatan branch located at Paulate St., Pobalcion, Guinobatan Albay 294.

There are no mortgages, liens, encumbrances or any limitations on the Bank's ownership of the foregoing properties, except that the property located at No. 1861 Evangelista Street, Brgy. Pio del Pilar, Makati City which was sold by the Bank to Robinsons Land Corporation is subject of a Contract to Sell, the consideration of which has not yet been fully paid. The Bank also leases spaces for its branches, branch-lite units, offices and facilities including parking spaces, warehouse and building space for data center.

JGSPC's PE and PP complex and JGSOC's naphtha cracker plant are both located in Barangay. Simlong, Batangas City.

Item 3. Legal Proceedings

Certain consolidated subsidiaries are defendants to lawsuits or claims filed by third parties which have pending decisions by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the Company's consolidated financial position. Refer to Note 43 of the Consolidated Financial Statements attached to this report for a detailed description.

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

The following matters were submitted by JG Summit to a vote of stockholders during the fourth (4^{th}) quarter of the year covered by this report:

1. Amendment to Article Seventh of the Articles of Incorporation of JGS to re-classify the preferred non-voting shares into preferred voting shares and to modify the dividend feature of the preferred voting shares.

2. The declaration of a stock dividend for common shares as follows:

    a. A stock dividend equivalent to five per cent (5%) of the total issued and outstanding shares of JGS or Three Hundred Fifty Eight Million One Hundred Forty Two Thousand and One (358,142,001) common shares, to be issued and paid for out of the unrestricted retained earnings of JGS as of December 31, 2019, to all stockholders holding common shares as of record date of October 30, 2020, to be distributed on November 25, 2020.
    b. Any fractional shares resulting from the stock dividend declaration will be paid in cash.

3. The declaration of a stock dividend for preferred voting shares as follows:

   a. Subject to approval by the Securities and Exchange Commission (SEC) of the amendment of Article Seventh of the Articles of Incorporation of JGS, a stock dividend equivalent to five percent (5%) of the total issued and outstanding shares or Two Hundred Million (200,000,000) preferred voting shares be issued and paid for out of the unrestricted retained earnings of JGS as of December 31, 2019 to all stockholders holding preferred voting shares.
   b. The record date and payment date for the said stock dividend shall be determined upon approval by the SEC of the above-mentioned amendment of the Articles of Incorporation.
   c. Any fractional shares resulting from the stock dividend declaration will be paid in cash.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Principal Market or Markets where the Registrant's Common Equity is Traded

The common stock of the Company is listed on the Philippine Stock Exchange. Sales prices of the common stock follow:

	High	Low
2020		
First Quarter	₱78.10	₱41.29
Second Quarter	63.33	43.05
Third Quarter	66.38	56.48
Fourth Quarter	74.00	58.09
2019		
First Quarter	₱69.50	₱55.10
Second Quarter	67.40	56.50
Third Quarter	75.50	63.05
Fourth Quarter	81.90	69.00
2018		
First Quarter	₱81.00	₱62.00
Second Quarter	64.80	46.90
Third Quarter	60.30	49.50
Fourth Quarter	56.10	41.90

The stock price of the Company's shares as of March 30, 2021 is ₱60.85.

Cash Dividends per Share

On May 13, 2020, the Company declared a regular cash dividend of ₱0.38 per common share from the Unrestricted Retained Earnings as of December 31, 2019 to all stockholders of record as of June 11, 2020 and paid on July 8, 2020.

On May 30, 2019, the Company declared a regular cash dividend of ₱0.33 per common share and a special cash dividend of ₱0.04 per common share from the Unrestricted Retained Earnings as of December 31, 2018 to all stockholders of record as of June 20, 2019 and paid on July 16, 2019.

On May 28, 2018, the Company declared a regular cash dividend of ₱0.30 per common share from the Unrestricted Retained Earnings as of December 31, 2017 to all stockholders of record as of July 18, 2018 and paid on July 12, 2018.

Stock Dividends Declared

On August 14, 2020, the Company declared stock dividends equivalent to five per cent (5%) of the total issued and outstanding shares consisting of:

a) Three Hundred Fifty Eight Million One Hundred Forty Two Thousand and One (358,142,001) common shares to be issued and paid for out of the unrestricted retained earnings as of December 31, 2019, to all stockholders holding common shares as of record date of October 30, 2020, to be distributed on November 25, 2020. Any fractional shares resulting from the stock dividend declaration will be paid in cash. The listing of the common shares to be issued as stock dividends ("Stock Dividend Common Shares") shall be subject to the requirements of the Securities and Exchange Commission ("SEC") and Philippine Stock Exchange ("PSE"); and

b) Subject to approval by the SEC of the amendment of Article Seventh of the Articles of Incorporation of the Corporation, Two Hundred Million (200,000,000) Preferred Voting Shares to be issued and paid for out of the unrestricted retained earnings as of December 31, 2019 to all stockholders holding preferred voting shares. The record date and the payment date shall be determined upon approval by the SEC of the abovementioned amendment of the Articles of Incorporation. Any fractional shares resulting from the stock dividend declaration will be paid in cash.

No stock dividend was declared in 2019 and 2018.

Restricted Retained Earnings

The Parent Company's BOD approved the appropriation of retained earnings totaling ₱101.2 billion. The ₱101.2 billion total appropriations of the Parent Company's retained earnings are earmarked for the following: (a) settlement of certain subsidiary's loan obligations guaranteed by the Parent Company (Note 23); (b) settlement of Parent Company loan obligations and retail bonds; (c) capital investment related to Digital venture businesses amounting to ₱2.5 billion; (d) capital investments related to the Clark International Airport expansion project amounting to ₱5.9 billion; (e) investments related to NAIA rehabilitation and expansion project; and (f) general corporate purposes.

Recent Sales of Unregistered Securities

Not Applicable. All shares of the Company are listed on the Philippine Stock Exchange.

The number of shareholders of record holding common shares as of December 31, 2020 was 1,003. Total common shares outstanding as of December 31, 2020 were 7,520,983,658 common shares with a par value of ₱1.00.

Top 20 stockholders as of March 31, 2021

	Name	No. of Common Shares Held	% to Total Outstanding (Common)
1	GOKONGWEI BROTHERS FOUNDATION INC.	2,096,930,273	27.88
2	PCD NOMINEE CORPORATION - (FILIPINO)	1,846,177,857	24.55
3	RSB-TIG NO. 030-46-000001-9	1,084,985,186	14.43
4	PCD NOMINEE CORPORATION- (NON-FILIPINO)	884,564,674	11.76
5	LANCE YU GOKONGWEI	321,640,956	4.28
6	EGO INVESTMENTS HOLDINGS LIMITED	280,946,400	3.74
7	ROBINA GOKONGWEI PE	188,432,999	2.50
8	JAMES L. GO	156,113,638	2.08
9	GOSOTTO & CO., INC.	105,676,718	1.40
10	RBC-TIG ATF TA#030-172-530113	97,020,000	1.29
11	LISA YU GOKONGWEI	87,076,500	1.16
12	FAITH YU GOKONGWEI	63,966,000	0.85
13	LISA GOKONGWEI CHENG	56,910,000	0.76
14	FAITH GOKONGWEI LIM	37,905,000	0.50
14	HOPE GOKONGWEI TANG	37,905,000	0.50
15	NICRIS DEVELOPMENT CORPORATION	35,776,914	0.48
16	MICHAEL SEETEKBENG	14,070,343	0.19
17	JOHN GOKONGWEI JR.	11,742,707	0.16
18	RICHARD YAP	8,998,880	0.12
19	OLYMPIA T. GOTAO	8,996,116	0.12
20	QUALITY INVESTMENTS & SECURITIES CORP.	8,794,498	0.12
	OTHER STOCKHOLDERS	86,352,999	1.15
		7,520,983,658	100.00

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and notes thereto as of and for the years ended December 31, 2020, 2019 and 2018, which form part of this Report. The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

Management's Discussion of Results of Operations is presented in two parts: Consolidated Operations and Segment Operations.

RESULTS OF OPERATIONS

2020 vs. 2019

I. Consolidated Operations

JG Summit's portfolio diversity cushions COVID's impact on FY20 core net income

JG Summit Holdings, Inc., one of the largest and highly-diversified conglomerates in the Philippines, ended 2020 with core net income after taxes of ₱450 million given the resiliency of its portfolio and the group's agile response to the disruption caused by the COVID-19 pandemic.

The double-digit revenue growth in its banking and office segments, robust sales in food, and higher dividends from its telecommunications investment, tempered the negative impact of the pandemic to the Group's overall operating results. Its petrochemical unit saw lower sales volumes and selling prices on the back of weaker global industrial demand while its air transport business was severely impacted by flight restrictions particularly in the onset of the enhanced community quarantine (ECQ). Equity earnings from its core investments in Meralco (MER), Global Business Power Corporation (GBPC) and United Industrial Corporation (UIC) also declined year-on-year (YoY). Thus, JG Summit's consolidated revenues for the full year ending December 31, 2020 (FY20) amounted to ₱221.6 billion, 27% lower vs the same period last year (SPLY).

The strong margin expansion in its food and banking units also provided some buffer to offset profit declines in other businesses. Incorporating nonrecurring fuel hedging losses and a one-off impairment charge from MER led JG Summit to report a consolidated net loss of ₱468 million. *(Excluding Cebu Air, Inc., which operates in one the most affected industries globally, JG Summit's revenues, core net income after tax and net income would have only declined 8%, 21%, and 42%, to ₱199.0 billion, ₱15.3 billion and ₱14.6 billion, respectively in FY20.)*

Consolidated cost of sales and services in 2020 decreased by 20.5% from ₱189.8 billion last year to ₱150.9 billion this year consistent with the decline in revenue of core businesses. The Group's operating expenses increased by 5.1% resulting to a consolidated Operating Income or EBIT amounting to ₱12.1 billion in 2020 from ₱56.2 billion in 2019. EBITDA amounted to ₱43.7 billion versus ₱83.9 billion SPLY.

The Group's financing costs and other charges, net of interest income, decreased by 4.6% to ₱8.5 billion this year from last year's ₱8.9 billion primarily due to increase in capitalized borrowing costs of Petrochem, and to lower interest rates and level of the Group's short-term debts.

Market valuation losses on financial assets and derivative instruments amounted to ₱2.3 billion in 2020 from a market valuation gain of ₱640 million in 2019 attributable to the decline in market values of the Group's financial assets at FVTPL resulting from the impact of COVID-19 on capital markets, and the hedging loss incurred by Cebu Pacific due to the discontinuation of hedge accounting application on non-effective hedges in 2020.

The Group recognized a net foreign exchange gain of ₱2.6 billion in 2020 from ₱829 million foreign exchange loss in 2019 driven by the appreciation of Philippine peso vs U.S. dollar in respect to our dollar-denominated long-term debt.

Other income (expense) - net account, which represents miscellaneous income and expenses, amounted to a loss of ₱632 million in 2020 mainly due to CEB's loss on sale of aircraft and Robinsons Bank's loan modification losses this year.

II. Segment Operations

Foods generated a consolidated sale of goods and services of ₱133.1 billion for the year ended December 31, 2020, a slight decline of 0.8% sales reduction over last year. Sale of goods and services performance by business segment follows:

- Sale of goods and services in URC's branded consumer foods segment (BCFG), excluding packaging division, decreased by ₱2.6 billion or 2.5% to ₱102.4 billion in 2020 from ₱105.0 billion registered in 2019. BCFG domestic operations posted a slight decrease in net sales from ₱61.5 billion in 2019 to ₱61.2 billion in 2020 due to decline of dependent out-of-home consumption categories such as RTD beverages and candies, partially offset by growth in snacks, noodles and other filler type categories.

BCF international operations reported a 5.4% decrease in net sales from ₱43.6 billion in 2019 to ₱41.2 billion in 2020, with significant impact from forex devaluations particularly in Oceania. In constant US dollar (US$) terms, sales is flat as growth in Oceania was able to offset the slower recovery of other Asean markets. Vietnam sales declined by 13.4% mainly driven by slowdown in beverages as C2 sales was unable to fully recover despite resurgence in 2nd half and Rong Do remained challenged due to school closures. Thailand sales decreased by 3.2% due to soft domestic consumption. Oceania continued to generate positive performance with sales growth of 6.8% with products considered as pantry staples.

Sale of goods and services in URC's packaging division decreased by 15.5% to ₱1.1 billion in 2020 from ₱1.3 billion recorded in 2019 due to lower selling price and volume.

- Sale of goods and services in URC's agro-industrial group (AIG) amounted to ₱11.9 billion in 2020, a decline of 9.7% from ₱13.1 billion recorded in 2019. Feeds business decreased by 3.5% due to lower volumes and Farms business decreased by 24.2% due to lower volumes as a result of downsized operations.

- Sale of goods and services in URC's commodity foods group (CFG) amounted to ₱17.7 billion in 2020, a 21.1% increase from ₱14.6 billion reported in 2019. Sugar business grew by 33.5% due to higher volumes and renewables business grew by 29.8% driven by higher average selling price. The acquisition of Central Azucarera de La Carlota and Roxol Bioenergy Corporation contributed to the growth of Sugar and Renewables businesses. Flour business posted a 1.8% decrease due to lower volumes, partially offset by better average selling price.

URC's cost of sales consists primarily of raw and packaging materials costs, manufacturing costs and direct labor costs. Cost of sales decreased by ₱1.8 billion or 1.9% to ₱92.1 billion in 2020 from ₱93.9 billion recorded in 2019 due to lower input costs, packaging materials and forex impact.

URC's gross profit for 2020 amounted to ₱41.1 billion, higher by ₱746 million or 1.8% from ₱40.3 billion reported in 2019. Gross profit margin increased by 79 basis points from 30.04% in 2019 to 30.84% in 2020.

URC's selling and distribution costs, and general and administrative expenses consist primarily of compensation benefits, advertising and promotion costs, freight and other selling expenses, depreciation, repairs and maintenance expenses and other administrative expenses. Selling and distribution costs, and general and administrative expenses decreased by ₱290 million or 1.1% to ₱25.0 billion in 2020 from ₱25.3 billion registered in 2019. This decline resulted primarily from decreases in advertising and promotion costs, freight and other selling and travel and transportation, partially offset by increase in repairs and maintenance.

As a result of the above factors, operating income increased by ₱1.0 billion or 6.9% to ₱16.0 billion in 2020 from ₱15.0 billion reported in 2019.

URC's finance costs consist mainly of interest expense, which decreased by ₱229.0 million to ₱1.4 billion in 2020 from ₱1.7 billion recorded in 2019 due to lower interest rates and level of interest-bearing financial liabilities. This offset the increase in interest expense related to additional lease contracts qualifying under PFRS 16 this year.

URC's finance revenue consists of interest income from investments in financial instruments, money market placements, savings and dollar deposits and dividend income from investment in equity securities. Finance revenue increased by ₱15.0 million to ₱342.0 million in 2020 from ₱328.0 million in 2019 due to higher dividend income.

Equity in net losses of joint ventures decreased to ₱30.0 million in 2020 from ₱159.0 million in 2019 due to lower share in net losses from VURCI and DURBI.

Net foreign exchange loss decreased to ₱486.0 million in 2020 from the ₱558.0 million reported in 2019 due appreciation of Philippine peso against US dollar.

Market valuation gain (loss) on financial instruments at fair value through profit or loss increased to ₱136.0 million gain in 2020 from ₱5.0 million loss in 2019 due to increase in market values of equity investments and decrease in fair value of derivative liability.

Impairment losses increased to ₱33.0 million in 2020 from ₱2.0 million in 2019 due to higher impairment in receivables.

Other income (expenses) - net consists of gain (loss) on sale of fixed assets, amortization of bond issue costs, rental income, and miscellaneous income and expenses. Other expense - net amounted to ₱780.0 million in 2020 lower than the ₱1.05 billion reported in 2019 mainly due to lower restructuring costs this year.

URC recognized consolidated provision for income tax of ₱2.1 billion in 2020, a 19.6% increase from ₱1.8 billion in 2019 due to reversal of deferred tax assets on realized foreign exchange losses and realized restructuring costs.

URC's consolidated net income for 2020 amounted to ₱11.6 billion, higher by ₱1.5 billion or 14.9% from ₱10.1 billion in 2019 due to higher operating income, lower finance costs and lower net foreign exchange losses.

URC's core earnings before tax (operating profit after equity earnings, net finance costs and other expenses - net) in 2020 amounted to ₱14.7 billion, an increase of 10.7% from ₱13.3 billion recorded in 2019.

Net income attributable to equity holders of the parent increased by ₱975.0 million or 10.0% to ₱10.7 billion in 2020 from ₱9.8 billion in 2019 as a result of the factors discussed above.

URC reported an EBITDA (operating income plus depreciation and amortization) of ₱23.4 billion in 2020, 4.9% higher than ₱22.3 billion posted in 2019.

Real estate and hotels generated total gross revenues of ₱24.90 billion for calendar year 2020, a decrease of 17.6% from ₱30.21 billion total gross revenues for calendar year 2019. EBIT declined by 30.8% to ₱8.49 billion while EBITDA posted a decline of 20.7% to ₱13.68 billion. Net income stood at ₱5.26 billion, down by 39.5% compared to last year.

The Commercial Centers Division accounted for 23% of total company revenues to close at ₱5.96 billion in 2020, 55.0% lower versus previous year. Rental concessions were provided to support the recovery of partner tenants affected by temporary mall closures and quarantine restrictions. To compensate, immediate actions were taken to rationalize operating expenses which helped EBITDA to decline at a slower pace than revenues by 53.4% to ₱4.11 billion.

Meanwhile, additional depreciation from new malls that opened in 2019 dragged EBIT by 92.2% to ₱0.40 billion.

Office Buildings Division finished the year strong and contributed 23% to total company revenues. The success of leasing activities for new developments and rental escalations in existing office buildings grew revenues by 10.0% to ₱5.85 billion versus the same period last year. EBITDA accelerated 11.5% to ₱5.08 billion, while EBIT surged 12.2% to ₱4.18 billion.

In 2020, RLC adopted a new accounting treatment on revenue recognition for its Residential Division. Realized revenues were booked at 10% equity versus the previous threshold of 15% equity to be consistent with the practice of most property companies in the Philippines. As a result, realized revenues rose 32.8% to ₱12.13 billion, while EBITDA and EBIT surged 40.1% and 41.3% to ₱4.16 billion and ₱4.07 billion, respectively.

The Hotels and Resorts Division managed to post revenues of ₱1.08 billion or 4% of total RLC revenues as against last year's ₱2.43 billion. The 55.5% decrease in hotel revenues was due to the massive contraction in demand and limited operations as a result of the COVID-19 pandemic. EBITDA fell 78.2% to ₱0.15 billion on the back of fixed overhead cost; while additional depreciation from hotels opened in calendar year 2019 resulted to a negative EBIT of ₱0.26 billion.

The IID Division posted ₱0.39 billion of revenues, down by 14.0% from last year's ₱0.46 billion. Its industrial leasing business generated ₱0.26 billion revenues, up by 89.9% mainly from the additional revenues from its first Calamba warehouse. Meanwhile, developmental revenues dropped 58.7% drop to ₱0.13 billion in 2020 from ₱0.32 billion last year due to the high-base effect of the partial recognition in 2019 of the gain on sale of land to JV Company that was formed with DMCI. EBITDA and EBIT for calendar year 2020 ended at ₱0.24 billion and ₱0.19 billion, respectively.

Interest income was lower at ₱0.24 billion from ₱0.29 billion last year due to lower average balance of cash and cash equivalents during the calendar year 2020.

Cost of rental services was flat at ₱5.34 billion in calendar year 2020. On the other hand, cost of real estate sales went up by 45.5% to ₱6.16 billion from ₱4.24 billion last year due to increase in realized sales brought about by the change in full equity threshold from 15% to 10%. Cost of amusement services declined by 90.3% to ₱0.9 billion following the temporary suspension of cinema operations as a result of lockdown measures implemented starting March 2020 due to COVID-19 pandemic. Other expenses under Real Estate Operations decreased by 75.6% due to lower level of activities in 2020 as a result of the implementation of community quarantine.

Hotel expenses dropped 35.5% to ₱1.35 billion attributable to limited operations as a result of the movement and travel restrictions implemented.

General and administrative expenses declined by 12.4% to ₱3.59 billion owing to RLC's cost rationalization initiatives to temper the impact on RLC's bottom line of the significant drop in revenues.

Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of RLC's foreign subsidiary. Gain on sale of property and equipment mainly pertains to sale of retired transportation equipment.

Air transportation generated gross revenues of ₱22.6 billion for the year ended December 31, 2020, 73.3% higher than the ₱84.8 billion revenues earned last year mainly attributed to the decrease in passenger revenues by ₱49.1 billion or 79.5% to ₱12.6 billion for the year ended December 31, 2020 from ₱61.7 billion posted in 2019. This was mainly attributable to the 77.6% decline in passenger volume from 22.5 million to 5.0 million driven by lesser number of flights by 70.9% coupled with a 10.5 ppts decrease in seat load factor from 86.4% to 75.9%. Lower average fares by 8.5% to ₱2,513 for the 12 months ended December 31, 2020 from ₱2,745 for the same period last year also contributed to the reduction of revenues. Cargo revenues also declined by ₱343.2 million or 6.0% to ₱5.402 billion for the year ended December 31, 2020 from ₱5.5 billion for the year ended December 31, 2019 mainly attributable to the decrease in volume transported in 2020 by 48.0% offset by a higher yield primarily from chartered cargo services. Ancillary revenues went down by ₱12.8 billion or 73.6% to ₱4.6 billion for the year ended December 31, 2020 from ₱17.4 billion reported in the same period last year primarily due to lesser passenger volume and flight activity during the period.

CEB incurred operating expenses of ₱43.4 billion for the year ended December 31, 2020, lower by 39.9% than the ₱72.2 billion operating expenses recorded for the year ended December 31, 2019. This was mostly driven by the suspension of the CEB's operations due to the COVID19 global pandemic since a material portion of its expenses are based on flights and flight hours. The strengthening of the Philippine peso against the U.S. dollar as referenced by the appreciation of the Philippine peso to an average of ₱49.61 per U.S. dollar for the year ended December 31, 2020 from an average of ₱51.79 per U.S. Dollar last year based on the Philippine Bloomberg Valuation (PH BVAL) weighted average rates as well as lower fuel prices also contributed to the decrease in operating expenses.

As a result, CEB finished with an operating loss of ₱20.8 billion for the year ended December 31, 2020, 264.6% lower than the ₱12.6 billion operating income earned last year.

Interest income decreased by ₱512.7 million or 76.5% to ₱157.9 million for the year ended December 31, 2020 from ₱670.6 million earned in the same period last year due to the lesser cash in bank and short term placements balance and lower interest rates year on year.

CEB incurred a hedging loss of ₱2.2 billion for the year ended December 31, 2020, a ₱2.1 billion drop from a hedging loss of ₱63.4 million for the same period last year mainly due to the discontinuation of hedge accounting application on non-effective hedges in 2020.

CEB had equity in net loss of joint venture of ₱316.1 million for the year ended December 31, 2020, ₱383.1 million lower than the ₱67.0 million equity in net income of joint venture earned in the same period last year. The decrease was caused by the net losses incurred by its joint ventures and associates in 2020.

Interest expense decreased by ₱856.4 million or 28.0% to ₱2.2 billion for the year ended December 31, 2020 from ₱3.1 billion registered in 2019 due to the return of four (4) Airbus A320 aircraft to its lessors during the year and the effect of appreciation of the Philippine Peso against the U.S. Dollar.

On November 3, 2020, CEB signed a Deed of Absolute Sale of its 35% shareholding in SIA Engineering (Philippines) Corporation (SIAEP) to SIAEC which resulted to a gain on disposal of ₱34.5 million. As of December 31, 2020, CEB no longer has any equity interest in SIAEP. On the same date, CEB acquired SIAEC's 51% interest in A-plus, making the latter a wholly-subsidiary of CEB. The recognition of the investment in A-plus as a subsidiary resulted to a gain on remeasurement of ₱71.3 million on CEB's existing 49% shareholding.

As a result of the foregoing, net loss for the year ended December 31, 2020 amounted to ₱22.2 billion, a decrease of 343.8% from the ₱9.12 billion net income earned in 2019.

Petrochemicals (JGSPG - consist of JGSPC and JGSOC) ended 2020 with full year revenues of ₱21.3 billion, 27% lower vs SPLY. The global implementation of strict quarantines negatively affected both local demand and exports, which in turn led to lower petrochemical prices YoY. Nonetheless, demand started to recover in the second half of the year as domestic customers cautiously restarted operations and as more countries reopened from lockdowns. Despite local market contraction in 2020, JGSPG managed to increase its polymer volume sales by 14% YoY and gained market share as JGSPG capitalized on resilient demand for flexible, basic film and agricultural packaging requirements. Meanwhile, lower naphtha prices lifted margins and led JGSPG to report an EBITDA of ₱451 million in 2020. But higher depreciation resulted in a net loss of ₱2.0 billion.

JGSPG is nearing the final stages of its US$1.1 billion expansion project with some of its key components coming online in the second quarter of 2021. This would improve overall profitability as the company captures more margins downstream.

Banking services generated banking revenue of ₱9.2 billion in 2020, a 13% increase from last year's ₱8.1 billion mainly driven by an 8% increase in loans, as well as the ₱939.0 million gain from trading activities. Despite booking ₱1.1 billion in provisions for bad loans, the strong topline growth and the 76-basis point net interest margin improvement led to a net income of ₱935.0 million, a 30% growth. The bank's non-performing loan ratio of 2.98% as of end-2020 remained lower than industry average amidst the risks posed by the pandemic. RBank also accelerated its digitalization and customer-centric initiatives including RBank Digital (RDX), the Bank's mobile app, QuickR, a cashless payment solution using a QR code, and RBankMo, banking agents that will provide basic financial services among others. Moreover, there has been exponential growth in its electronic funds' transfers via InstaPay and PESONet, in line with the increased adoption of e-payments and shift towards digital commerce caused by the pandemic.

Equity in net earnings of associated companies and joint ventures amounted to ₱7.6 billion for the year ended December 31, 2020, a 43% decrease from last year's ₱13.4 billion. The decline was mainly driven by the absence of the ₱3.0 billion gain from UIC's Marina Mandarin transaction in 2019 and JG Summit's ₱1.3 billion share in MER's impairment loss on its Pacific Light Power investment in 2020. MER and GBPC also reported lower electricity revenues. Meanwhile, the dividends we received from our investment in PLDT, Inc. rose by 51%.

2019 vs. 2018

I. Consolidated Operations

JG Summit Holdings, Inc. posted a consolidated net income from equity holders of the parent of ₱31.3 billion in 2019, a 63.1% increase from ₱19.19 billion in 2018. The increase is mainly driven by the income growth in the airline business coupled by the foreign exchange translation and market valuation gains and increase in equity in net earnings of associates particularly from United Industrial Corporation Limited (UIC). Consolidated core net income after taxes (excluding non-operating and nonrecurring items) amounted to ₱25.3 billion in 2019, a 12.9% increase from ₱22.4 billion in 2018. Consolidated EBITDA reached ₱83.9 billion, a 27.5% increase from last year's ₱65.8 billion, due to the impact of PFRS 16 on depreciation expense. Excluding PFRS 16 adjustments, EBITDA would have only increased by 17%.

Consolidated revenues grew 3.4% from ₱291.9 billion in 2018 to ₱301.8 billion in 2019 due to the performance of the following core subsidiaries:

- URC's total revenues increased by 5% from ₱127.8 billion in 2018 to ₱134.2 billion in 2019 driven by the 7.9% growth in branded consumer foods (BCF) domestic sales, 34.6% increase in feeds business, and 25.5% increase in flour sales.
- CEB's total revenues went up by 14.4% from ₱74.1 billion in 2018 to ₱84.8 billion in 2019 mainly due to the 10.8% growth in passenger volume and 2.6% increase in average fares. The 21.0% increase in ancillary revenues also contributed to the increase.
- RLC's total revenues increased by 2.5% from ₱29.5 billion in 2018 to ₱30.2 billion in 2019 due to growth in rental income and increase in hotel revenues.
- JG Petrochemicals Group revenues declined by 31.4% from ₱42.4 billion in 2018 to ₱29.1 billion in 2019 as a result of lower average selling prices and volumes.
- The banking revenue increased 32.4% from ₱6.1 billion in 2018 to ₱8.1 billion this year mainly due to higher interest income from finance receivables, commission income and trading gains for the year.

Revenues from our core investments increased by 28.9% from ₱11.4 billion in 2019 to ₱14.7 billion in 2019. Equity in net earnings of associates, primarily from our investments in UIC/Singapore Land, Meralco and GBPC, increased by 31.2% from ₱10.2 billion in 2018 to ₱13.4 billion in 2019. The significant increase came from the SG$210.3 million one-off gain recognized by UIC on its acquisition of Marina Mandarin in the second quarter of 2019 which resulted to an additional ₱3.0 billion equity income take-up by the Group in UIC. Dividend income for the year also increased by 9.9% as the dividends received by the Group from PLDT increased 12.5% (₱64 per share in 2018 to ₱72 per share in 2019).

The Group's operating expenses increased by 5.2% from ₱53.1 billion last year to ₱55.8 billion this year. As a result, Consolidated Operating Income or EBIT amounted to ₱56.2 billion in 2019 from ₱45.3 billion in 2018.

The Group's financing costs and other charges, net of interest income, increased by 12.4% to ₱8.9 billion this year from last year's ₱7.9 billion due to higher level of financial debt of the Parent Company, airline, petrochemicals and real estate businesses, as well as the impact of PFRS 16 on interest expense. Excluding the PFRS 16 impact, financing costs and other charges, net of interest income, would have only increased by 3.4%.

Market valuation gains on financial assets amounted to ₱640.5 million in 2019 from a ₱1.0 billion market valuation losses in 2018 attributable to the increase in fair values and realized gains on investment securities as well as the lower mark-to-market valuation losses on fuel hedging transactions of the airline business.

The Group recognized a net foreign exchange gain of ₱828.7 million in 2019 from a net foreign exchange loss of ₱2.9 billion in 2018 due to appreciation of Philippine Peso against US Dollar in 2019 (₱52.6 as of December 31, 2018 to ₱50.6 as of December 31, 2019) as compared to the Philippine Peso depreciation in 2018 (₱49.9 as of December 31, 2017 to ₱52.6 as of December 31, 2018).

Other income (expense) - net account, which represents miscellaneous income and expenses, amounted to a loss of ₱764.7 million in 2019 mainly due to CEB's loss on sale of aircraft and URC's restructuring provisions this year.

II. Segment Operations

Foods generated a consolidated sale of goods and services of ₱134.2 billion for the year ended December 31, 2019, a 5.0% sales growth over last year. Sale of goods and services performance by business segment follows:

- Sale of goods and services in URC's branded consumer foods segment (BCFG), excluding packaging division, increased 3.5%, to ₱104.6 billion in 2019 from ₱101.0 billion registered in 2018. BCFG domestic operations posted a 7.9% increase in net sales from ₱57.8 billion in 2018 to ₱62.4 billion in 2019, due to growth across different key categories supported by strong consumer demand and sales and distribution transformation, which brought a successful coffee turn-around, sustained growth performance in snacks and noodles, and recovery of RTD beverages.

  BCFG international sales reported a ₱1.0 billion decrease to ₱42.2 billion in 2019 against ₱43.2 billion in 2018 driven by weaker performance in Thailand, offsetting the growth coming from Vietnam and Oceania, compounded by forex devaluations particularly in New Zealand and Australia. In constant US dollar (US$) terms, sales improved by 1.8% to US$816 million in 2019 from US$801 million in 2018. Vietnam recovered with stronger growth of 8.9% driven by C2 with the significant contributions from new product launches, partly offset by decline in Rong Do. New Zealand sales slightly up by 1.0% due to slow domestic market while Australia grew by 4.0% driven by strong performance across the board. Thailand sales decreased by 5.6% driven by decline in biscuits and wafers while exports grew due to strong sales to Cambodia. Thailand's performance remains challenged as the economy continues to affect consumer sentiment.

  Sale of goods and services in URC's packaging division decreased by 13.1% to ₱1.3 billion in 2019 from ₱1.5 billion recorded in 2018 due to lower selling price and volume.

- Sale of goods and services in URC's agro-industrial segment (AIG) amounted to ₱13.1 billion in 2019, a 12.4% increase from ₱11.7 billion recorded in 2018. Feeds business grew by 34.6% due to higher sales volume and improved selling prices across all feed categories while Farms business weakened by 18.8% due to lower volume in hogs despite increase in sales volume of poultry.

- Sale of goods and services in URC's commodity foods segment (CFG) amounted to ₱15.2 billion in 2019 or up by 11.9% from ₱13.5 billion reported in 2018. Sugar business grew by 8.0% brought by higher volumes in raw sugar despite lower volume in refined sugar and lower prices for both raw and refined sugar. Renewables slightly declined by 1.5% due to lower volume of molasses. Flour business also posted higher sales by 25.5% driven by higher volume.

URC's cost of sales consists primarily of raw and packaging materials costs, manufacturing costs and direct labor costs. Cost of sales increased by ₱3.5 billion, or 3.9%, to ₱93.9 billion in 2019 from ₱90.3 billion recorded in 2018 due to higher sales, partially offset by lower costs of commodities and other raw and packaging materials.

URC's gross profit for 2019 amounted to ₱40.3 billion, higher by ₱2.9 billion or 7.7% from ₱37.4 billion reported in 2018. Gross profit margin increased by 74 basis points from 29.3% in 2018 to 30.04% in 2019.

URC's selling and distribution costs, and general and administrative expenses consist primarily of compensation benefits, advertising and promotion costs, freight and other selling expenses, depreciation, repairs and maintenance expenses and other administrative expenses. Selling and distribution costs, and general and administrative expenses increased by ₱1.2 billion or 5.2% to ₱25.3 billion in 2019 from ₱24.1 billion registered in 2018 primarily due to (1) 12.7% or ₱901 million increase in advertising and promotions to ₱8.0 billion in 2019 from ₱7.1 billion in 2018 due to higher consumer promotions and trade development activities to boost sales; (2) 22.5% or ₱185 million increase in depreciation and amortization expense to ₱1.0 billion in 2019 from ₱822 million in 2018 due to capital expenditures and impact of PFRS 16; and (3) 1.2% or ₱105 million increase in freight and other selling expense to ₱8.7 million in 2019 from ₱8.6 million in 2018 due to higher volume.

As a result, URC's operating income (EBIT) increased by ₱1.6 billion, or 12.2% to ₱15.0 billion in 2019 from ₱13.4 billion reported in 2018.

URC's finance costs slightly increased by ₱8 million to ₱1.7 billion in 2019 from ₱1.7 billion recorded in 2018 due to higher level of trust receipts payable and recognition of interest expense related to PFRS 16 this year, net of pre-termination of NZD denominated long-term debt last year.

URC's finance revenue consists of interest income from investments in financial instruments, money market placements, savings and dollar deposits and dividend income from investment in equity securities. Finance revenue decreased by ₱32 million to ₱328 million in 2019 from ₱359 million in 2018 due to lower level of financial assets during the year.

Equity in net losses of joint ventures increased to ₱159 million in 2019 from ₱132 million in 2018 due to recognition of net losses of DURBI this year.

Net foreign exchange loss amounted to ₱558 million in 2019 from the ₱175 million reported in 2018 due to the combined effects of appreciation of international subsidiaries' local currencies against US dollar, particularly Indonesian Rupiah, and appreciation of Philippine peso against US dollar.

Market valuation loss on financial instruments at fair value through profit or loss decreased to ₱5 million in 2019 from ₱35 million in 2018 due to lower decrease in market values of equity investments.

Impairment losses decreased to ₱2 million in 2019 from ₱45 million in 2018 due to lower impairment in receivables and last year's impairment of goodwill of Advanson.

Other income (expenses) - net consists of gain (loss) on sale of fixed assets, amortization of bond issue costs, rental income, and miscellaneous income and expenses. Other expense - net amounted to ₱1.0 billion in 2019 higher than the ₱146 million reported in 2018 mainly due to restructuring provisions this year.

URC recognized provision for income tax of ₱1.8 billion in 2019, a 14.4% decrease from ₱2.1 billion in 2018 due to recognition of deferred tax asset on unrealized forex loss and restructuring provisions.

URC's consolidated net income for 2019 amounted to ₱10.1 billion, higher by ₱652 million or 6.9% from ₱9.5 billion in 2018 due to higher operating income, reduced by higher net foreign exchange losses and recognition of restructuring provisions.

URC's core earnings before tax (operating profit after equity earnings, net finance costs and other expenses - net) in 2019 amounted to ₱13.3 billion, an increase of 12.6% from ₱11.8 billion recorded in 2018.

Net income attributable to equity holders of the parent increased by ₱568 million or 6.2% to ₱9.8 billion in 2019 from ₱9.2 billion in 2018 as a result of the factors discussed above.

URC reported an EBITDA (operating income plus depreciation and amortization) of ₱22.3 billion in 2019, 13.0% higher than ₱19.8 billion posted in 2018.

Real estate and hotels generated total gross revenues of ₱30.2 billion in 2019, an increase of 2.5% from ₱29.5 billion in 2018. EBIT grew 3.4% to ₱12.3 billion while EBITDA posted a 5.6% growth to ₱17.2 billion. Net income attributable to equity holders of the parent stood at ₱8.7 billion, up by 5.7% compared to last year.

The Commercial Centers Division accounted for ₱13.3 billion of the real estate revenues for the year versus ₱11.9 billion last year or an 11.0% increase. The increase in revenues was brought about by stable same mall rental revenue growth of existing malls, the full-year impact of new malls that opened in 2018, namely Robinsons Place Ormoc, Robinsons Place Pavia, Robinsons Place Tuguegarao and Robinsons Place Valencia, as well as the opening of Robinsons Galleria South and the expansion of Robinsons Magnolia in 2019. Cinema revenues also improved with the opening of new branches. The Division's EBIT and EBITDA grew by 21.8% and 15.1%, respectively.

Revenues of Office Buildings Division grew by 23.8% to ₱5.3 billion from ₱4.3 billion over the same period last year. Revenue growth was mainly attributable from a combination of rental escalation and higher renewal rates in existing offices, as well as contribution from the newly completed offices, namely Robinsons Cybergate Magnolia, Luisita 2, and Giga Tower in 2019. The Division's EBIT and EBITDA showed positive variances of 21.5% and 21.2%, respectively.

The Residential Division's realized revenues is at ₱9.1 billion this year versus ₱8.7 billion last year, an increase of 5.4%, due to higher level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion. EBIT and EBITDA increased by 32.8% and 32.3%, respectively.

The Hotels and Resorts Division registered gross revenues of ₱2.4 billion as against last year's ₱2.0 billion. The 22.7% increase in hotel revenues was due to higher occupancy rates of company-owned brands - Go Hotels and Summit Hotels, and increased system-wide average room rate. Hotels and Resorts Division's EBIT declined by 19.3% due to additional depreciation from the new hotels that were opened in 2019 namely Dusit Thani Mactan Cebu Resort and Summit Greenhills; while the decline in last year's EBITDA recovered with a 4.3% increase this year at ₱0.7 billion.

The IID Division accounted for ₱0.5 billion revenues, generated from lease of warehouse facilities and sale of commercial lots. Developmental revenues of IID registered an 87.4% drop to ₱0.3 billion in 2019 from ₱2.6 billion in 2018 following the partial recognition last year of the gain on sale of land to Shang Robinsons Properties, Inc. Revenues in 2019 mainly came from the gain on sale of land located in Las Pinas to Robinsons DMCI Properties Ventures, Inc., which yielded additional EBIT and EBITDA of ₱0.20 billion. Further gains will be realized from the selling of lots with joint ventures. EBIT and EBITDA for calendar year 2019 stood at ₱0.21 billion and ₱0.24 billion, respectively.

Interest income increased to ₱287.4 million from ₱157.0 million last year due to higher average balance of cash and cash equivalents during the calendar year 2019.

Cost of real estate sales went down by 14.1% to ₱4.2 billion from ₱4.9 billion last year due to recognition of sales from high-margin projects. Cost of rental services increased by 5.7% to ₱5.4 billion from ₱5.1 billion last year. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by ₱196.6 million or 5.7%; while completion of new office buildings increased depreciation expense of the Office Buildings Division by ₱118.9 million or 17.1%. Furthermore, cinema expense rose by 5.6% or ₱50.5 million in line with the increase in cinema revenues.

Hotel expenses rose by 34.2% to ₱2.1 billion attributable to the increase in depreciation, salaries and wages, and contracted services, that were incurred prior the start of commercial operations of new and upcoming hotels.

Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of RLC's foreign subsidiary. Gain on sale of property and equipment mainly pertains to sale of retired transportation equipment.

As a result of property dividend distribution, RLC lost control over Altus Property Ventures, Inc, (APVI). Loss on deconsolidation amounting to ₱12.3 million resulted from the derecognition of related assets and liabilities of APVI.

Interest expense increased by 25.9% to ₱1.1 billion from ₱0.8 billion last year due to the availment of additional short-term loans and recognition of interest on lease liabilities as a result of the Group's adoption of PFRS 16 in 2019.

Air transportation generated gross revenues of ₱84.8 billion for the year ended December 31, 2019, 14.4% higher than the ₱74.1 billion revenues earned last year mainly attributed to the increase in passenger revenues by ₱7.4 billion or 13.7% to ₱61.7 billion for the year ended December 31, 2019 from ₱54.3 billion posted in 2018. This was mainly attributable to the 10.8% growth in passenger volume to 22.5 million from 20.3 million last year as the Group increased capacity. The increase in average fares by 2.6% to ₱2,745 from ₱2,675 last year also contributed to the increase in revenues. Cargo revenues grew by ₱253.8 million or 4.6% to ₱5.7 billion for the year ended December 31, 2019 from ₱5.5 billion for the year ended December 31, 2018 following the increase in both yield and volume of cargo transported in 2019. Ancillary revenues went up by ₱3.0 billion or 21.0% to ₱17.4 billion for the year ended December 31, 2019 from ₱14.4 billion posted last year consequent to the 10.8% increase in passenger traffic and 9.2% increase in average ancillary revenue per passenger due to pricing adjustments and increased volume of certain ancillary products and services.

CEB incurred operating expenses of ₱72.2 billion for the year ended December 31, 2019 higher by 7.6% than the ₱67.1 billion operating expenses recorded for the year ended December 31, 2018. The increase was driven by its expanded operations, growth in seat capacity from the acquisition of new aircraft partially offset by the strengthening of the Philippine peso against the U.S. dollar as referenced by the appreciation of the Philippine peso to an average of ₱51.79 per U.S. dollar for the year ended December 31, 2019 from an average of ₱52.67 per U.S. Dollar last year based on the Philippine Bloomberg Valuation (PH BVAL) weighted average rates.

As a result, CEB finished with an operating income (EBIT) of ₱12.6 billion for the year ended December 31, 2019, 79.0% higher than the ₱7.0 billion operating income earned last year. EBITDAR amounted to ₱30.3 billion from ₱22.3 billion last year.

Interest income increased by ₱269.0 million or 67.0% to ₱670.6 million for the year ended December 31, 2019 from ₱401.6 million earned in the same period last year due to the increase in the balance of cash in bank and short-term placements year on year.

CEB incurred a hedging loss of ₱63.4 million for the year ended December 31, 2019, an improvement by ₱259.2 million from a hedging loss of ₱322.6 million in the same period last year as a result of higher mark-to-market valuation on fuel hedging positions in 2019. Net foreign exchange gains of ₱274.6 million for the year ended December 31, 2019 resulted from the strengthening of the Philippine Peso against the U.S. dollar.

Equity in net income of joint venture amounted to ₱67.0 million in 2019, ₱69.3 million lower than the ₱136.3 million in 2018. The decrease was attributable to lower net income of Aviation Partnership (Philippines) Corporation (A-plus) and SIA Engineering (Philippines) Corporation (SIAEP) in 2019 plus the net loss incurred by the Group's new venture, Digital Analytics Ventures, Inc. (DAVI).

Interest expense increased by ₱957.1 million or 45.5% to ₱3.1 billion for the year ended December 31, 2019 from ₱2.1 billion registered in 2018 brought about by the adoption of PFRS 16 and also due to the additional loans availed to finance the acquisition of the additional aircraft delivered in 2019.

In 2019, CEB sold and delivered three (3) Airbus A320 aircraft to a subsidiary of Allegiant Travel Company (Allegiant) which resulted to a loss of ₱352.1 million. CEB also sold and delivered two (2) Rolls - Royce Trent 772B engines to RRPF Engine Leasing Limited which resulted to a gain of ₱126.4 million. In 2018, CEB entered into a Lease Amendment Agreement with JPA No. 117/118/119 Co., Ltd., which transferred economic ownership of three Airbus A320 aircraft to the counterparty and resulted in a gain of ₱110.2 million. CEB also sold and delivered one Airbus A319 aircraft to a subsidiary of Allegiant which resulted to a loss of ₱156.7 million.

As a result of the foregoing, net income for the year ended December 31, 2019 amounted to ₱9.1 billion, an increase of 132.6% from the ₱3.9 billion net income earned in 2018.

Petrochemicals (consist of JGSPC and JGSOC) combined gross revenues amounted to ₱29.1 billion in 2019, a decrease of 31.4% from last year's ₱42.4 billion, as a result of lower average selling prices and volumes, brought about by the global economic slowdown, as well as the planned facility shutdown in 4th quarter of 2019 for turnaround maintenance and project tie-ins. Costs and expenses also decreased by 25.5% from ₱42.2 billion in 2018 to ₱31.5 billion in 2019 due to lower naphtha cost. Petrochem recognized a reversal of impairment loss on its property and equipment this year amounting to ₱2.3 billion, which resulted to an EBIT of ₱859.0 million for the year ended December 31, 2019. Interest expense increased by 139.2% to ₱745.2 million in 2019 from ₱311.6 million in 2018 due to the ₱2.6 billion net increase in trust receipts and ₱3.1 billion availment of short-term loans. A net foreign exchange gain of ₱168.5 million was also recognized in 2019 from last year's gain of ₱16.9 million. All these factors contributed to the net income of ₱970.6 million in 2019 from ₱1.05 billion in 2018.

Banking services generated banking revenue of ₱8.1 billion in 2019, a 32.4% increase from last year's ₱6.1 billion mainly driven by higher interest income from finance receivables resulted from growth in loans portfolio. Higher commission income and trading gains for the year also contributed to the increase in revenues. Cost and expenses, including interest expense on deposits and bills payable, increased by 39.5% from ₱2.3 billion in 2019 to ₱3.2 billion in 2019 as the bank continued its expansion. As a result, net income for the year ended December 31, 2019 amounted to ₱719.4 million, 126.5% increase from last year's ₱317.7 million.

Equity in net earnings of associated companies and joint ventures amounted to ₱13.4 billion for the year ended December 31, 2019, a 31.2% increase from last year's ₱10.2 billion mainly driven by the 86.4% increase in equity earnings from UIC from ₱3.2 billion last year to

₱6.0 billion in 2019. UIC recorded net income from operations of S$456.6 million in 2019, an 82.2% increase from last year's S$250.6 million arising from the SG$210.3 million one-off gain on derecognition of an associated company booked by UIC in the second quarter of 2019. Since the Group's policy for the valuation of property, plant and equipment is the cost basis method, the equity income taken up by the Group represents the adjusted amounts after reversal of the effect in the income statement of the revaluation of the said assets.

2018 vs. 2017

I. Consolidated Operations

JG Summit Holdings, Inc.'s consolidated core net income after taxes (excluding non-operating and nonrecurring items) amounted to ₱22.40 billion in 2018, a 24.2% decline from ₱29.56 billion in 2017, mainly due to lower net income of our airline and petrochemical businesses which were significantly affected by the rise in fuel prices and input costs. The Group's consolidated net income from equity holders of the parent likewise declined 34.7% from ₱29.37 billion in 2017 to ₱19.19 billion in 2018 resulted from weaker Philippine Peso against the US dollar, higher financing costs and market valuation losses on our financial assets. Consolidated EBITDA reached ₱65.83 billion in 2018 from ₱70.67 billion in 2017.

Consolidated revenues grew 6.8% from ₱273.45 billion in 2017 to ₱291.92 billion in 2018 due to the performance of the following core subsidiaries:

- URC's total revenues increased by 2.2% from ₱125.01 billion in 2017 to ₱127.77 billion in 2018 driven by the 27.6% growth in feeds business and 14.8% total increase in sugar and renewables businesses.
- CEB's total revenues went up by 8.9% from ₱68.03 billion in 2017 to ₱74.11 billion in 2018 mainly due to 5.8% increase in average fares coupled by the 2.7% growth in passenger volume.
- JG Petrochemicals Group revenues increased by 2.3% from ₱41.41 billion in 2017 to ₱42.35 billion in 2018 driven by higher average selling price of polymers and cracker products, offset by lower sales volumes of polymers and pygas.
- RLC's total revenues increased by 31.3% from ₱22.45 billion in 2017 to ₱29.47 billion in 2018 due to growth in rental income and increase in realized revenues from residential division.
- The banking revenue increased 37.0% from ₱4.48 billion in 2017 to ₱6.13 billion this year mainly due to increase in interest income recognized from finance receivables.

Revenues from our core investments declined by 15.4% as the dividend income received by the Group decreased from ₱1.45 billion last year to ₱1.23 billion this year due to the lower dividends declared by PLDT (₱76 per share in 2017 to ₱64 per share in 2018). Equity in net earnings of associates, primarily from our investments in UIC/Singapore Land, Meralco and GBPC, increased by 2.8% from ₱9.91 billion in 2017 to ₱10.18 billion in 2018, mainly due to the Group's additional 2.4% stake in Meralco acquired in June 2017, partially offset by the decline in equity earnings from UIC.

Consolidated cost of sales and services in 2018 increased by 12.8% from ₱171.55 billion last year to ₱193.59 billion this year due to higher input costs of all core businesses.

The Group's operating expenses increased by 5.8% from ₱50.16 billion last year to ₱53.06 billion this year due to higher selling, general and administrative expenses, particularly from the airline businesses.. As a result, Consolidated Operating Income or EBIT amounted to ₱45.26 billion in 2018 from ₱51.73 billion in 2017.

The Group's financing costs and other charges, net of interest income, increased by 19.7% to ₱7.89 billion this year from last year's ₱6.59 billion due to higher level of financial debt of the Parent Company and airline business, as well as net increase in trust receipts of the petrochemicals business.

Market valuation loss recognized from financial assets and derivative instruments amounted to ₱1.02 billion, a turnaround from a ₱541.18 million gain in 2017 primarily due to decline in market values of the Group's equity investments coupled by the mark-to-market valuation losses on fuel hedging transactions of the airline business.

The Group recognized a net foreign exchange loss of ₱2.85 billion in 2018 from only ₱902.72 million in 2017 due to the depreciation of Philippine Peso against the US Dollar from ₱49.93 as of December 31, 2017 to ₱52.58 as of December 31, 2018.

Other income (expense) - net account, which represents miscellaneous income and expenses, amounted to a loss of ₱459.47 million from ₱241.87 million gain last year mainly due to this year's net loss on sale of CEB's aircraft as compared to last year's net gain on sale of aircrafts.

II. Segment Operations

Foods generated a consolidated sale of goods and services of ₱127.77 billion for the year ended December 31, 2018, a 2.2% growth over last year. Excluding PFRS 15 impact, net sales grew by 3.6%. Sale of goods and services performance by business segment follows: (1) URC's branded consumer foods (BCF) segment, excluding packaging division, slightly decreased 0.8%, to ₱101.01 billion in 2018 from ₱101.82 billion registered in 2017. BCF domestic operations' net sales declined from ₱58.95 billion in 2017 to ₱57.81 billion in 2018 due to lower volumes and unfavorable mix in the coffee category that slowed down the sustained growth performance in snacks and noodles, and recovery of RTD beverages. BCF international sales increased by 0.8% to ₱43.20 billion in 2018 against ₱42.87 billion in 2017 driven by continuous recovery in Vietnam and sustained momentum in Australia. Vietnam is still on track on its path to recovery as sales continue to grow from its drive to recover numeric distribution, as well as from additional sales from new products such as milk tea. Australia maintained its growth attributed to a very strong sales of both branded and private labels. (2) Agro-Industrial segment (AIG) amounted to ₱11.69 billion in 2018, a 15.7% increase from ₱10.11 billion recorded in 2017. Feeds business grew by 27.6% due to higher sales volume and improved selling prices across all feed categories. Farms business also grew by 2.2% due to favorable sales mix and better average selling prices of hogs, slightly offset by lower sales of poultry products due to decline in production of day-old pullets. (3) Sale of goods and services in commodity foods segment amounted to ₱13.54 billion in 2018, up by 14.7% from ₱11.80 billion reported in 2017. Sugar and renewables businesses grew by 15.8% and 12.3%, respectively, on the account of higher volume and selling prices of raw sugar and molasses. Flour business also posted higher sales by 14.5% due to higher volume.

URC's cost of sales consists primarily of raw and packaging materials costs, manufacturing costs and direct labor costs. Cost of sales increased by 5.4%, to ₱90.33 billion in 2018 from ₱85.69 billion recorded in 2017 due to higher sales and higher costs of commodities and other raw and packaging materials.

URC's gross profit for 2018 amounted to ₱37.44 billion from ₱39.31 billion reported in 2017. Gross profit margin decreased by 215 basis points from 31.4% in 2017 to 29.3% in 2018. URC's selling and distribution costs, and general and administrative expenses consist primarily of compensation benefits, advertising and promotion costs, freight and other selling expenses, depreciation, repairs and maintenance expenses and other administrative expenses. Selling and distribution costs, and general and administrative expenses slightly declined by 1.3% to ₱24.06 billion in 2018 from ₱24.36 billion registered in 2017 primarily due to decline in freight and delivery costs as a result of distribution restructuring in Myanmar and Cambodia. As a result, URC's operating income (EBIT) decreased by 10.5% to ₱13.38 billion in 2018 from ₱14.95 billion reported in 2017.

URC's finance costs increased by 16.4%, to ₱1.66 billion in 2018 from ₱1.43 billion recorded in 2017 due to higher level of trust receipts payable and short-term debt, coupled with higher interest rates.

URC's finance revenue consists of interest income from investments in financial instruments, money market placements, savings and dollar deposits and dividend income from investment in equity securities. Finance revenue increased to ₱359.28 million in 2018 from ₱225.58 million in 2017 due to higher level of financial assets during the year.

Equity in net losses of joint ventures decreased to ₱132.41 million in 2018 from the ₱280.53 million in 2017 due to lower net losses of domestic joint ventures coupled with the higher net income of Proper Snacks in New Zealand.

Net foreign exchange loss amounted to ₱174.66 million in 2018 from ₱154.19 million gain reported in 2017 due to the combined effects of appreciation of international subsidiaries' local currencies against US dollar, particularly NZD, and depreciation of Philippine peso against US dollar.

Market valuation loss on financial instruments at fair value through profit or loss amounted to ₱35.42 million in 2018 from ₱71.02 million gain reported in 2017 due to decrease in market values of equity investments.

Impairment losses increased to ₱45.00 million in 2018 from ₱21.42 million in 2017 due to this year's impairment of goodwill of Advanson.

Other income (expenses) - net consists of gain (loss) on sale of fixed assets, amortization of bond issue costs, rental income, and miscellaneous income and expenses. Other expense-net amounted to ₱145.82 million in 2018 while other income - net of ₱276.74 million was reported in 2017 due to last year's higher gain on sale of fixed assets.

URC recognized provision for income tax of ₱2.08 billion in 2018, a 25.6% decrease from ₱2.80 billion in 2017 due to lower taxable income and recognition of lower deferred tax liabilities.

URC's core earnings before tax (operating profit after equity earnings, net finance costs and other expenses - net) for 2018 amounted to ₱11.80 billion, a decline of 13.6% from ₱13.66 billion recorded in 2017.

Net income attributable to equity holders of the parent decreased by 15.5% to ₱9.20 billion in 2018 from ₱10.89 billion in 2017 as a result of the factors discussed above.

URC reported an EBITDA (operating income plus depreciation and amortization) of ₱19.75 billion for 2018, 6.2% lower than the ₱21.06 billion posted in 2017.

Real estate and hotels generated total gross revenues of ₱29.47 billion in 2018, an increase of 31.3% from ₱22.45 billion in 2017. EBIT grew 38.8% to ₱11.88 billion while EBITDA posted a 30.9% growth to ₱16.34 billion. Net income attributable to equity holders of the parent stood at ₱8.22 billion, up by 39.7% compared to last year.

The Commercial Centers Division accounted for ₱11.94 billion of the real estate revenues for the year versus ₱10.79 billion last year or a 10.7% increase. Rental revenues increased due to strong same malls growth at 7%, contribution of four malls and two expansions opened in 2017 located in Naga, Iligan, North Tacloban, Antique and Butuan, and contribution of four new malls opened in 2018 namely Robinsons Place Ormoc, Robinsons Place Pavia, Robinsons Place Tuguegarao and Robinsons Place Valencia. Cinema revenues increased due to more blockbuster films released this year than last year and the operation of new cinemas in new malls. Apart from the mall openings, Commercial Centers launched Playlab in Robinsons Galleria Ortigas and Robinsons Galleria Cebu and Aqua Fun in Robinsons Pavia. Playlab and Aquafun are the country's first digital and water playgrounds located within the mall premises. The Division's EBIT and EBITDA grew by 6% and 9%, respectively.

Revenues of Office Buildings Division grew by 31.4% to ₱4.29 billion from ₱3.27 billion over the same period last year. Revenue growth was mainly attributable to growth in rental escalation and high renewal rates as well as contribution from the completed offices in 2017 and 2018 namely Cyber Sigma, Cybergate Delta, Cybergate Naga and Exxa Tower. The Division's EBIT and EBITDA showed positive variances of 33% and 28%, respectively.

The Residential Division realized revenues is at ₱8.69 billion this year versus ₱6.55 billion last year, an increase of 32.6%, due to higher level of buyers meeting the equity requirement in recognizing sales based on percentage of construction completion. Both EBIT and EBITDA increased by 21%.

The Hotels Division, a major contributor to RLC's recurring revenues, registered gross revenues of ₱1.98 billion as against last year's ₱1.89 billion. The 4.7% increase in hotel revenues principally came from the new hotels, Summit Hotel Tacloban and Go Hotels Iligan. The hotel average occupancy rate is 62% in 2018. Hotels Division EBIT and EBITDA declined by 22% and 7%, respectively, as the division continues to redevelop some of the existing hotels and a much accelerated pre-operating expenses on hotels to be opened in 2019 and higher overhead expense in the Head Office.

The IID division accounted for ₱2.64 billion revenues, with 95% attributed to the sale of the commercial lots and the remainder 5% is the revenue generated from the warehouse business. Further gains will be realized from the selling of lots with joint ventures.

Interest income increased to ₱196.29 million from ₱36.81 million last year due to higher average balance of cash and cash equivalents during the calendar year 2018.

Real estate costs went up by 30.6% to ₱12.11 billion from ₱9.28 billion last year. The higher level of realized sales of residential units brought cost of real estate sales to increase by ₱1.79 billion or 57%. The opening of new malls raised the level of depreciation expense of Commercial Centers Division by 13% while opening of new office buildings increased depreciation expense of the Office Buildings Division by 10%. Furthermore, cinema expense rose by 10% or ₱85.18 million as a result of increase in cinema revenues.

Hotel expenses rose by 15.3% to ₱1.56 billion due substantially to higher level of property and maintenance cost, depreciation, salaries and wages, contracted services, which were all due to higher level of operations brought about by higher room revenues and pre-operating expenses on hotels to be opened in 2019.

General and administrative expenses went up by 20.1% to ₱4.00 billion due to higher commission, rent, advertising and promotions and salaries, among others.

Gain or loss from foreign exchange mainly pertains to foreign currency denominated transactions of RLC's foreign subsidiary.

Air transportation generated gross revenues of ₱74.11 billion for the year ended December 31, 2018, 8.9% higher than the ₱68.03 billion revenues earned last year mainly attributed to the increase in passenger revenues by 8.7% to ₱54.26 billion for the year ended December 31, 2018 from ₱49.93 billion posted in 2017. This increase was largely attributable to the 5.8% increase in average fares to ₱2,676 in 2018 from ₱2,529 in 2017. The growth in passenger volume by 2.7% to 20.3 million from 19.7 million last year also contributed to the increase in revenues. Cargo revenues grew 19.3% to ₱5.49 billion for the year ended December 31, 2018 from ₱4.60 billion in the same period last year following the increase in the cargo volume and yield in 2018. Ancillary revenues went up by 6.4% to ₱14.36 billion for the year ended December 31, 2018 from ₱13.49 billion posted last year consequent to the 2.7% increase in passenger traffic and 3.6% increase in ancillary revenue per passenger. This was driven by improved online bookings and pricing adjustments on certain ancillary products and services.

Operating expenses for the year ended December 31, 2018 increased by 15.8% to ₱67.06 billion from ₱57.90 billion last year mostly due to the rise in fuel prices in 2018 coupled with the weakening of the Philippine peso against the U.S. dollar. The average published fuel MOPS price increased from U.S. $84.79 per barrel in 2018 from U.S. $65.31 per barrel in 2017. As a result, CEB finished with an operating income (EBIT) of ₱7.05 billion in 2018, 30.4% lower than the ₱10.13 billion earned in 2017. EBITDAR amounted to ₱22.29 billion from ₱22.82 billion last year.

CEB recognized higher interest income by 119.5% from ₱182.95 million last year to ₱401.62 million this year due to the increase in the balance of cash in bank and short-term placements year on year and higher interest rates in short term placements.

CEB incurred a hedging loss of ₱322.58 million for the year ended December 31, 2018, an increase by ₱190.01 million from a hedging loss of ₱132.57 million incurred last year as a result of lower mark-to-market valuation on fuel hedging positions in 2018. Net foreign exchange losses of ₱1.63 billion for the year ended December 31, 2018 resulted from the weakening of the Philippine Peso against the U.S. dollar. CEB's major exposure to foreign exchange rate fluctuations is in respect to U.S. dollar denominated long-term debt incurred in connection with aircraft acquisitions.

Equity in net income of joint venture amounted to ₱136.26 million in 2018 attributable to the net income from current operations earned by the joint ventures in 2018.

Interest expense increased by 47.9% to ₱2.10 billion for the year ended December 31, 2018 from ₱1.42 billion in 2017 due to the additional loans availed to finance the acquisition of additional aircraft delivered in 2018.

In 2018, CEB entered into a Lease Amendment Agreement with JPA No. 117/118/119 Co., Ltd., which transferred economic ownership of three Airbus A320 aircraft to the counterparty and resulted in a gain of ₱110.19 million. CEB also sold and delivered one Airbus A319 aircraft to a subsidiary of Allegiant Travel Company (Allegiant) which resulted to a loss of ₱156.65 million.

In 2017, CEB sold and delivered three Airbus A319 aircraft to a subsidiary of Allegiant Travel Company (Allegiant) and entered into lease amendment agreements which transferred economic ownership of six Airbus A320 aircraft to the counterparty which resulted to a gain of ₱102.57 million.

As a result of the foregoing, net income for the year ended December 31, 2018 decreased by 50.4% to ₱3.92 billion from ₱7.91 billion last year.

Petrochemicals (consist of JGSPC and JGSOC) combined gross revenues reached ₱42.35 billion in 2018, a slight increase of 2.3% from last year's ₱41.41 billion as higher selling prices of most products were offset by lower volumes of polymers (from 503,572 MT in 2017 to 398,070 MT in 2018) and pygas (from 250,178 MT in 2017 to 218,484 MT in 2018).. Costs and expenses also increased by 17.1% from ₱36.08 billion in 2017 to ₱42.25 billion in 2018 due to higher naphtha cost. Interest expense increased by 84.5% to ₱311.61 million in 2018 from ₱109.51 million in 2017 due to the ₱18.60 billion net increase in trust receipts. A net foreign exchange gain of ₱16.88 million was also recognized in 2018 from last year's gain of ₱61.90 million. All these factors contributed to the net income of ₱1.05 billion in 2018 from ₱5.99 billion in 2017.

Banking services, generated banking revenue of ₱6.13 billion in 2018, a 37.0% increase from last year's ₱4.48 billion brought about by higher interest income from finance receivables. Costs and expenses also increased by 37.5% as the bank continued its expansion, including higher interest expense on deposits from ₱1.13 billion in 2017 to ₱2.19 billion in 2018. As a result, net income for the year ended December 31, 2018 amounted to ₱317.68 million, a 3.4% increase from last year's ₱307.21 million.

Equity in net earnings of associate companies and joint ventures amounted to ₱10.18 billion for the year ended December 31, 2018, a 2.8% increase from last year's ₱9.91 billion mainly attributable to the 17.6% increase in equity earnings from Meralco from ₱5.60 billion last year to ₱6.59 billion this year as a result of higher sales volume and the additional 2.4% equity share acquired in June 2017, partially offset by the decline in equity in net earnings from United Industrial Corporation, Limited (UIC). UICL recorded an 18.1% decline in its net income from operations from S$305.98 million in 2017 to S$250.62 million in 2018 due to lower sales of trading properties as UIC's development projects were completed and substantially sold in 2017. Since the Group's policy for the valuation of property, plant and equipment is the cost basis method, the equity income taken up by the Group represents the adjusted amounts after reversal of the effect in the income statement of the revaluation of the said assets.

FINANCIAL RESOURCES AND LIQUIDITY

2020 vs 2019

Cash and cash equivalents increased to ₱81.5 billion as of December 31, 2020, from ₱64.3 billion as of December 31, 2019. Cash provided by operating activities amounted to ₱15.8 billion. As of December 31, 2020, net cash used in investing activities amounted to ₱30.6 billion mainly for the Group's capital expenditure program. The Group's net cash provided by financing activities amounted to ₱31.9 billion mainly due to net availments for short-term and long-term debts. Our financial assets, including those held at fair value through profit and loss (FVTPL) (excluding derivative assets), fair value though other comprehensive income (FVOCI), and investment securities at amortized cost amounted to ₱78.4 billion, a 26.3% increase from ₱62.1 billion as of December 31, 2019 due to additional investments in private bonds and government securities.

Receivables, including noncurrent portion increased by 13.2% from ₱119.5 billion as of December 31, 2019 to ₱135.2 billion as of December 31, 2020 mainly due to the increase in finance receivables of the banking business and installment contract receivables of the real estate business.

Inventories increased 10.6% from ₱68.5 billion as of December 31, 2019 to ₱75.8 billion as of December 31, 2020 primarily due to higher level of capital expenditures for new and ongoing projects of the real estate business.

Biological assets, including noncurrent portion, decreased by 76% due to decline in hogs population and write-down from restructuring.

Other current assets increased by 16% from ₱23.2 billion as of December 31, 2019 to ₱27.0 billion as of December 31, 2020 mainly due to input VAT of the petrochemicals business and increase in cash under escrow of RLC and CEB.

Investment in associates and joint ventures decreased by 8.2% from ₱151.7 billion as of December 31, 2019 to ₱139.3 billion as of December 31, 2020, due to reclassification of our investment in GBPC as 'Asset held for sale' as of December 31, 2020.

Investment properties increased 5.73% from ₱99.0 billion as of December 31, 2019 to ₱104.7 billion as of December 31, 2020 primarily due to acquisition of several land properties both for residential and commercial development, and ongoing constructions of the real estate business during the year.

Right-of-Use Assets increased 12.3% from ₱20.5 million as of December 31, 2019 due to additional lease contract qualifying under PFRS 16.

Other noncurrent assets went up by 24.3% from ₱13.4 billion as of December 31, 2019 to ₱16.7 billion as of December 31, 2020 mainly due to higher level of the Group's deferred tax assets and RLC's advances to lot owners.

Consolidated total assets reached ₱999.6 billion as of end of December 2020.

Accounts payable and accrued expenses increased by 18.0% from ₱146.3 billion as of December 31, 2019 to ₱172.6 billion as of December 31, 2020 primarily due to higher level of deposit liabilities of the banking business.

Short term debt decreased 18.0% to ₱44.4 billion as of December 31, 2020 from ₱54.0 billion as of December 31, 2019 mainly due to settlements made by JG and RLC coming from the proceeds of bond issuances.

Income tax payable decreased 69.9% mainly due to the Group's lower income tax due, coupled with income tax payments made during the period.

Other current liabilities amounted to ₱43.6 billion as of December 31, 2020, a 20.5% increase from ₱36.2 billion as of December 31, 2019 primarily due to increase in RLC's deposits from real estate buyers, partially offset by CEB's lower unearned transportation revenue on forward bookings driven by weak travel demand brought about by the COVID-19 global pandemic.

Long-term debt, including current portion, increased 24.4% from ₱218.9 billion as of December 31, 2019 to ₱272.3 billion as of December 31, 2020 primarily as a result of the additional term loans availed by PET and bond issuances of RLC and the Parent Company during the period.

Other noncurrent liabilities decreased to ₱49.3 billion as of December 31, 2020 from ₱54.1 billion as of December 31, 2019 due to lower level of noncurrent deposit liabilities of the banking business partially offset by the increase in CEB's travel fund payable and the Group's lease liabilities.

Stockholders' equity, excluding minority interest, stood at ₱308.3 billion as of December 31, 2020 from ₱304.8 billion last year.

Book value per share amounted to ₱40.99 as of December 31, 2020 from ₱42.55 as of December 31, 2019.

2019 vs 2018

Cash and cash equivalents increased to ₱64.3 billion as of December 31, 2019, from ₱49.2 billion as of December 31, 2018. Cash provided by operating activities amounted to ₱52.4 billion. As of December 31, 2019, net cash used in investing activities amounted to ₱58.2 billion mainly for the Group's capital expenditure program. The Group's net cash provided by financing activities amounted to ₱21.0 billion mainly due to net availments for short-term and long-term debts. Our financial assets, including those held at fair value through profit and loss (FVTPL) (excluding derivative assets), fair value though other comprehensive income (FVOCI), and investment securities at amortized cost amounted to ₱62.1 billion, a 4.1% increase from ₱59.6 billion as of December 31, 2018 due to higher market valuation during the year.

Receivables, including noncurrent portion increased by 16.1% from ₱93.5 billion as of December 31, 2018 to ₱108.6 billion as of December 31, 2019 mainly due to the increase in finance receivables of the banking business.

Inventories increased 7.9% from ₱63.5 billion as of December 31, 2018 to ₱68.5 billion as of December 31, 2019 primarily due to higher level of capital expenditures for new and ongoing projects of the real estate business.

Biological assets, including noncurrent portion, decreased by 13.6% due to decline in hogs population and write-down from restructuring

Other current assets decreased by 5.5% from ₱24.6 billion as of December 31, 2018 to ₱23.2 billion as of December 31, 2019 mainly due to decrease in cash under escrow which will mainly be used for the construction of real estate inventories.

Investment properties increased 5.5% from ₱93.8 billion as of December 31, 2018 to ₱99.0 billion as of December 31, 2019 primarily due to acquisition of several land properties both for residential and commercial development, and ongoing constructions of the real estate business during the year.

Property, plant and equipment increased 18.8% from ₱218.3 billion as of December 31, 2018 to ₱259.2 billion due to acquisition of five Airbus A321 NEO aircraft offset by the sale of three (3) Airbus A320 aircraft and two (2) Airbus A330 engine in 2019 by the airline business, as well as expansion projects of the petrochemicals business.

Right-of-Use Assets amounting to ₱20.5 billion was recognized as of December 31, 2019 as a result of the adoption of PFRS 16 in 2019.

Consolidated total assets reached ₱928.3 billion as of end of December 2019.

Accounts payable and accrued expenses increased by 10.3% from ₱132.7 billion as of December 31, 2018 to ₱146.3 billion as of December 31, 2019 primarily due to higher level of deposit liabilities and bills payable of the banking business.

Short term debt increased 52.4% to ₱54.0 billion as of December 31, 2019 from ₱35.5 billion as of December 31, 2018 due to additional loans of RLC, URC, Petrochem, and the Parent Company during the period.

Contract liabilities (current and noncurrent) recognized by the real estate business amounted to ₱17.1 billion as of December 31, 2019, a 12.0% increase from ₱15.3 billion as of December 31, 2018 mainly due to increase in reservation sales during the year. Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred based on percentage of completion.

Lease liabilities (current and noncurrent) amounting to ₱21.1 billion was recognized as of December 31, 2019 as a result of the adoption of PFRS 16 in 2019.

Deferred tax liabilities amounted to ₱8.3 billion as of December 31, 2019, a 5.6% increase from ₱7.9 billion as of December 31, 2018 due to higher deferred tax liabilities of the real estate business.

Other noncurrent liabilities increased to ₱35.8 billion as of December 31, 2019 from ₱32.8 billion as of December 31, 2018 due to higher deposit liabilities of the banking business, as well as higher pension liabilities of the Group.

Stockholders' equity, excluding minority interest, stood at ₱304.8 billion as of December 31, 2019 from ₱276.6 billion last year.

Book value per share amounted to ₱42.55 as of December 31, 2018 from ₱38.61 as of December 31, 2018.

<u>2018 vs 2017</u>

Cash and cash equivalents decreased to ₱49.19 billion as of December 31, 2018, from ₱54.34 billion as of December 31, 2017. Cash provided by operating activities amounted to ₱56.64 billion. As of December 31, 2018, net cash used in investing activities amounted to ₱86.03 billion mainly for the Group's capital expenditure program. The Group's net cash provided by financing activities amounted to ₱24.25 billion mainly due to the Group's additional loan availments during the year, and the net proceeds from stock rights offering of RLC. Our financial assets, including those held at fair value through profit and loss (FVTPL) (excluding derivative assets), fair value though other comprehensive income (FVOCI), and investment securities at amortized cost amounted to ₱59.62 billion, a 2.2% decrease from ₱60.95 billion as of December 31, 2017 due to lower market valuation during the year.

Receivables, including noncurrent portion increased by 3.6% from ₱90.26 billion as of December 31, 2017 to ₱93.53 billion as of December 31, 2018 mainly due to the significant increase in finance receivables of the banking business.

Inventories increased 15.9% from ₱54.76 billion as of December 31, 2017 to ₱63.47 billion as of December 31, 2018 due to higher level of finished goods of the food and petrochemicals businesses, as well as increase in subdivision land, condominium and residential units for sale of the real estate business.

Biological assets, including noncurrent portion, decreased by 34.0% due to decline in headcount and market prices of hogs.

Other current assets increased from ₱12.85 billion as of December 31, 2017 to ₱29.65 billion as of December 31, 2018 mainly coming from RLC's recognition of contract assets in accordance with PFRS 15 as well as deposits received from buyers of Cheng Du Xin Yao.

Investment properties increased 7.8% from ₱87.02 billion as of December 31, 2017 to ₱93.82 billion as of December 31, 2018 primarily due to acquisition of several land properties both for residential and commercial development, and ongoing constructions of the real estate business during the year.

Property, plant and equipment increased 20.2% from ₱181.66 billion as of December 31, 2017 to ₱218.27 billion due to the acquisition of four ATR 72-600 and seven Airbus A321 CEO aircraft, offset by the sale of one Airbus A319 of the airline business, as well as expansion projects of the petrochemicals business.

Other noncurrent assets went up by 81.7% from ₱10.87 billion as of December 31, 2017 to ₱19.74 billion as of December 31, 2018 due to the CEB's prepayments for Airbus A330 life limited engine parts, power by the hour charges and engine overhaul, and increase in RLC's advances to lot owners and advances to suppliers and contractors for ongoing projects

Consolidated total assets reached ₱819.29 billion as of end of December 2018.

Accounts payable and accrued expenses increased by 16.5% from ₱113.88 billion as of December 31, 2017 to ₱132.66 billion as of December 31, 2018 due to higher level of trade payables of the airline and food businesses, and deposit liabilities and bills payable of the banking business.

Short term debt decreased 22.7% to ₱34.45 billion as of December 31, 2018 from ₱45.88 billion as of December 31, 2017 due to full settlement of short-term loans of the Parent Company and RLC.

Derivative liabilities, including noncurrent portion, which amounted to ₱763.32 million as of December 31, 2018 pertain mainly to CEB's fuel derivative contracts.

Other current liabilities increased 104.4% to ₱27.98 billion as of December 31, 2018 due to the current portion of RLC's contract liabilities to real estate customers, and CEB's higher unearned transportation revenue on sale of passenger travel services.

Long-term debt, including current portion, increased 15.7% from ₱181.69 billion as of December 31, 2017 to ₱210.25 billion as of December 31, 2018 due to additional term loans availed by the Parent Company and CEB during the period.

Deferred tax liabilities amounted to ₱7.88 billion as of December 31, 2018, a 9.3% increase from ₱7.21 billion as of December 31, 2017 due to higher deferred tax liabilities of RLC.

Other noncurrent liabilities increased to ₱35.05 billion as of December 31, 2018 from ₱28.91 billion as of December 31, 2017 due to CEB's higher provision for asset retirement obligation, RLC's noncurrent contract liabilities to real estate customers, and RBC's higher deposit liabilities.

Stockholders’ equity, excluding minority interest, stood at ₱276.59 billion as of December 31, 2018 from ₱267.84 billion last year.

Book value per share amounted to ₱38.61 as of December 31, 2018 from ₱37.13 (as restated) as of December 31, 2017.

KEY FINANCIAL INDICATORS

The Company sets certain performance measures to gauge its operating performance periodically and to assess its overall state of corporate health. Listed below are the major performance measures, which the Company has identified as reliable performance indicators. Analyses are employed by comparisons and measurements on a consolidated basis based on the financial data as of and for the year ended December 31, 2020, 2019 and 2018.

Key Financial Indicators	**2020**	2019	2018
Revenues	₱221.64 billion	₱301.82 billion	₱291.92 billion
EBIT	₱12.10 billion	₱56.20 billion	₱45.26 billion
EBITDA	₱43.71 billion	₱83.94 billion	₱65.83 billion
Core net income after taxes	₱450 million	₱25.29 billion	₱22.40 billion
Net income attributable to equity holders of the Parent Company	(₱468 million)	₱31.29 billion	₱19.19 billion
Liquidity Ratio:			
Current ratio	1.02	0.96	0.93
Solvency ratios:			
Gearing ratio	0.78	0.67	0.67
Net debt to equity ratio	0.60	0.52	0.53
Asset-to-equity ratio	2.45	2.27	2.23
Interest rate coverage ratio	4.51	7.65	6.83
Profitability ratio:			
Operating margin	0.05	0.19	0.16
Book value per share	₱40.99	₱42.55	₱38.61

The manner in which the Company calculates the above key performance indicators is as follows:

Key Financial Indicators		
Revenues	=	Total of sales and services, income from banking business, dividend income and equity in net earnings
EBIT	=	Operating income
EBITDA	=	Operating income add back depreciation and amortization expense
Core net income after taxes	=	Net income attributable to equity holders of Parent Company as adjusted for the net effect of gains/losses on foreign exchange, market valuations and other nonrecurring items.
Current ratio	=	Total current assets over current liabilities
Gearing ratio	=	Total financial debt over total equity
Net debt to equity ratio	=	Total financial debt less cash including financial assets at FVTPL and FVOCI investments (excluding RBC cash, financial assets at FVTPL and FVOCI investments) over total equity
Asset-to-equity ratio	=	Total assets over total equity
Interest rate coverage ratio	=	EBITDA over interest expense
Operating Margin	=	Operating income over total revenue
Book value per share	=	Stockholders’ equity (equity attributable to parent excluding preferred capital stock) over outstanding number of common shares

Current assets amounted to ₱301.3 billion while current liabilities reached ₱295.6 billion, for a current ratio of 1.02:1. Total financial debt amounted to ₱316.8 billion in 2020, higher than last year's ₱273.0 billion. The Company's indebtedness remains manageable with a gearing ratio of 0.78:1, well within the financial covenant of 2.0:1. Net debt stood at ₱246.2 billion, bringing our net debt to equity ratio to 0.60:1.

The Company, in the normal course of business, makes various commitments and has certain contingent liabilities that are not reflected in the accompanying consolidated financial statements. The commitments and contingent liabilities include various guarantees, commitments to extend credit, standby letters of credit for the purchase of equipment, tax assessments and bank guarantees through its subsidiary bank. The Company does not anticipate any material losses as a result of these transactions.

DISCLOSURE OF EFFECTS OF PESO DEPRECIATION AND OTHER CURRENT EVENTS

Refer to Management Discussion and Analysis on pages 56-80 of this report and Note 4 to the Consolidated Financial Statements.

Item 7. Financial Statements

The Consolidated Financial Statements and schedules listed in the accompanying Index to Consolidated Financial Statements and Supplementary Schedules (page 95) are filed as part of this report.

Item 8. Information on Independent Accountant and other Related Matters

A. External Audit Fees and Services

Audit and Audit - Related Fees

The following table sets out the aggregate fees billed to the Company for each of the last three (3) years for professional services rendered by SyCip Gorres Velayo & Co.,

	2020	**2019**	2018
Audit and Audit-Related Fees			
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱3,790,000**	₱3,610,000	₱3,340,000
All Other Fees	**5,500,000**	None	4,000,000
Total	**₱9,290,000**	₱3,610,000	₱7,340,000

No other service was provided by external auditors to the Company for the calendar years 2020, 2019 and 2018.

The audit committee's approval policies and procedures for the services rendered by the external auditors

The Corporate Governance Manual of the Company provides that the audit committee shall, among others:

1. Evaluate all significant issues reported by the external auditors relating to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company.
2. Ensure that other non-audit work provided by the external auditors is not in conflict with their functions as external auditors.
3. Ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

B. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

NONE.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

The names and ages of the directors, member of the advisory board and executive officers of the Company are as follows:

1. Directors

Name	Age	Position	Citizenship
James L. Go	81	Director, Chairman	Filipino
Lance Y. Gokongwei	54	Director, President and Chief Executive Officer	Filipino
Lily G. Ngochua	89	Director	Filipino
Patrick Henry C. Go	50	Director	Filipino
Johnson Robert G. Go, Jr.	55	Director	Filipino
Robina Y. Gokongwei-Pe	59	Director	Filipino
Cirilo P. Noel	63	Director	Filipino
Jose T. Pardo	81	Director (Independent)	Filipino
Renato T. De Guzman	70	Director (Independent)	Filipino
Antonio L. Go	80	Director (Independent)	Filipino

2. Executive Officers

Name	Age	Position	Citizenship
Michael P. Liwanag	47	Senior Vice President, Investor Relations and Chief of Staff	Filipino
Bach Johann M. Sebastian	59	Senior Vice President, Strategic Investment	Filipino
Nicasio L. Lim	64	Senior Vice President, Corporate Human Resources Group	Filipino

Name	Age	Position	Citizenship
Maria Celia H. Fernandez-Estavillo	49	Senior Vice President, General Counsel and Corporate Secretary	Filipino
Renato T. Salud	57	Senior Vice President, Corporate Affairs and Sustainability	Filipino
Aldrich T. Javellana	47	Senior Vice President and Treasurer	Filipino
Francisco M. Del Mundo	50	Senior Vice President, Chief Financial Officer and Compliance Officer	Filipino
Lisa Y. Gokongwei-Cheng	52	Senior Vice President, Digital Transformation and Corporate Services	Filipino
Alan D. Surposa	57	Senior Vice President and Chief Procurement Officer	Filipino
Carlos G. Santos	47	Vice President, Corporate Services and Chief Information Officer	Filipino
Andre Ria B. Buzeta-Acero	41	Assistant Corporate Secretary	Filipino
Ian Pajantoy	55	Data Protection Officer	Filipino

All of the above directors and officers have served their respective offices since May 13, 2020 except Ms. Acero who was appointed to her position on October 1, 2020.

Messrs. Jose T. Pardo, Renato T. De Guzman and Antonio L. Go are the independent directors of the Company as defined under SRC Rule 38.1.

The directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Officers and members of the advisory board are appointed or elected annually by the Board of Directors. Appointed or elected officers and advisory board members are to hold office until a successor shall have been elected, appointed or shall have qualified.

A brief description of the directors, advisory board members and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

Directors

1. ***James L. Go***, 81 is the Chairman of JGSHI and Cebu Air, Inc. He is the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation, JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a Director of Meralco Powergen Corporation. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of the PLDT Inc. (PLDT) since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT. He was elected a director of Manila Electric Company on December 16, 2013. Mr. James L. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

2. ***Lance Y. Gokongwei***, 54, is the President and Chief Executive Officer of JGSHI. He is the Chairman of Robinsons Retail Holdings, Inc., Universal Robina Corporation, Robinsons Land Corporation, Altus Property Ventures, Inc., JG Summit Petrochemical Corporation, JG

Summit Olefins Corporation and Robinsons Bank Corporation. He is also the President and Chief Executive Officer of Cebu Air, Inc. He is a director and Vice Chairman of Manila Electric Company and is a Director of Oriental Petroleum and Minerals Corporation, United Industrial Corporation Limited and Meralco Powergen Corporation. He is a member of the Board of Global Reporting Initiative. He is a trustee and Chairman of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

3. ***Lily G. Ngochua***, 89, has been a director of JGSHI since its formation in 1990. She is responsible for overseeing the Company's hotel and agro-industrial business in Cebu. She also supervises the purchasing and treasury departments of the URC Biscuit and Noodle Plants in Cebu and handles the treasury functions of the retail and mall business in Cebu. She received a Bachelor of Arts degree from Maryknoll College in Quezon City in 1957.

4. ***Patrick Henry C. Go***, 50, has been a director of JGSHI since 2000. He is currently a director and Executive Vice President of Universal Robina Corporation and is the President and Chief Executive Officer of JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. In addition, he is a director of Robinsons Land Corporation and Robinsons Bank Corporation and Meralco Powergen Corporation. He is a trustee and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo De Manila University and attended the General Management Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

5. ***Johnson Robert G. Go, Jr.***, 55, has been a director of JGSHI since August 18, 2005. He is currently a director of Universal Robina Corporation, Robinsons Land Corporation, Robinsons Bank Corporation and A. Soriano Corporation. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

6. ***Robina Y. Gokongwei,*** 59, has been a director of JGSHI since April 15, 2009. She is the President and Chief Executive Officer of Robinsons Retail Holdings, Inc. (RRHI). Operating a diverse portfolio of brands, RRHI is one of the largest multi-format retailers in the country and is included in the Philippine Stock Exchange main index. She is also a director of Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation. She is a trustee and the secretary of the Gokongwei Brothers Foundation, Inc. and a trustee of the Immaculate Concepcion Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission and was a former trustee of the Ramon Magsaysay Awards Foundation. She attended the University of the Philippines-Diliman from 1978 to 1981 and obtained a Bachelor of Arts degree (Journalism) from New York University in 1984. She has two children, Justin, 25 and Joan, 15. She is married to Perry Pe, a lawyer.

7. ***Cirilo (Vic) P. Noel***, 63, has been a director of JGSHI since May 28, 2018. He is a lawyer and certified public accountant (CPA). He holds Chairman's position at Palm Concepcion Power Corporation (since June 2018) and Juxtapose Ergo Consultus, Inc. (since May 2019). He is also a member of the Board of Directors of PLC- Security Bank Corporation (since April 2018) and appointed Vice Chairman in April 2020. He is likewise a Board member of the following PLCs - Globe Telecom), Inc. (since April 2018), San Miguel Foods and Beverage), Inc. (since September 2018), and Robinsons Retail Holdings, Inc. (since August 2020). Vic also sits as a Board member of Transnational Diversified Corporation (since August 2020), Eton Properties, Inc. (since April 2019), Amber Kinetics Holdings Co. PTE

Ltd. (since March 2018), LH Paragon Group, Golden ABC (since January 2018). He is a member of the Board of St. Luke's Medical Center-Global City (since August 2017). He is also a member of the Board of Trustees of St. Luke's Medical Center-Quezon City (since August 2017), St. Luke's Medical Center College of Medicine (since September 2018), and St. Luke's Medical Center Foundation, Inc. (from August 2018). He is also currently affiliated with the Makati Business Club, Harvard Law School Association of the Phils., and Harvard Club of the Philippines. Vic was a member of the Board of Directors of Philippine Airlines (from 2018 to 2019), PLC PAL Holdings, Inc. (from 2018 to 2019), Cal Comp Technology (Philippines) Inc. (from 2018 to 2020), and Transnational Diversified Group Inc (from August 2019 to August 2020). He held various positions in SGV & Co. Including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2016), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008), and Partner, Tax Services (from 1993 to 2017). He was also Ernst & Young (EY) ASEAN Tax Head and Far East Area Tax Leader (from 2004 to 2009). From 2004 to 2009, he was a Member of the E&Y Global Advisory Council and a Presiding Partner of the Asia Pacific Council. He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Law degree from the Ateneo Law School. He has a Master of Law degree from the Harvard Law School and a Fellow of the Harvard International Tax Program. He attended the AIM Management Development Program.

8. ***Jose T. Pardo***, 81, has been an independent director of JGSHI since August 6, 2003. He is presently the Chairman of the Philippine Stock Exchange, Securities Clearing Corporation of the Philippines, Philippine Savings Bank, Bank of Commerce, and Philippine Seven Corporation. He is also a Director of the National Grid Corporation of the Philippines, Monte Oro Grid Resources Corporation, Del Monte Philippines, Inc., ZNN Radio Veritas, League One Finance and Leasing Corporation, Araneta Hotels, Inc. and Synergy Grid and Development Phils., Inc. He also held positions in Government as former Secretary of the Department of Finance and former Secretary of the Department of Trade and Industry. Mr. Pardo is Chairman of PCCI Council of Business Leaders and ECOP Council of Business Leaders. He obtained his Bachelor of Science degree in Commerce, Major in Accounting and his Master's Degree in Business Administration from the De La Salle University in Manila. He has been conferred on February 10, 2018 an Honorary Doctorate in Finance by the De La Salle University in Manila.

   Mr. Pardo's expertise and many years of experience have been invaluable to the management of JGSHI in steering the company to the heights it has achieved and will attain in the future. We note that while SEC Memorandum Circular (MC) No. 19, Series of 2016 limits the term of independent directors to nine (9) years reckoned from 2012, the affirmative vote of stockholders representing majority of the Corporation's total outstanding capital stock for the election of Mr. Pardo shall be deemed approval from the stockholders for Mr. Pardo to serve as independent director of JGSHI for the ensuing year, as required under the aforementioned SEC MC.

9. ***Mr. Renato T. de Guzman**, 70*, has been an independent director of JGSHI since April 28, 2015. He was appointed Chairman of the Board of Trustees of the Government Service Insurance System in July 2015 under the previous administration and served as such until December 2016. He is currently a Director of Maybank Philippines, Inc. since April 2016 and Maybank Singapore Limited as of July 1, 2019. He is the Chairman of Nueva Ecija Good Samaritan Health System, Inc. and Good Samaritan College. He was a Senior Adviser of the Bank of Singapore until September 2017, Chief Executive Officer of the Bank of Singapore (January 2010-January 2015), ING Asia Private Bank (May 2000-January 2010), Country Manager Philippines of ING Barings (1990-2000), and Deputy Branch Manager of BNP

Philippines (1980-2000). He holds a Bachelor of Science in Management Engineering from the Ateneo de Manila University, Master's Degree in Business Administration with Distinction at the Katholieke Universiteit Leuven, Belgium and a Masters in Management from McGill University, Canada.

10. ***Antonio L. Go***, 80, has been an independent director of JGSHI since May 28, 2018. He is a Director of Equitable Computer Services, Inc. and is the Chairman of Equicom Savings Bank, ALGO Leasing and Finance, Inc. and My Health Ventures Corporation. He is also the Vice Chairman of Maxicare Healthcare Corporation. He is also a Director of Medilink Network, Inc., Equicom Manila Holdings, Equicom Inc., Equitable Development Corporation, United Industrial Corporation Limited (Singapore), T32 Dental Centre (Singapore), Dental Implant and Maxillofacial Centre (Hong Kong), Oriental Petroleum and Minerals Inc., Pin-An Holdings, Inc., Equicom Information Technology, Robinsons Retail Holdings, Inc., Cebu Air, Inc., and Steel Asia Manufacturing Corporation. He is a Non-Executive Officer of Dito Telecommunity Corporation. He is also a Trustee of Go Kim Pah Foundation, Equitable Foundation, Inc., and Gokongwei Brothers Foundation, Inc. He graduated from Youngstown University, United States with a Bachelor Science Degree in Business Administration. He attended the International Advance Management program at the International Management Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankcard Management, Northwestern University, United States.

Executive Officers

1. ***Mr. Michael P. Liwanag**,* 47*,* is the Senior Vice President, Investor Relations and Chief of Staff to the CEO of JGSHI. He is also a Senior Vice President of Universal Robina Corporation (URC). Prior to his current role in JGSHI, he was the Vice President for Corporate Strategy and Development of URC until May 14, 2018. Before joining URC in 2001, he was exposed to different business functions such as Strategic Management, Mergers and Acquisitions, Program Management and Business Analytics in Digital Telecommunications Phils., Inc., Global Crossings and Philippine Global Communications, Inc. He studied Engineering at the University of the Philippines, is a Certified Management Accountant (ICMA Australia) and an alumni of the Harvard Business School (AMP).

2. ***Bach Johann M. Sebastian***, 59, is the Senior Vice President, Strategic Investment of JGSHI. He had been a Senior Vice President and Chief Strategist of JGSHI until May 14, 2018. He is also a Senior Vice President of Universal Robina Corporation, Robinsons Land Corporation, Cebu Air, Inc. and Robinsons Retail Holdings, Inc. Prior to joining JGSHI in 2002, he was Senior Vice President and Chief Corporate Strategist at PSI Technologies and RFM Corporation. He was also Chief Economist, Director of Policy and Planning Group at the Department of Trade and Industry. He received a Bachelor of Arts degree in Economics from the University of the Philippines and his Master's in Business Management degree from the Asian Institute of Management.

3. ***Nicasio L. Lim***, 64, is the Senior Vice President of the Corporate Human Resources Group of JGSHI. Nic is a Human Resource Executive with 43 years solid experience in Human Resources, 21 of those years in San Miguel Corporation (SMC), 5 in Kraft Foods International (KFI), and now 17 years with JG Summit Holdings, Inc. (JGSHI), one of the biggest and most diversified conglomerates in the country and the Pan-Asian / Oceania region. In JG Summit, he heads not only the overall HR function, but also Safety and Security and Third-Party Outsourcing. He partners with the Executive Committee and the Leadership Teams of the different Strategic Business Units on these areas. All HR Heads, Security and Safety Heads and Third-Party Managers in the Strategic Business Units functionally report to him. He was conferred the People Manager of the Year Award given by the People

Management Association of the Philippines (PMAP) in 2007. Through the years, he has coined several HR mantras that are circulating in HR circles. Some of these would be: "Behind every business issue is a people issue;" "Growing the business goes hand in hand with growing the people;" "HR is a vocation;" and "HR should be in the Boardroom." Through these quotes, he clearly conveys the reverberating message that HR should be strategic partners of the business. He calls the work that he does a vocation and the biggest achievement that he considers in his 43 years of HR experience is mentoring a significant number of HR professionals. He is now on his third generation of mentees. All his students would describe him as unceasing, overly passionate, extremely results-oriented, incredibly fast and with a golden heart. He graduated with a Bachelor's Degree on Business Administration at the De La Salle University and pursued advanced Human Resource Executive Program at the University of Michigan-USA. He is happily married to Benilda Lim and is the father of 3 children and a grandfather to 3 grandkids. Nic, in summary, has spent all his years of corporate life in pursuing his calling in his chosen vocation, which is, evolving the human resources function, and continuously raising its bar in both the domestic and foreign soil.

4. ***Maria Celia H. Fernandez-Estavillo***, 49, is the Senior Vice President and General Counsel of JGSHI since March 1, 2017. She was appointed as Corporate Secretary of JGSHI, Universal Robina Corporation and JG Summit Petrochemical Corporation on October 1, 2020. She was also appointed as Assistant Secretary of Gokongwei Brothers Foundation, Inc. on October 1, 2020. Prior to her appointment in JGSHI, Atty. Fernandez-Estavillo was the head of the Legal and Regulatory Affairs Group, Corporate Secretary and member of the Board of Directors of Rizal Commercial Banking Corporation. She was Assistant Vice President of Global Business Development of ABS-CBN. She also held positions in government as Head of the Presidential Management Staff, Assistant Secretary at the Department of Agriculture and Chief of Staff of Senator Edgardo J. Angara. She began her legal career in ACCRA. She graduated from the University of the Philippines with a Bachelor of Science degree in Business Economics (Summa Cum Laude) and a Bachelor of Laws degree (Cum Laude). She completed her Master of Laws (LLM) in Corporate Law from New York University School of Law. She received the highest score in the Philippine Bar examinations of 1997.

5. ***Renato T. Salud***, 57, is the Senior Vice President for Corporate Affairs and Sustainability of JGSHI. Prior to joining JGSHI in March 2016, he was the Corporate Relations Director, Asia for Diageo Asia Pacific based in Singapore. In this role, he had oversight on a number of Asian countries in the areas of regulation, communications and corporate social responsibility. He has extensive experience in working with governments in formulating best practice policy recommendations. He started his career as Legislative Liaison Officer for the Department of National Defense and speechwriter for Defense Secretary Fidel Ramos. In 1992, when Fidel Ramos became President of the Philippines, he continued to serve him at the Office of the Press Secretary until 1998. He moved into the private sector with Pfizer Philippines where he was Corporate Affairs Director for two years. From 2000 to 2006, he then joined Philip Morris, starting as Philip Morris Philippines Corporate Affairs Director before moving to Hong Kong to take on the role of Director for Communications for Asia Pacific. He later became Regional Corporate Affairs Director for Eastern Europe, Africa and Middle East based in Switzerland and by the time he left Philip Morris to join Diageo in 2006, he held the position of Regional Corporate Affairs Director for the European Union. He has degrees in business and law both from Ateneo de Manila University. He also obtained his Master's Degree in Public Administration at Harvard's John F. Kennedy School of Government.

6. ***Aldrich T. Javellana***, 47, is the Senior Vice President and Treasurer of JGSHI. He was appointed Senior Vice President on October 2, 2017 and has been Vice President-Treasurer of JGSHI since January 2, 2012. Prior to joining JGSHI in 2003, he worked in Corporate Finance with CLSA Exchange Capital. He graduated from De La Salle University with a degree in BS Accountancy and is a Certified Public Accountant.

7. ***Francisco M. Del Mundo*****,** 50, is the Senior Vice President, Chief Financial Officer (CFO) and Compliance Officer of JG Summit Holdings Inc. (JGSHI). He is also concurrently the CFO of Universal Robina Corporation (URC) and Aspen Business Solutions, Inc. (ABSI). In 2013, he joined JGSHI as Vice President for JG Summit and Affiliates Shared Services. He was appointed as CFO of URC International the same year, concurrent with his Shared Services role. He brings with him 27 years of experience in all aspects of the finance career. He has built his career from 17 years of rigorous training in Procter & Gamble (P&G) and 3 years in Coca-Cola prior to joining the JG Summit Group. He has worked in three different markets: Manila, Thailand and Singapore, and has held numerous CFO and Regional Finance Head positions, namely: CFO for ASEAN, Head of Accounting Shared Services for Central and Eastern Europe, Middle East and Africa, and Asia Hub Manager for Internal Controls for P&G. During his stint with Coca-Cola, he was the CFO for Coca-Cola Bottlers Philippines, Inc. and concurrently the CEO of Coca-Cola Bottlers Business Services, the company's global shared service handling Philippines, Singapore and Malaysia.

8. ***Lisa Y. Gokongwei-Cheng*****,** 52, is the Senior Vice President, Digital Transformation and Corporate Services of JGSHI since 2020. She is the President and Director of Summit Media (2011 to present). She has held various senior positions and directorships in the group namely: Summit Internet Investments, Inc. (2000), Jobstreet Philippines (2000-2014), JE Holdings, Inc. (2002), Robinsons Retail Holdings, Inc. (2002 to present), I-tech Global Business Solutions, Inc. (2010-2020), Hongkong- China Foods Co. (2013), and as Vice-President and Director of Summit- App Addictive Philippines, Inc. (2000). She was also Vice President at Metromedia Times Corporation (1993 to 1997) and Digital Communications as Project Manager (1995 to 1999). She has a Bachelor of Arts degree from Ateneo de Manila University, and obtained her master's degree in Journalism at Columbia University in 1993.

9. ***Alan D. Surposa,*** 57, is the Senior Vice President and Chief Procurement Officer of JGSHI effective May 30, 2019. He is also the Senior Vice President of Procurement of JG Summit Petrochemicals Group. He is responsible for ensuring that procurement processes operate smoothly and consistently across the group in line with the set procurement policies of the organization. He will synergize procurement policies, procedures and strategies across the different businesses to create a unified procurement group that is efficient, competent and strategically aligned to deliver competitive advantage. In his expanded role, he also exercises strong functional oversight over heads/managers in the different countries whose work revolves around procurement to ensure consistent alignment and synergies across the region. He also handles the Corporate Import & Freight Department of JGSHI. He is a member and formerly a Director of The Purchasing Managers Association of the Philippines. He received his Bachelor of Science degree in Civil Engineering from the Cebu Institute of Technology in Cebu City.

10. ***Carlos G. Santos***, 47, is the Vice President, Corporate Services and Chief Information Officer of JGSHI. He ran the over-all Shared Services Operations of JGSHI from July 1, 2020 to present. He was awarded by the International Data Corporation as the Philippines DX Leader on October 23, 2020 and was given by JGSHI the Pride in Performance Conglomerate Awards for outstanding work in People Capability in 2019 and Digital Transformation in 2020. He was the Chief Information Officer of Universal Robina Corporation (URC) from

July 2017 to June 2020. He was also the Chief Information Officer of Procter & Gamble from February 1999 to June 2017 and received an award of Asia P&G Best Corporate Trainer for multiple years. He graduated with a Bachelor's Degree of Science in Computer Science (Deans Lister) in De La Salle University College of Computer Studies (DLSU CCS). He also obtained his Masters in Information Technology with Distinction as the 1st ever graduate of the MS-IT Program in the Philippines in DLSU CCS.

11. ***Andre Ria B. Buzeta-Acero,*** 41, is the Assistant Corporate Secretary of JGSHI. She joined JGSHI in 2007 as part of the General Counsel Group. Prior to JGSHI, she was a Senior Associate in Castillo Laman Tan Pantaleon & Jose Law Offices. She obtained her Juris Doctor degree from the Ateneo de Manila School of Law in 2007 and was admitted to the Philippine Bar in 2008. She is currently the Corporate Secretary of the Ethanol Producers Association of the Philippines, JG Summit Infrastructure Holdings Corporation, and DHL Summit Solutions, Inc.

12. ***Ian Pajantoy***, 55, is the Data Protection Officer of JGSHI since May 30, 2019. He was tapped as one of the Core Team of the BPO (Shared Services) arm of JGSHI in 2013. Prior to joining the Shared Services Group (now Aspen Business Solutions, Inc), he joined URC as Plant Administrative Services Manager on May 2, 1996. From year 2000 to 2013, Mr. Pajantoy handled different facets of Supply Chain Management (logistics, procurement, & governance). He graduated from Mapua Institute of Technology with a degree in Management and Industrial Engineering and then later on, Techno-MBA from the De La Salle University - Dasmarinas City, Cavite.

Significant Employee

There are no persons who are not executive officers of the Company who are expected to make a significant contribution to the business.

Involvement in Certain Legal Proceedings which occurred during the Past Five Years

None.

Family Relationships

1. Mr. James L. Go is the uncle of Mr. Lance Y. Gokongwei
2. Ms. Lily G. Ngochua is the sister of Mr. James L. Go
3. Ms. Robina Y. Gokongwei-Pe is the niece of Mr. James L. Go and sister of Mr. Lance Y. Gokongwei
4. Mr. Patrick Henry C. Go is the nephew of Mr. James L. Go and cousin of Mr. Lance Y. Gokongwei
5. Mr. Johnson Robert G. Go, Jr. is the nephew of Mr. James L. Go and cousin of Mr. Lance Y. Gokongwei

Item 10. Executive Compensation

The aggregate compensation of executive officers and directors of the Company for the last 2 years and projected for the ensuing year (2020) are as follows:

	PROJECTED 2021				ACTUAL	
	Salary	Bonus	Others	Total	**2020**	**2019**
CEO and Four (4) most highly compensated Executive officers	₱130,481,395	₱2,000,000	₱925,000	₱133,406,395	₱126,415,436	₱139,770,869
All directors and executive officers as a group unnamed	₱289,728,703	₱3,000,000	₱1,800,000	₱294,528,703	₱184,806,395	₱234,978,295

Standard Arrangements

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

Other Arrangements

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

Terms and Conditions of any Employment Contract or any Compensatory Plan or Arrangement between the Company and the Executive Officers.

None.

Outstanding Warrants or Options Held by the Company's CEO, the Executive Officers and Directors.

None.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

As of March 31, 2021, the Company is not aware of anyone who beneficially owns in excess of 5% of the Company's common stock except as set forth in the table below.

(1) Security Ownership of Certain Record and Beneficial Owners

Title of class	Names and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to total outstanding
Common	Gokongwei Brothers Foundation, Inc. 43/F Robinsons-Equitable Tower ADB Ave. cor. Poveda St. Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	2,096,930,273	27.88%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	1,846,177,857 (See note 3)	24.55%
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. Cor. Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	884,564,674 (see note 3)	11.76%
Common	RSB-TIG No. 030-46-000001-9 17/F Galleria Corporate Center, EDSA cor. Ortigas Ave., Quezon City (stockholder)	Trustee's designated officers (see note 4)	Filipino	1,084,985,186	14.43%

Notes:

1. Gokongwei Brothers Foundation, Inc. (the "Foundation") is a non-stock, non-profit corporation organized by the irrevocable donation by the incorporators, who are also Trustees of the Foundation, of shares of JG Summit Holdings, Inc. Under the Articles of Incorporation and By-Laws of the Foundation, except for salaries of employees and honoraria of consultants and similar expenses for actual services rendered to the Foundation or its projects, no part of the corpus or its income and increments shall benefit or be used for the private gain of any member, trustee, officer or any juridical or natural person whatsoever. The Chairman of the Board of Trustees shall exercise exclusive power and authority to represent and vote for any shares of stock owned by the Foundation in other corporate entities. The incumbent Chairman of the Board of Trustees of the Foundation is Mr. Lance Y. Gokongwei.
2. PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly-owned by Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current system of the PDTC, only participants (brokers and custodians) are recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participant is the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.
3. Out of the PCD Nominee Corporation account, "Citibank N.A." and "Philippine Equity Partners, Inc." hold for various trust accounts the following shares of the Corporation as of March 31, 2021:

	No. of shares	% to Outstanding
Citibank N.A.	1,064,860,279	14.16%
Maybank ATR Kim Eng Securities, Inc.	327,724,934	4.36%

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

4. Robinsons Bank - Trust & Investment Group (RSB-TIG) is the trustee of this trust account. The shares are voted by the trustee's designated officers.

(2) Security Ownership of Management

Title of class	Names of beneficial owner	Position	Amount and nature of beneficial ownership	Citizenship	% to total outstanding
A. Named Executive Officers [1]					
Common	1. James L. Go	Chairman	156,113,638(D)	Filipino	2.08%
Common	2. Lance Y. Gokongwei	Director, President and Chief Executive Officer	568,930,503(D)	Filipino	7.56%
Common	3. Patrick Henry C. Go	Director	98,175(D)	Filipino	*
Common	4. Robina Y. Gokongwei-Pe	Director	188,433,000(D)	Filipino	2.51%
			913,575,316		12.15%
B. Other Directors and Executive Officers					
Common	6. Lily G. Ngochua	Director	407,418(D)	Filipino	*
Common	7. Johnson Robert G. Go, Jr.	Director	1(D)	Filipino	*
Common	8. Cirilo P. Noel	Director	1(D)	Filipino	*
Common	9. Jose T. Pardo	Director (Independent)	1(D)	Filipino	*
Common	10. Renato T. De Guzman	Director (Independent)	22,838(D)	Filipino	*
Common	11. Antonio L. Go	Director (Independent)	1(D)	Filipino	*
Common	12. Lisa Y. Gokongwei-Cheng	Senior Vice President, Digital Transformation and Corporate Services	143,986,500(D)	Filipino	1.91
Common	12. Maria Celia H. Fernandez-Estavillo	Senior Vice President and General Counsel	5,250(D)	Filipino	*
			144,422,010		1.92%
			1,057,997,326		14.07%

Notes:

D - Direct

1. As defined under Part IV (B)(1)(b) of Annex "C" of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2020.

* less than 0.01%.

The other Executive Officers of the Company have no beneficial ownership over any shares of the Company as of March 31, 2021 , namely:

1. Michael P. Liwanag - Senior Vice President
2. Bach Johann M. Sebastian - Senior Vice President
3. Nicasio L. Lim - Senior Vice President
4. Renato T. Salud - Senior Vice President
5. Aldrich T. Javellana - Senior Vice President and Treasurer
6. Francisco M. Del Mundo - Senior Vice President, Chief Financial Officer and Compliance Officer
7. Alan D. Surposa - Senior Vice President
8. Carlos G. Santos - Vice President
9. Ian Pajantoy - Data Protection Officer
10. Andre Ria B. Buzeta-Acero - Assistant Corporate Secretary

(3) Voting Trust Holders of 5% or More

As of March 31, 2021, there are no persons holding more than 5% of a class under a voting trust or similar agreement.

(4) Changes in Control

None

Item 12. Certain Relationships and Related Transactions

See Note 40 (Related Party Transactions Disclosures) of the Notes to Consolidated Financial Statements filed as part of this Form 17-A.

The Company and its subsidiaries and affiliates, in their regular conduct of business, have engaged in transactions with each other and with other affiliated companies, consisting principally of sales and purchases at market prices and advances made and obtained.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Group adheres to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, Code of Ethics and related SEC Circulars. Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that the Group observes good governance and management practices. This is to assure the shareholders that the Group conducts its business with the highest level of integrity, transparency and accountability.

The Group likewise consistently strives to raise its financial reporting standards by adopting and implementing prescribed Philippine Financial Reporting Standards (PFRSs).

Item 14. Sustainability Report

Please refer to the attached Sustainability Report.