

COVER SHEET

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SEC Registration Number

D M C I P R O J E C T D E V E L O P E R S , I N C .

(Company's Full Name)

D M C I C O R P O R A T E C E N T E R
1 3 2 1 A P O L I N A R I O S T B A N G K A L
M A K A T I C I T Y

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

Evangeline H. Atchioco

Contact Person

1	2	3	1
Month		Day	

Fiscal Year

CFD

Dept. Requiring this Doc

11

Total No. of Stockholders

810-77-58

Company Telephone Number

2nd Wednesday of May

Month Day
Annual Meeting

**Annual Report
SEC Form 17-A**

Form Type

N.A.

Secondary License Type, If Applicable

N.A.

Amended Articles Number/Section

Total Amount of Borrowings

--	--

Domestic

Foreign

To be accomplished by SEC Personnel concerned

| | | | | | | | | |

File Number

_____ LCU

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Document ID

_____ Cashier

STAMPS

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SEC Form 17-A (Annual Report for 2018)

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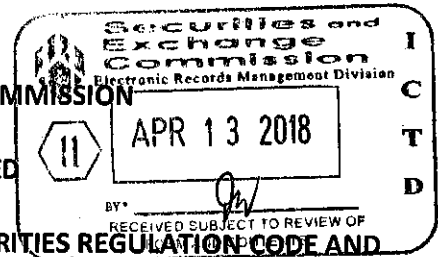
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Note: Annexed herein is the Audited Consolidated Financial Statement of DMCI-PDI for 2018

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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



1. Date of Event Reported: **December 31, 2017**
2. SEC Identification Number **ASO95-004137**
3. BIR Tax Identification No. **004-659-091-000**
4. Exact Name of Issuer as it appears in the Charter: **DMCI Project Developers, Inc.**
5. Province, country or other jurisdiction of incorporation: **Makati City, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of Principal office and Postal Code: **DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, 1233 Makati City**
8. Issuer's telephone number and Area code: **(632)810-77-58/888-3000**
9. **NOT APPLICABLE**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA:
Deferred Coupon-Paying Home Saver Bonds with an aggregate principal amount of up to P1.0 Billion
11. Are any or all of the securities listed on Stock Exchange?
Yes () No (x)
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Check whether the issuer:

- a) has filed the reports required to be filed by SEC 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of RSA and RSA Rule 11(a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such report(s);
Yes () No ()
- b) has been subject to such filing requirements for the past ninety (90) days.
Yes () No ()

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

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

14. **NOT APPLICABLE**

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

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the documents incorporated:

- a) Audited Consolidated Financial Statements as of December 31, 2017 of DMCI Project Developers, Inc.

PART I – BUSINESS

Item 1. Business Information

A. Business Development

- a) DMCI Project Developers, Inc. (the Company or “DMCI Homes”) was incorporated and registered with the SEC on April 27, 1995. The Company’s original name was DMCI Property Developers, Inc. On August 1, 1995, the Company’s name was changed to DMCI Project Developers, Inc. The Company was organized to carry out the business of a real estate developer.

DMCI Homes is wholly-owned subsidiary by DMCI Holdings, Inc.¹, a leading conglomerate in the Philippines with interests in construction, real estate, power, water, and mining. DMCI-HI is listed at the PSE with a market capitalization of ₱191,195,568,000 as of December 31, 2017. One of the Company’s affiliates is D.M. Consunji Inc. (“DMCI”), a DMCI-HI wholly-owned subsidiary and one of the Philippines’ leading triple A rated general construction companies. Another affiliate is PSE-listed and DMCI-HI majority-owned subsidiary Semirara Mining and Power Corporation, the country’s largest coal-producing company, with a market capitalization of ₱140,452,270,860 as of December 31, 2017.

The Company’s main activities include the development, management and selling of various real estate properties such as condominium units, subdivision lots, buildings, resorts and others. The Company’s business goal is to provide affordable residential units in urban friendly, serviced communities near places of work, study, and leisure. DMCI Homes endeavors to achieve objectives that advance the proposition of “profit with honor”, namely, to ensure customer satisfaction, sustainable investment growth, mutually beneficial relationships with business partners, environmental compliance, and career development of its people.

The Company's subsidiaries and associates and its ownership in these subsidiaries and associates are summarized in the table below.

Company	Ownership	Date of incorporation
Wholly-Owned Subsidiaries		
Hampstead Gardens Corp.*	100.00%	May 24, 2000
DMCI Homes, Inc.	100.00%	January 7, 1997
DMCI Homes Property Management Corp.	100.00%	July 25, 2007
DMCI-PDI Hotels, Inc.	100.00%	September 2, 2009
Subsidiaries which are more than 50%-owned		
Zenith Mobility Solution Services, Inc.	51.00%	December 10, 2014
Riviera Land Corp.	62.62% **	April 17, 1996
Associates		
CSN Properties, Inc.	45.00%	July 17, 1992
Contech Products South (Acotec)	33.00%	September 18, 1997
Subic Water and Sewerage Company	30.00%	November 24, 1996 ***

* *The corporate term expired on February 28, 2014.*

** *Approximate percentage.*

*** *Date of execution of joint venture agreement.*

b) Business Activities of Subsidiaries and Associates

Almost all subsidiaries and associates of the Company are involved in the real estate business. The main activities of the Company's subsidiaries and associates are described below in greater detail:

Hampstead Gardens Corp. is a wholly-owned subsidiary of the Company. Its project, the Hampstead Gardens was launched in 2000 and has three MRBs and an HRB located in Sta. Mesa, Manila. This project is fully developed and completed, with 95% of units sold and turned over to homeowners.

DMCI Homes, Inc. was organized primarily to engage in real estate brokerage by means of offering advertising, soliciting, listing, promoting, negotiating purchase, exchange, mortgage, joint venture, or other acquisition or disposition of or encumbrance on, any kind of real estate, whether improved or unimproved, including houses, inns, lodging houses, dwellings, offices, recreation or other structure. DMCI Homes, Inc. has the exclusive right to market the project developments of the Company.

DMCI Homes Property Management Corp. is a wholly-owned subsidiary of the Company providing property management and aftersales services. It also serves to obtain feedback from the Company's buyers and rental tenants in order to provide solutions to property needs, maintain the property, and develop long-term relationships with tenants. DMCI Homes Property Management Corp. has the sole right to render property management and aftersales services to the Company.

DMCI-PDI Hotels, Inc. was organized to engage in the hotel business, including but not limited to the ownership of, establishment, maintenance and operation of hotels, condotels, apartelles, and similar establishments, as well as to engage in the development of, design, and implementation of hotel management systems or operations. DMCI-PDI Hotels, Inc. manages the Company's flagship condotel project, the Alta Vista de Boracay, situated in Brgy. Yapak, Malay, Aklan.

Zenith Mobility Solutions Services, Inc. was organized to engage in the installation, operation, and maintenance of elevators, escalators, moving walkways, and other similar equipment, including appurtenant thereof, and the sourcing, purchase or trading of parts and supplies necessary thereto.

Riviera Land Corp. is a real estate company which owns the 0.90-hectare parcel of land which was developed into the Manors at Celebrity Place. Launched in 2006 and located in Capitol Hills, Quezon City, this development is an English-inspired exclusive community comprising seven MRBs with 158 units. It is located near educational institutions and the country club facilities of Celebrity Sports Plaza. The project is fully developed and completed, with at least 98% of the units sold and 96% turned over to homeowners. Riviera Land Corp. owns a 30% interest in the project, while the Company holds 70.0%.

CSN Properties, Inc. was organized to be a vehicle for prospective condominium developments of the Company. It has not commenced commercial operations.

Contech Products South (Acotec) was organized to engage in the manufacturing of concrete panels and similar products. It has not commenced commercial operations.

Subic Water and Sewerage Company is a joint venture of the Company with Subic Bay Metropolitan Authority, Olongapo City Water District, and Cascal Services, Ltd. Its primary purpose is to provide potable water and sewerage services to residences of Olongapo City and Subic Bay Freeport.

- c) Any bankruptcy, receivership or similar proceeding- **NONE**
- d) Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business-**NONE**

B. Business of Issuer

a) Description of Registrant

i. Principal products or services

Medium-Rise Buildings - The development of mid-rise residential buildings in convenient locations is where the Company has achieved and continues to attain significant success. These low-density, resort-inspired projects are made up of three to seven storey MRBs with either walk-up or elevator facilities, and single-loaded corridor designs with garden atriums for ample lighting and ventilation.

High-Rise Buildings - Combining successful elements of its mid-rise developments with new techniques in construction, the Company's high-rise projects, ranging from 14 to 50 storey each building, possess attributes such as the single-loaded corridor design and garden atrium, while offering design improvements from previous projects, such as the installation of the Company's trademark Lumiventt design in all high-rise structures beginning with the Tivoli project. The Lumiventt building feature is achieved by placing three-storey-high openings called "sky patios" in front and behind HRB towers and through breezeways located on the left and right wings of each floor to allow the free flow of natural light and ventilation. DMCI Homes' high-rise developments are located near business and commercial centers in Metro Manila.

Hybrid - A community built with the resident's welfare in mind. Assembling its successful and iconic mid-rise residential building configuration with picturesque and towering high-rise buildings, DMCI Homes' hybrid developments provide resort-inspired homes to a wide array of clients. Each building configuration offers unique benefits, such as low-density and single-loaded corridor designs with garden atriums for mid-rise buildings, and the innovative Lumiventt design technology for high-rise structures. Every DMCI Homes hybrid development is adorned with lush landscapes and abundant amenities. These communities have developed in different parts of the city.

Residential Subdivisions - For the horizontal development segment of the real estate market, DMCI Homes offers its target market the choice of owning either open lots or house and lot properties. DMCI Homes' subdivisions are located in Taguig City, Cavite (Carmona) and Laguna (Cabuyao). Each development is designed with resort-inspired amenities, lush greenery and wide avenues within safe and secure environments in close proximity to Metro Manila's major business centers.

All the above named directors and officers of the Corporation are in the record and/or beneficial owners of the shares of stock set forth opposite their respective names.

The aggregate number of shares of common stock directly and indirectly owned by the directors and executive officers listed above, as of December 31, 2017 was 3,008 of the Company's outstanding shares of common stock.

Except for the above shareholders, no other person has any shares in the Company.

3) Dividends

The Company is authorized under Philippine law to declare dividends, subject to certain restrictions. The Company's Board of Directors is authorized to declare cash dividends. Declaration of cash and property dividends does not require any further approval from the Company's shareholders, except that the distribution of property dividends requires the approval of the Securities and Exchange Commission. On the other hand, declaration of stock dividends requires the approval of shareholders representing at least two-thirds of the Company's outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

The Company and its subsidiaries have not adopted any dividend policy. For the dividends declared by the Company and its subsidiaries for previous three years are as follows: 2017 – ₱1.25 Billion, 2016 – ₱1.4 Billion and 2015 – ₱1.2 Billion.

Item 6. Management's Discussion and Analysis of the Results of the Operation

A. Information for the Full Periods Enumerated:

AS OF DEC. 31, 2017 vs. DEC. 31, 2016

On June 2017, DMCI PDI changed its accounting policy on recognition of real estate sales and cost of sales from completed contract method to Percentage of Completion (POC) method as allowed under the Philippine Financial Reporting Standards (PFRS). The shift in accounting policy is to align the company's revenue recognition with the current practice in the industry. Under the POC method, revenues are recognized based on the progress of development and at least 15% of the contract price has been collected.

I. Results of Operations

The Company's net income increased by 32% from ₱2,717 million for year ended December 31, 2016 to ₱3,576 million in 2017 same period. The double-digit growth was mainly driven by the 45% improvement in revenues from real estate, hotel services and property management from P13,726 million in 2016 to P19,847 million in 2017. On the

The Company remains involved in the properties it develops and sells through its property management division, DMCI Homes Property Management Corp., which provides property management and after sales services until such time the property turned over to the homeowners, at which point they may choose to retain DMCI Homes Property Management Corp. or switch to a third party property management firm. The property management division is a vehicle for the Company to obtain feedback from its buyers and rental tenants in order to provide solutions to their property needs, maintain the property, and develop long-term relationships with its tenants. Furthermore, the Property Management Division contributes to enhancing the Company's brand and reputation in the aftersales market.

- iv. Status of any publicly-announced new product or service (e.g. whether in the planning stage, whether prototype exist), the degree to which the product design has progressed or whether further engineering is necessary. Indicate if completion of development of the product would require material amount of the resources of the registrant, and the estimated amount- **NONE**

- v. Competition-

The country's middle income socio-economic group is emerging as the most promising real estate market, and this has intensified competition in the property development business for that particular market segment. The Company's significant sales growth in the recent years has made it one of the dominant players in the middle income residential market category, and its pioneering construction and development methods specifically in mid-rise developments have been used as model by some competitors due to the success of these concepts.

To leverage against real estate groups positioned in the same market category, DMCI Homes maximizes its investments by drawing on the Company's strengths and resources as both developer and builder, enabling it to offer attractive, even lower prices than direct competition, and produce value for home buyers without adversely affecting its profitability. Aside from offering competitively priced, high quality units, DMCI Homes ensures good property location and on time project completion.

For the same market category, the Company has several direct competitors with varying market strengths. Ayala Land, Inc. for instance, through Avida Land, has been successful due to being one of the first players in the middle market segment. Megaworld Corporation and SM Development Corporation, own the first and the second largest market share in the residential market respectively. Robinson Land Corporation and Cityland Development Corporation both possess a good track record of completed and successful projects to attract business.

Vista Land and Lifescapes, Inc. and Filinvest Land, Inc., along with their completed projects in Metro Manila area, have also ensured market presence in other areas with their development in areas such as Davao and Batangas. Rockwell Land Corporation focuses in the upper mid income level earners, while Century Properties Group has diverse portfolio of completed projects, ranging from office to medical properties.

- vi. Sources and availability of raw materials and the names of principal suppliers;

The Company's major suppliers are as follows:

Supplier	Product
CAPITOL STEEL CORPORATION STEEL ASIA MANUFACTURING CORP PAG-ASA STEEL WORKS INC. FILIPINO METALS CORPORATION	DEFORMED ROUND BAR (REBAR)
WORLD CHAMPION MARKETING CORP. CABCO DESIGN CORPORATION DABWOOD MFG. & CONST. CORP.	WOOD DOOR
CITY SHUTTER INCORPORATED RAPID FORMING CORP.	STEEL DOOR
SOLID CEMENT CORPORATION REPUBLIC CEMENT & BUILDING MATERIALS, INC. HOLCIM PHILIPPINES INC.	CEMENT
MOLDEX PRODUCTS, INC. NELTEX DEVELOPMENT CO., INC.	PVC PIPES
SUPREME STEEL PIPE CORP.	BI/GI PIPES

The Company's major subcontractors are as follows:

Subcontractor	Trade
SEAPAC PHILIPPINES, INC.	DOORS & WINDOWS
GENTRY CONSTRUCTION SC ESTOLANO CONSTRUCTION CORPORATION	BOARD WORKS
ALPA PLUMBING WORKS INC.	PLUMBING & SANITARY / FIRE PROTECTION
SPEC-MASTER INC ANVIC CONSTRUCTION (PHILS.), INC. JOMSAR CONSTRUCTION & DEV'T CORP.	ELECTRICAL WORKS
NORTHLANDIA ENTERPRISES CABCO DESIGN CORPORATION	KITCHEN CABINET
RAFAELLO INC. M. TAYAG BUILDERS	GRANITE
GLOBAL DESIGN & CONSTRUCTION INC. JBLs TRADING & CONSTRUCTION AESTHETICS	PAINTING WORKS
FRS CONSTRUCTION BALILI STAINLESS STEEL & ALLIED METAL WORKS	METAL WORKS

vii. Disclose how dependent the business is upon the single customer or a few customers, the loss of any or more of which would have a material adverse effect on the registrant's sales; Describe any major existing sales contracts- **Not Applicable**

viii. Transactions with and/or dependence on related parties-

Aside from items listed in Item 12, the Company has no known transactions with and/or dependence on related parties.

- ix. Summarize the principal terms and expiration dates of all patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreement held; indicate the extent to which the registrant's operations depend, or are expected to depend, on the foregoing and what steps are undertaken to secure these rights- **Not Applicable**
- x. Need for any government approval of principal products or services. If government approval is necessary and the registrant has not yet received that approval, discuss the status of the approval within the government approval process- **None at the moment**
- xi. Effect of existing or probable governmental regulations on the business-

DMCI Homes operates a material part of its businesses in a regulated environment. DMCI Homes is subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water, and waste discharges, odor emissions, and the management and disposal of, and exposure to hazardous materials. DMCI Homes cannot predict what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws and regulations will be enforced, administered or interpreted; or the amount of future expenditures that maybe required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

In addition, DMCI Homes is required to obtain licenses to sell before making sales or other disposition of housing and condominium units. Project permits and any license to sell maybe suspended, cancelled, or revoked by the Housing and Land Use Regulatory Board (HLURB) or by the courts upon its findings or upon a complaint from an interested party, and there can no assurance that the Company will receive the requisite approvals or licenses, or that such permits, approvals, licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company's ability to complete project on time, within budget or at all, and could have a material adverse effect on its financial condition and results of the operations.

DMCI Homes through its construction and property management arms, keeps itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost efficient means. It also continuously exerts earnest efforts to secure and maintain all relevant and material permits and licenses required under such laws and regulations for its subdivision and condominium projects.

xii. Indicate the amount spent on research and development activities, and its percentage to revenue during each of the last three fiscal years – **None**

xiii. Costs and effects of compliance and environmental laws-

Costs vary depending on the size of a construction project. Failure to comply with the terms of the ECC (Environmental Compliance Certificate) can lead to imposition of fines and temporary cessation of operations.

xiv. Total no. of Employees –

The Company has 1,199 employees as of December 31, 2017. Employees of the Company can be classified based on their position.

Position	No. of Employees
Rank and File	947
Junior- Senior Supervisor	163
Assistant Manager-Manager	70
Senior Manager- Vice President	14
Senior Vice President- President	5

The employees of the Company are non-unionized and are not covered by collective bargaining agreements. They receive supplemental benefits such as health care and benefit plan, dental care benefit plan, and group accident insurance coverage.

Item 2. Properties

Give the location and describe the condition of the principal properties (such as real estate, plant and equipment, mines, patents, etc.) that the registrant and the subsidiaries own. If the registrant does not have complete ownership of the property, for example, others also own the property or there is a mortgage or lien on the property, describe the limitations on ownership. Indicate the properties it leases, the amount of lease payment, expiration dates and terms or renewal options. Indicate the properties the registrant intends to acquire in the next twelve (12) months, the cost of such acquisitions, the mode of acquisitions (i.e. purchase, lease, or otherwise) and the sources of financing it expects to use. –

All properties are owned by the Company and its subsidiaries unless otherwise indicated as follows:

A. Land Inventory

In line with its goal of providing well-located residential options, DMCI Homes purchases properties with in the Metro Manila. The Company's land development begins one to

two years from property acquisition carrying costs, resulting in more competitive sales pricing.

Potential land acquisitions are assessed on the basis of strategic location, acquisition price relative to prevailing market prices, presence of competition in the area, shape of the lot, potential legal and technical hindrances to development, and local government requirements for development.

Based on the Company's development standards, the minimum land area required for the Company's five-storey mid-rise developments is one hectare , with a zonal classification of at least R-2 (medium density residential zone per National Building Code classification). Ten-storey and mid-rise developments have a minimum land area requirement of 10,000 square meters, with a zonal classification ranging from R-2 to R-3 (medium to high density residential zone per National Building Code classification). Highrise developments require a minimum land area of 2,000 square meters and a zonal classification of at least R-5 (very high density residential zone per National Building Code classification).

The Zoning classifications vary between different cities and their zoning ordinances; NBC was referenced to serve as standard/benchmark.

The table below enumerates the Company's current land inventory available for development.

Location	Land Area (square meters)
Cavite	106,694.00
Laguna	15,094.00
Makati City	20,632.00
Manila	12,654.84
Pasay City	10,083.54
Pasig City	28,593.00
Quezon City	3,479.00
Rizal	7,796.00
Taguig City	885,243.80
Valenzuela City	163,873.00
Total:	1,254,143.18

The Company is currently exploring opportunities of diversification of its property developments in key urban centers in Northern Luzon and Western Mindanao regions. Future land acquisitions will be funded by debt financing and internally generated funds.

The Company owns its corporate headquarters, located at 1321 Apolinario St. Bangkal, Makati City. The property has a total land area of approximately one hectare, upon which stands a six-storey building with annex, with a total floor area of approximately 35,000 square meters.

B. Encumbrances

Certain parcel or parcels of land of the Company which are minor in size taking in consideration the total land holdings of the Company are subject to the proceedings arising out of the claims of certain individuals. While the results of the litigation cannot be predicted with certainty, the Company believes that the final outcome of these proceedings will not have a material adverse effect on the property, considering the nature of the claims asserted in the proceedings.

Properties of the Company in which particular projects have been created are subject to restrictions arising from the nature of the projects created over them. For instance, properties over which a condominium building has been constructed would have restrictions annotated on the title of such property arising from the master deed restrictions on the use of the property for condominium use.

C. Leased Properties

The Company has entered into lease contracts in the major business districts within Metro Manila. The term of renewal and the expiration dates of the lease contracts vary. It may be renewed depending on the marketing needs of the Company. The expiration dates of the lease contracts depend on the agreement of both parties. The amount of the lease payments also differs. It depends on different factors such as but not limited to the following: the prevailing lease payment in the area, the expenses of business permits, other requirements imposed by the local government unit concerned, and the marketing needs of the Company. The total income of all the leased contracts for the year ended December 31, 2017 and 2016 amounted to P47.08 million and P53.39 million respectively.

As of December 31, 2017, the leased properties of DMCI Project Developers, Inc. are as follows:

Property Name	Description	Location
Arista Place	Residential Commercial Parking	Paranaque City
Cedar Crest	Residential Commercial Parking	Taguig
Cypress Towers	Residential Commercial Parking	Taguig
East Raya Gardens	Commercial Parking	Pasig
Flair Towers	Residential	Mandaluyong

	Commercial	
Illumina Residences Manila	Residential Commercial	Taft, Manila
La Verti	Residential Commercial Parking	Pasay
Magnolia Place	Residential Commercial Parking	Quezon City
Maricielo Villas	Residential Commercial Parking	Las Pinas
Mahogany Place 3	Residential Commercial	Taguig
One Castilla Place	Residential Commercial Parking	Quezon City
Ohana Place	Residential Commercial	Las Pinas City
Rhapsody Residence	Residential Commercial Parking	Muntinlupa
Royal Palm Residences	Residential Commercial Parking	Taguig City
Raya Gardens Condominium	Residential Commercial	Paranaque
Riverfront Residences	Residential Commercial Parking	Pasig City
Rose Wood Pointe	Residential Commercial Parking	Acacia estates, Taguig
Stellar Place	Residential Commercial Parking	Quezon City
Sorrel Residences	Residential Commercial Parking	Manila
Siena Park Residences	Residential Commercial Parking	Paranaque City
The Amaryllis	Residential Commercial Parking	Quezon City

Tivoli Garden Residences	Residential Commercial Events Place: 1. Iris Sky Lounge 2. Heliconia Function Parking	Mandaluyong City
The Redwoods	Residential Commercial Parking	Quezon City
Verawoods residences	Residential Commercial Parking	Acacia Estates, Taguig
Zinnia Towers	Residential Commercial Parking	Quezon City
Outlook Ridge Residences	Residential Commercial	Baguio City
MN1 Building	Commercial	Bangkal, Makati City
Acacia Estates Town Center	Events Place: 1. The Tent 2. Casa Real Parking	Taguig City

Item 3. Legal Proceedings

None of the directors and officers were involved in the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in an action by any court or administrative body to have violated a securities or commodities law.

The Corporation is a party to the following material proceedings:

**A. Knights of Rizal vs. DMCI Homes, Inc., et al.
G.R. 213948
Supreme Court**

The Company is a respondent, by means of a motion to substitute DMCI Homes, Inc. as the real party in interest, in legal proceedings arising from a petition for injunction filed on September 12, 2014 by the Knights of Rizal ("KOR"), a cultural organization granted a legislative charter. The petition sought to enjoin the construction of the Company's Torre de Manila project ("Torre de Manila") on the claim that Torre de

Manila, once completed, would obstruct the view surrounding the Rizal Park and the Rizal Monument.

In a Resolution dated November 25, 2014, the Supreme Court converted the petition for injunction into one for *mandamus* and impleaded the City of Manila, the National Commission for Culture and the Arts (“NCCA”), the National Museum (“NM”) and National Historical Commission of the Philippines (“NHCP”) as public respondents. The City of Manila opposed KOR’s petition and sought its dismissal on the ground that the Torre de Manila was issued all the necessary permits, licenses, clearances, certifications and exemptions, and that there was nothing illegal about the construction of the Torre de Manila, which was built on private property.

The following proceedings have stemmed from this case:

The NCCA issued a cease and desist order dated January 5, 2015 directing that the construction of the Torre de Manila be ceased and that the Company attend proceedings on the cease and desist order to be commenced before the NCCA to determine whether or not the cease and desist order should be lifted.

Meanwhile, the NM, NCCA and NHCP also filed a comment through the Office of the Solicitor General, as their statutory counsel, where the NCCA affirmed that it had no jurisdiction to issue a cease and desist order in relation to the Rizal Park and the Rizal Monument. In view of this, the Supreme Court issued an order requiring the NCCA to explain the issuance of the cease and desist order.

On June 16, 2015, the Supreme Court issued a temporary restraining order that provisionally suspended the construction of the Torre de Manila, effective until further orders from the Supreme Court. In deference to the Supreme Court, the HLURB issued on June 18, 2015, an order suspending the Company’s License to Sell in respect of Torre de Manila. The order covers the suspension and discontinuation of selling and advertising of units in Torre de Manila and the collection of amortization payments from unit buyers, until further orders from the HLURB. The Supreme Court has completed hearing the parties on oral arguments in September 1, 2015.

The parties and the appointed *amici curiae* by the Supreme Court then submitted their respective memoranda and/or briefs. Interested non-parties such as The Heritage Conservation Society, Inc., the Chamber of Real Estate & Builders’ Associations, Inc., and the Department of Tourism also submitted their post-oral argument briefs. Pending resolution of the case, the Supreme Court allowed the Company to conduct the necessary safety and maintenance works on Torre de Manila to prevent hazardous deterioration of the building.

In its Decision dated April 25, 2017 (“SC Decision”), the Supreme Court *en banc*, voting nine to six, dismissed the Petition and lifted the TRO it earlier issued. KOR moved for

reconsideration of the SC Decision, but the motion was opposed by all the respondents. On October 3, 2017, the Supreme Court denied KOR's motion for reconsideration with finality.

On January 29, 2018, the Company received a copy of the SC's Entry of Judgment dated October 3, 2017, stating that the SC Decision became final and executory and was recorded in the Book of Entries of Judgment on October 3, 2017.

**B. NATIONAL COMMISSION FOR CULTURE AND THE ARTS vs. Regional Trial Court Br. 146, Makati, et. Al.
G.R. NO. 222826
Supreme Court**

This case is a Petition for Certiorari filed by the National Commission for Culture and Arts ("NCCA").

In an order dated January 5, 2015, the NCCA directed that the construction of the Torre de Manila be ceased and that the Company attend proceedings on the cease and desist order to be commenced before the NCCA to determine whether or not the cease and desist order should be lifted.

Due to the issuance of the cease and desist order, the Company and DMCI Homes, Inc. filed, on February 2, 2015, a petition for prohibition, injunction and damages against the NCCA and its Chairman, Felipe M. de Leon, Jr., before the National Capital Regional Trial Court, Branch 146, Makati City ("Makati court"), seeking, among others, that the cease and desist order be nullified and prohibited, and that the NCCA and its Chairman be ordered to pay damages to the Company and to DMCI Homes, Inc. After proceedings duly held, the Makati court rendered a Partial Judgment dated December 14, 2015 prohibiting NCCA and its Chairman, their agents and representatives, from implementing the cease and desist order and from further continuing with the administrative case before the NCCA, for lack of jurisdiction and for being contrary to Section 25 of Republic Act No. 10066 (2010) and Rule III, Secs. 6 and 7.1 of the 2013 NCCA Rules on Pleading and Practice in Heritage Cases.

The Partial Judgment rendered by the lower court was questioned by the NCCA before the Supreme Court through the filing of a Petition for Certiorari with Application for Issuance of a Temporary Restraining Order And/Or Writ of Preliminary Injunction on February 26, 2016. The Company filed its Comment dated April 26, 2016.

On June 28, 2016, the Supreme Court denied the NCCA's application for a TRO/Injunctive Writ but admonished the RTC from continuing the proceedings in the lower court due to its close relationship in the prior existing case G. R. No. 213948.

Meantime, the NCCA and its Chairman asked for extensions to reply to DMCI Homes, Inc.'s and the Company's Comment. The NCCA and its new Chairman, Virgilio Almario, then filed their Comment dated July 5, 2017, which the Supreme Court treated as their Reply.

On October 3, 2017, the Company and DMCI Homes, Inc. filed their Motion for Leave to File Rejoinder and Rejoinder with Motion to Strike Out both dated October 1, 2017 in response to the Reply. However, the Supreme Court denied the Motion for Leave through a Resolution dated October 10, 2017.

The petition for *certiorari* is still pending as of this date.

C. PRHC vs. DMCI-PDI, et al.
G.R. No. 202772
Supreme Court, Manila

DMCI-PDI and URPHI vs. PRHC
G.R. No. 202751
Supreme Court, Manila

This is an action filed by Philippine Realty Holdings Corporation ("PRHC") against Universal Rightfield Property Holdings, Inc. ("URPHI"), Universal Leisure Corporation ("ULC") and the Company to (a) recover the balance of P56,207,800.00, plus interest at 3% per month, representing the purchase price of 14 condominium units and two storage units at the 34th Floor, West Tower, Philippine Stock Exchange Center ("Condominium Units"), as well as several parking slots in the same building, which PRHC sold to ULC; and (b) nullify the assignment to ULC of URPHI's and the Company's receivables from PRHC. As a result of a failed joint venture project among PRHC, URPHI and the Company, URPHI and the Company acquired certain receivables from PRHC, which URPHI and the Company assigned to ULC. ULC then sought to set-off these receivables against the unpaid balance of the purchase price for the Condominium Units and parking slots.

In its Decision dated February 19, 2004, the Regional Trial Court ("RTC") rendered judgment in favor of the Company, URPHI and ULC, and against PRHC rescinding the joint venture agreement and its amendment. The RTC thereafter issued an Order dated May 6, 2004 amending its Decision by ordering PRHC to (a) deliver the subject titles "free from all liens and encumbrances; (or) (o)therwise ... return to ULC the amounts which have been paid including what have been deemed paid over the condominium units and parking spaces"; and (b) cause the release of the remaining funds in favor of the Company and UPRHI as a result of the rescission of the joint venture agreement.

PRHC appealed the RTC's Decision to the Court of Appeals, but the appellate court affirmed the trial court's judgment in a Decision dated December 27, 2011. The Court of Appeals, however, decreased the RTC's award of attorney's fees to the Company, URPHI and ULC to only P50,000.00 each. PRHC moved for reconsideration of the Court of Appeals' Decision, while the Company and URPHI moved for its partial reconsideration praying for the reinstatement of the RTC's full award of attorney's fees. The Court of Appeals denied both motions in its Resolution dated July 26, 2012.

PRHC filed with the Supreme Court a Petition for Review dated August 23, 2012, which was docketed as G.R. No. 202751. The Company and URPHI also filed with the High Court a Petition for Review dated August 28, 2012, which was docketed as G.R. No. 202772, assailing the Court of Appeals' ruling decreasing the award of attorney's fees.

In its Resolution dated September 17, 2012, the Supreme Court denied the Company's and URPHI's Petition. The Supreme Court later on issued its Entry of Judgment dated October 31, 2012 in G.R. No. 202772.

In its Resolution dated April 24, 2017 in G.R. No. 202751, the Supreme Court dismissed PRHC's Petition and affirmed the judgments of the lower courts. PRHC moved for reconsideration of the Resolution dated April 24, 2017, but ULC, the Company, and URPHI opposed the motion.

On January 24, 2018, the Company and URPHI moved for the early resolution of PRHC's motion for reconsideration. On February 2, 2018, ULC likewise moved for the resolution of the motion for reconsideration. However, as of this date, PRHC's motion for reconsideration is still pending resolution by the Supreme Court.

D. Annabelle Abaya, et al. vs. Isidro Consunji, et al.
SEC No. MC 03-075
National Capital Regional Trial Court, Branch 211, Mandaluyong City

This case is an intra-corporate dispute filed by Annabelle Abaya and several other plaintiffs (collectively, "plaintiffs") against the Company, D.M. Consunji, Inc. ("DMCI"), Isidro Consunji, Ma. Edwina Laperal, and Jose Merin (collectively, "defendants") for breach of contract and/or annulment of contract, specific performance, accounting, reimbursement, and damages, with applications for receivership and preliminary attachment.

On October 28, 2014, plaintiffs, along with defendant Atty. Bayani K. Tan, filed a Joint Motion to Dismiss dated October 28, 2014 praying for the dismissal of the case only insofar as defendant Atty. Tan was concerned.

On February 11, 2015, the trial court issued an Order of even date (a) granting the Joint Motion to Dismiss filed by plaintiffs and Atty. Tan; and (b) dismissing the case against

Atty. Tan but without ruling on the cross-claims against him. After defendants filed a Manifestation and Motion dated March 23, 2015 asking the trial court to direct Atty. Tan to participate in the subsequent proceedings, the trial court issued an Order dated July 1, 2015 belatedly mentioning that its Order dated February 11, 2015 also dismissed defendants' cross-claims against Atty. Tan (see further discussion below).

On August 1, 2017, summons was served on defendant Lozano at his new residence at Ayala Alabang Village, Muntinlupa City. On August 30, 2017, defendant Lozano filed his Answer with Counterclaims and Cross-claim of even date.

On October 10, 2017, defendants (a) served on defendant Lozano Interrogatories of even date and a Request for Admission dated October 9, 2017; and (b) filed with the trial court a Motion for Production of Documents dated October 10, 2017.

Per the trial court's Order dated October 27, 2017, defendants' Motion for Production of Documents was submitted for its resolution. As of December 31, 2017 and as of this date, the trial court had not resolved the motion.

E. Isidro Consunji et al. vs. Francisco Alcuaz et al.
CA-G.R. SP No. 142131
Court of Appeals, Special Seventeenth Division
G.R. No. 232533
Supreme Court, Second Division

This is a petition for *certiorari* originally filed by Isidro A. Consunji, Jose L. Merin and Ma. Edwina C. Laperal (collectively, "petitioners") with the Court of Appeals on September 11, 2015 to nullify the trial court's Order dated July 1, 2015 in SEC Case No. 03-075. As stated earlier, the questioned Order ruled that the trial court's Order dated February 11, 2015 also dismissed petitioners' cross-claims against Atty. Tan.

On January 27, 2017, the Court of Appeals rendered judgment affirming the dismissal of petitioners' cross-claims against Atty. Tan. Petitioners moved for reconsideration of the appellate court's Decision, but their motion was denied in a Resolution dated June 20, 2017.

Petitioners then appealed the Court of Appeals' Decision to the Supreme Court, but the Supreme Court dismissed their appeal in a Resolution dated August 30, 2017. Petitioners moved for reconsideration of the High Court's Resolution. As of December 31, 2017 and as of this date, the Tribunal had not resolved the motion.

F. Isidro Consunji et al. vs. Francisco Alcuaz, et al.
CA-G.R. SP No. 147830
Court of Appeals, Fifth Division
G.R. No. 234281
Supreme Court, Third Division

This is a petition for *certiorari* originally filed by the Company, DMCI, Isidro A. Consunji, Ma. Edwina C. Laperal and Jose L. Merin (collectively, "petitioners") with the Court of Appeals to nullify the Order dated June 28, 2016 in SEC No. MC 03-075. The questioned Order expunged petitioners' written interrogatories from the case record.

On April 12, 2017, the Court of Appeals dismissed their petition and affirmed the questioned Order. Petitioners filed on May 4, 2017 a motion for reconsideration of the dismissal. The Court of Appeals denied petitioners' motion for reconsideration in a Resolution dated September 15, 2017.

On October 6, 2017, petitioners filed a Petition for Review on *Certiorari* dated September 28, 2017 with the Supreme Court, questioning the Court of Appeals' upholding of the questioned Order. In its Resolution dated November 29, 2017, the Supreme Court denied the Petition for Review on *Certiorari*. On February 7, 2018, petitioners moved for reconsideration of the Supreme Court's Resolution.

Petitioners' motion for reconsideration remains pending as of today.

Except for the following, none of the directors, executive officers and nominees for election as directors of the Corporation is subject to any pending criminal cases:

(1) Pp. vs. Isidro A. Consunji, et. al.
Criminal Case No. Q-02-114052
Regional Trial Court -Quezon City, Branch 78

This is a complaint for violation of Article 315(2)(a) of the Revised Penal Code, as qualified by Presidential Decree No. 1689 was filed in RTC-QC Branch 78 as Criminal Case No. Q-02-114052 pursuant to a resolution of the Quezon City Prosecutor dated December 3, 2002 in I.S. No. 02-7259 finding probable cause against the directors and officers of Universal Leisure Club (ULC) and its parent company, Universal Rightfield Property Holdings, Inc., including Isidro A. Consunji as former Chairman, and Ma. Edwina C. Laperal as former director of ULC. Complainants claim to have been induced to buy ULC shares of stock on the representation that ULC shall develop a project known as "a network of 5 world clubs."

The case was re-raffled to RTC-QC Branch 85 (the "Court"). On January 10, 2003 respondents filed their Motion for Reconsideration on the resolution dated

December 3, 2002 recommending the filing of the complaint in court, which was granted on August 18, 2003. Accordingly, a Motion to Withdraw Information was filed in Court. On September 11, 2003, complainants' sought reconsideration of the resolution withdrawing the information, but was denied by the City Prosecutor. By reason of the denial, Complainants' filed a Petition for Review with the Department of Justice (DOJ) on August 26, 2005.

Meanwhile, the Court granted the withdrawal of information on June 6, 2005. Complainants filed a Motion for Reconsideration and Urgent Motion for Inhibition, but were both denied by the Court in its Omnibus Order dated November 29, 2005. Thereafter, a Notice of Appeal was filed by the complainants, but was ordered stricken out from records by the Court for being unauthorized and declaring the Omnibus Order final and executory in its Order dated February 22, 2007. The Petition for Review, however, filed by the Complainants with the DOJ on August 26, 2005 is pending to date.

- (2) **Rodolfo V. Cruz, et. al. vs. Isidro A. Consunji, et. al.**
I.S. Nos. 03-57411-I, 03-57412-I, 03-57413-I, 03-57414-I,
03-57415-I, 03-57446-I and 03-57447-I
Department of Justice, National Prosecution Service

These consolidated cases arose out of the same events in the immediately above-mentioned case, which is likewise pending before the DOJ.

In its 1st Indorsement dated December 9, 2003, the City Prosecutor for Mandaluyong City, acting on a motion for inhibition filed by complainants, through counsel, recommended that further proceedings be conducted by the DOJ. In an order dated February 3, 2004, the DOJ designated State Prosecutor Geronimo Sy to conduct the preliminary investigation of this case. The last pleading filed is a notice of change of address dated June 27, 2008 filed by complainants' counsel. This case remains pending to date.

- (3) **Sps. Andrew D. Pope and Annalyn Pope vs. Alfredo Austria, et al.**
NPS Docket No. XV-INV-14K-01066
Office of the City Prosecutor, Taguig City

Noel A. Laman and Ma. Pilar M. Pilares-Gutierrez vs. Sps. Andrew D. Pope and Analyn Pope
NPS Docket No. XV-16-INV-15F-00436
Office of the City Prosecutor, Taguig City

This involves a complaint dated November 6, 2014 for syndicated estafa filed against certain directors of the Corporation, namely Messrs. Isidro A. Consunji, Jorge A. Consunji, Ma. Edwina C. Laperal, Alfredo A. Austria, Victor S. Limlingan

and certain directors of D.M. Consunji, Inc. ("DMCI"), and the Corporation's Corporate Secretary and Assistant Corporate Secretary, Atty. Noel A. Laman ("Atty. Laman") and Atty. Ma. Pilar Pilares-Gutierrez ("Atty. Gutierrez"). The complainants alleged that DMCI failed to deliver the transfer certificate of title over the parcel of land they bought in Mahogany Place III, one of the developments of DMCI-PDI.

Attys. Laman and Gutierrez filed a Complaint-Affidavit dated June 9, 2015, counter-charging the Spouses Andrew and Annalyn Pope ("Spouses Pope") for the crime of Perjury which was allegedly committed on November 2014 to February 2015. Spouses Pope filed a Motion to Reopen Preliminary Investigation and to Admit Counter-Affidavit dated September 16, 2015. The Office of the City Prosecutor for Taguig City issued an Order dated September 23, 2015, granting the Motion of Spouses Pope.

In a Joint Resolution dated February 16, 2016, the Office of the City Prosecutor dismissed the Complaint-Affidavit dated November 6, 2014 of complainants Spouses Pope, because of their failure to show the element of deceit as would establish probable cause to indict the respondents for syndicated *estafa*. The Office of the City Prosecutor likewise dismissed the counter-charges for Perjury against Spouses Pope due to lack of merit.

Spouses Pope and Attys. Laman and Gutierrez filed their respective Petitions for Review both dated May 6, 2016 with the Department of Justice ("DOJ"), seeking to reverse and set aside the Office of the City Prosecutor's Joint Resolution dated February 16, 2016 insofar as it dismissed their respective complaints. The impleaded officers and directors filed their Opposition on May 26, 2016. Spouses Pope likewise filed their Comment dated May 31, 2016. Attys. Laman and Gutierrez then filed their Motion for Leave to File Reply and the Reply dated June 10, 2016. The review is still pending with the DOJ.

- (4) **Maria Soledad Indoyon vs. Alfredo R. Austrial, et al.**
NPS Docket No. XV-12-INV NO. 17-A-0077 - Violation of par. (b), (c) & (f) of Sec. 9, PD. 957
NPS Docket No. XV-12-INV NO. 17-A-0076 – Grave Coercion
Office of the City Prosecutor, Parañaque City

Complainant instituted two (2) before the City Prosecutor of Paranaque City, which, however, stemmed from a single act.

The complainant is a purchaser of a unit and parking slot in Raya Gardens Condominium. However, due to the failure of complainant to comply with the terms of payment of the parking slot, the Company rescinded the contract to sell.

The same parking slot was subsequently sold to another party. Despite notices to vacate, the complainant refused to surrender the parking slot and hence, the Company was constrained to exercise its right to repossess the parking slot.

By virtue of this repossession, the complainant instituted the above –stated criminal suits.

The officers of the company have already filed their Joint Counter-Affidavit.

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

Except for the matters taken up during the Annual Meeting of Stockholders, there was no other matter submitted to a vote of security during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters

1) Capital Structure

As of December 31, 2017, the Company’s authorized capital stock is P5,000,000,000 divided into 5,000,000,000 shares with a par value of 1.00 peso per share out of which 3,487,727,332.00 shares have been subscribed and fully paid.

2) Holders

As of December 31, 2017, the outstanding capital stock of the Company has been issued as follows:

Title of Class	Name of Beneficial Owner and Address	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Class
Common	DMCI Holdings, Inc. <i>3rd Floor, Dacon Building, 2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation</i>	2,982,861,746		Filipino	85.5%
Common	D.M. Consunji, Inc. <i>2/F DMCI Plaza 2281 Pasong Tamo Extension, Makati City</i>	504,862,578		Filipino	14.5%
Common	Isidro A. Consunji	1,000	Direct	Filipino	<0.01%

	<i>No.7 Bauhinia St., Forbes Park, Makati City.</i>				
Common	Jorge A. Consunji 4883 Pasay Road, Dasmarinas Village, Makati City	1,000	Direct	Filipino	<0.01%
Common	Ma. Edwina C. Laperal 4883 Pasay Road, Dasmarinas Village, Makati City	1,000	Direct	Filipino	<0.01%
Common	Alfredo R. Austria 18 Mariposa St., Cubao, Quezon City	1	Direct	Filipino	<0.01%
Common	Elmer G. Civil 12 Duarte St. Mahogany I Taguig, Acacia Estate, Taguig City	1	Direct	Filipino	<0.01%
Common	Victor S. Limlingan 108 Celery Drive, Valle 5, Pasig City	1	Direct	Filipino	<0.01%
Common	Victor A. Consunji 4688 Pasay Road, Dasmarinas Village, Makati City	1	Direct	Filipino	<0.01%
Common	Ma. Cristina C. Gotianun 3/F Dacon Building, 2281 Don Chino Roces Ave., Makati City	1	Direct	Filipino	<0.01%
Common	Herbert M. Consunji 3/F Dacon Building, 2281 Don Chino Roces Ave., Makati City	1	Direct	Filipino	<0.01%
Common	Honorio O. Reyes-Lao #10 Dampol St., Damar Village, Quezon City	1	Direct	Filipino	<0.01%
Common	Francisco F. Del Rosario, Jr. 12 McKinley Hill Drive, McKinley Hill Village, Taguig	1	Direct	Filipino	<0.01%
Common	Noel A. Laman 44 Tamarind Road, South Forbes, 1220 Makati City	0	N/A	Filipino	0.0000%
Common	Ma. Pilar P. Gutierrez Lot 9-10 Blk. 7, Citiplaza 3, 37 Tandang Sora Avenue, Quezon City	0	N/A	Filipino	0.0000%
Aggregate Ownership		3,008			<0.01%

All the above named directors and officers of the Corporation are in the record and/or beneficial owners of the shares of stock set forth opposite their respective names.

The aggregate number of shares of common stock directly and indirectly owned by the directors and executive officers listed above, as of December 31, 2017 was 3,008 of the Company's outstanding shares of common stock.

Except for the above shareholders, no other person has any shares in the Company.

3) Dividends

The Company is authorized under Philippine law to declare dividends, subject to certain restrictions. The Company's Board of Directors is authorized to declare cash dividends. Declaration of cash and property dividends does not require any further approval from the Company's shareholders, except that the distribution of property dividends requires the approval of the Securities and Exchange Commission. On the other hand, declaration of stock dividends requires the approval of shareholders representing at least two-thirds of the Company's outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

The Company and its subsidiaries have not adopted any dividend policy. For the dividends declared by the Company and its subsidiaries for previous three years are as follow: 2017 – ₱1.25 Billion, 2016 – ₱1.4 Billion and 2015 – ₱1.2 Billion.

Item 6. Management's Discussion and Analysis of the Results of the Operation

A. Information for the Full Periods Enumerated:

AS OF DEC. 31, 2017 vs. DEC. 31, 2016

On June 2017, DMCI PDI changed its accounting policy on recognition of real estate sales and cost of sales from completed contract method to Percentage of Completion (POC) method as allowed under the Philippine Financial Reporting Standards (PFRS). The shift in accounting policy is to align the company's revenue recognition with the current practice in the industry. Under the POC method, revenues are recognized based on the progress of development and at least 15% of the contract price has been collected.

I. Results of Operations

The Company's net income increased by 32% from ₱2,717 million for year ended December 31, 2016 to ₱3,576 million in 2017 same period. The double-digit growth was mainly driven by the 45% improvement in revenues from real estate, hotel services and property management from P13,726 million in 2016 to P19,847 million in 2017. On the

other hand, total costs (under cost of sales and operating expenses) grew at a slower pace of 42% to P15,675 million in 2017 from P11,028 million in 2016.

Sales and reservations jumped 22% from P31,183 million in 2016 to P37,964 million this year buoyed by strong demand for residential condominium coming from new launches as well as existing projects. Sustained demand for residential condominium units such as Prisma Residences, Kai Garden Residences and Oak Harbor Residences contributed to the sustained sales take up.

During the year, the Company has launched four new projects with a total estimated sales value of P32.8 billion, namely Prisma Residences in Pasig City, Mulberry Place in Taguig City, The Orabella in Quezon City and Kai Garden Residences in Mandaluyong City

Other income (including equity in net earnings of associate) decreased by 29% from ₱1,174 million to ₱836 million in 2017. Aside from the recognized one time gain on sale of undeveloped land and sale of investment last year, decrease in rental income also contributed to the decreased this year.

II. Financial Position

The Company's total assets stood at ₱53,546 million as of December 31, 2017, 18% higher than the ₱45,380 million total assets as of December 31, 2016.

Cash and cash equivalents increased by 63% from ₱3,868 million as of December 31, 2016 to ₱6,297 million as of December 31, 2017. This is mainly due on the increased in cash collections this year and the additional corporate notes availed amounting to ₱3 billion.

Receivables increased by 49% from ₱11,345 million to ₱16,914 million for 2016 and 2017 respectively. The increase is due to the effect of percentage of completion method of accounting.

Slight increase in Real estate held for sale by 2% from ₱26,762 million to ₱27,409 million due to development costs incurred for new projects and construction costs of on-going projects, and the increased in revenue recognition for the year.

20% increase in total liabilities is mainly due on increased on customers' deposit by 44%, 10% increase in loan payable due to additional corporate notes for the year and 45% increase in liabilities for purchased land due to additional acquisition for the year.

Other Disclosures:

There are no known trends, events or uncertainties or material commitments that may result to any cash flow or liquidity problems of the Company.

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

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

AS OF DEC. 31, 2016 vs. DEC. 31, 2015 (Restated)**I. Results of Operations**

The Company's net income slightly dropped by 2% from ₱2,786 million for year ended December 31, 2015 to ₱2,717 million in 2016 same period. Other income (including equity in net earnings of associate) increased by 113% from ₱550 million to ₱1,174 million in 2016. Aside from the recognized one time gain on sale of undeveloped land and sale of investment this year, increase is due to higher rental income and income from cancellations and forfeitures this year compared to last year.

In spite of a more challenging market, sales and reservations for the period was reported at P31.2 billion, double digit growth of 65% from last year. Sustained demand for residential condominium units in new and existing projects such as Brixton Place, Lumiere Residences and Oak Harbor Residences contributed to the sustained sales take up.

As of December 2016, the company has launched seven projects with 10,611 residential units, with a total approximate value of ₱38.1 billion.

Company's operating expenses grew by 13% from ₱2,511 million to ₱2,836 million mainly due to increase in marketing and selling, taxes and licenses and salaries and wages.

II. Financial Position

The Company's total assets stood at ₱45.38 billion as of December 31, 2016, higher by 2% than the ₱44.59 billion total assets as of December 31, 2015.

Cash and cash equivalents decreased by 32% from ₱5.68 billion as of December 31, 2015 to ₱3.87 billion as of December 31, 2016. The decrease was due to cost incurred for ongoing construction of projects and payments for purchased land.

Receivables jumped by 17% from ₱9.70 billion to ₱11.34 billion for 2015 and 2016 respectively. The increase is due to the effect of revenue recognition based on percentage of completion method.

Real estate held for sale increased by 2% from ₱26.13 billion to ₱26.76 billion due to development costs incurred for new projects and construction costs of on-going projects, as well as land banking activities.

Customers deposit increased significantly from ₱4.14 billion to ₱5.40 billion due to collections received from launched projects such as Lumiere Residences, Sheridan Towers and Ivorywood Residences.

Other Disclosures:

There are no known trends, events or uncertainties or material commitments that may result to any cash flow or liquidity problems of the Company.

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

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

AS OF DEC 31, 2015 v. DEC 31, 2014 (Restated)

I. Results of Operations

The Company's net income dropped by 30% from ₱3,991 million for year ended December 31, 2014 to ₱2,786 million in 2015 same period mainly due to effect of change in the Company's accounting policy on revenue recognition from completed contract method to Percentage of Completion method. Excluding the effect of one time gain on sale of undeveloped land last year, net income declined by 25% compared to the same period in 2014.

In spite of a more challenging market, sales and reservations for the period was reported at P18.8 billion, a dip of 1% from last year. Sustained demand for residential condominium units in new and existing projects such as Ivorywood, Lumiere Residences, Sheridan Towers contributed to the sustained sales take up.

As of December 2015, the company has launched five projects with 2,866 residential units, with a total approximate value of ₱11.4 billion.

Other income dropped by 46% from ₱1,026 million to ₱550 million in 2015. Aside from the recognized one time gain on sale of undeveloped land in 2014, decrease is due to lesser cancellations this year compared to last year, thus a reduction in the amount forfeited from cancelled accounts.

II. Financial Position

The Company's total assets stood at ₱44.59 billion as of December 31, 2015, higher by 17% than the ₱38.19 billion total assets as of December 31, 2014.

Cash and cash equivalents increased by 106% from ₱2.75 billion as of December 31, 2014 to ₱5.68 billion as of December 31, 2015. The increase was due to the loan availed in December amounting to ₱2.00 billion through the issuance of corporate notes and increased cash collection from customers who availed of bank financing.

Receivables dropped by 10% from ₱10.82 billion to ₱9.70 for 2014 and 2015 respectively same period. The decrease is due to increase in collection from bank financing accounts and cash term buyers.

Real estate held for sale increased by 20% from ₱21.83 million to ₱26.13 million due to development costs incurred for new projects and construction costs of on-going projects, as well as land banking activities.

Property, equipment and software increased by 5% due to purchase of new construction machinery and equipment and purchase of new accounting system, Microsoft AX.

Total liabilities of the Company amounting to ₱30.31 billion in December 31, 2015, increased by 19% from ₱25.47 billion as of December 31, 2014 is mainly due to availed additional loan amounting to P2.0 billion and increase in Liabilities for Purchased Land due to continuous land banking activities.

Other Disclosures:

There are no known trends, events or uncertainties or material commitments that may result to any cash flow or liquidity problems of the Company.

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

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The operating activities of the Company are carried uniformly over the calendar year. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are also no seasonal aspects affecting the Company's financial condition and results of operations.

B. Performance Indicators

	KPI		
	2017	2016	2015
Gross Revenues	₱20.91 billion	₱15.15 billion	₱13.29 billion
EBIT	5.01 billion	3.62 billion	3.82 billion
EBITDA	5.39 billion	3.96 billion	4.13 billion
Net Income	3.58 billion	2.72 billion	2.79 billion
Earnings per share	1.02	0.78	0.80
Current ratio	4.00:1	4.47:1	2.82:1
Debt-to-equity ratio	1.98:1	1.91:1	2.12:1
Solvency rate	0.11:1	0.10:1	0.10:1
Interest Coverage Ratio	4.21:1	3.38:1	3.83:1
Debt Service Coverage Ratio	2.12:1	0.50:1	1.52:1
Return on Assets	7.23%	6.04%	6.73%
Return on Equity	21.38%	18.25%	20.75%

The manner by which the Company calculates the foregoing indicators is as follows:

Current Ratio means the Issuer's current assets divided by the current liabilities as reflected in the Issuer's latest audited financial statements ending December 31. This ratio is used as a test of the Company's liquidity.

Debt to Equity Ratio means the ratio of the Issuer's total liabilities to its total stockholders' equity, as reflected in the latest audited financial statements ending December 31. The ratio reveals the proportion of liability and equity the Company is using to finance its business. It also measures a Company's borrowing capacity.

Return on Assets means the ratio obtained by dividing the Company's net income by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.

Return on Equity means the ratio obtained by dividing the Company's net income by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.

Earnings per Share means the portion of the Company's profit allocated to each outstanding share of common stock. Earnings per Share serves as an indicator of the Company's profitability.

Solvency Rate means the ratio obtained by dividing the Company's net income and depreciation and amortization by its total liabilities. It measures the Company's ability to meet its short-term and long-term obligations.

Interest Coverage Ratio means the ratio calculated by dividing the Company's earnings before interest and taxes by interest expense. This ratio determines the Company's ability to pay interest on its outstanding debt.

Debt Service Coverage Ratio means the ratio obtained by dividing the earnings before interest and taxes (net operating income) by the total debt service costs which includes payment of loans and interest expense. This ratio measures the Company's ability to maintain its current debt levels.

Item 7. Financial Statements

Attached to the Audited Financial Statements, are the financial statements incorporated herein by reference.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There has been no change or disagreements with certifying accountants.

Part III-CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

A. Enumeration of Directors which includes Independent Directors and Executive Officers

Name	Age	Position
Isidro A. Consunji	69	Chairman of the Board and Chief Executive Officer
Alfredo R. Austria	60	Director and President
Jorge A. Consunji	65	Director
Ma. Edwina C. Laperal	56	Director, Senior Vice-President, and Treasurer
Victor A. Consunji	66	Director
Elmer G. Civil	56	Director, Senior Vice-President for Construction Division
Victor S. Limlingan	73	Director
Herbert M. Consunji	65	Director
Ma. Cristina C. Gotianun	63	Director
Honorio Reyes Lao	73	Independent Director
Francisco F. Del Rosario, Jr.	70	Independent Director

(a) REGULAR DIRECTORS

Isidro A. Consunji, 69, Filipino, is the Chairman of the Board of Directors of the Company. He has been a Director of the Company for 23 years. He is a graduate of B.S. Civil Engineering at the University of the Philippines. He obtained his Master in Business Economics from the Center for Research and Communication and Master's in Business Management from the Asian Institute of Management, and attended the Advanced Management Program at Instituto de Estudios Superiores de la Empresa (IESE) in Barcelona, Spain. For the past five years, he has been the President of DMCI-HI, Dacon Corporation, and Asia Industries Inc. He is also the Chairman of the Board of Directors of DMCI Mining Corp., D.M. Consunji, Inc., DMCI Homes, and Beta Electric Corp. He is the Vice Chairman of Maynilad Water Services Inc., and director of Semirara Mining and Power Corporation, DMCI/MPIC Water Company Inc., Crown Equities, Inc., Atlas Consolidated Mining and Dev Corp., Carmen Copper Corp., Sem-Calaca Power Corp., Berong Nickel Corp., Toledo Mining Corp., ENK PLC (London). He was the former President of the Philippine Constructors Association

and Philippine Chamber of Coal Mines, Inc. At present, he is the Chairman of the Board of the Philippine Overseas Construction Board and a board member of Construction Industry Authority of the Philippines.

Alfredo R. Austria, 60, Filipino, is the President and Chief Operating Officer of the Company. He has been a Director of the Company for 14 years. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Ma. Edwina C. Laperal, 56, Filipino, is a Director, Senior Vice-President and Treasurer of the Company. She has been a Director of the Company for 23 years. She is a graduate of B.S. Architecture and obtained her Master's Degree in Business Administration from the University of the Philippines. She obtained an Executive Certificate for Strategic Business Economics Program from the University of Asia & the Pacific (formerly the Center for Research and Communication). She is a licensed architect in the Philippines. She is concurrently the Director and Treasurer of DMCI Holdings, Inc., D.M. Consunji Inc., DFC Holdings, Inc., and Dacon Corporation. A Director in Semirara Mining and Power Corporation, DMC Urban Property Developers, Inc., Southwest Luzon Power Generation Corporation, and Sem-Calaca Power Corporation. She is also a President and Director of DMC Urban Property Developers, Inc.

Jorge A. Consunji, 65, Filipino, has been a Director of the Company for 23 years. He is a graduate of B.S. Industrial Management Engineering at the De La Salle University. He obtained his Master's in Business Economics from University of Asia and the Pacific. He is the President and COO of D.M. Consunji Inc. He is also the Chairman of DMCI Masbate Power Corporation and Wire Rope Corp. of the Philippines, Director of DMCI-HI, Dacon Corporation, SEM-Calaca Power Corporation, DMCI Mining Corporation, DMCI Power Corporation, DMCI Concepcion Power Corporation, Semirara Mining and Power Corporation, Maynilad Water Services Inc., Manila Herbal Corporation, and Beta Electric Corp. He was the former Chairman of ASEAN Constructors Federation and former President of Phil. Constructors Association and ACEL. He is currently a Director of Private Infrastructure Development Corp.

Victor A. Consunji, 66, Filipino, has been a Director of the Company for 2 years. He has served as a regular director of DMCI Holdings, Inc. for twenty-one (21) years since March 1995. He is also a regular Director of the following: (Listed) Semirara Mining and Power Corp.; (Non-listed) DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem Calaca Res Corporation, Dacon Corp., DMCI Masbate Corp., DMCI Mining Corp. , D.M. Consunji Inc. , DFC Holdings, Inc., M&S Company, Inc., Sodaco Agricultural Corporation, Ecoland Properties Development Corporation., DMC Urban Properties Development Inc., Sirawai Plywood & Lumber Corp., Royal Star Aviation, Inc., Zanorte Palm-Rubber Plantation, Inc. Education. AB Political Science (Ateneo de Manila and Ateneo de Davao); Chevalier College, Australia (secondary); San Beda College, Manila (elementary).

Elmer G. Civil, 56, Filipino, is a Director of the Company and SVP for Construction and Post Construction of the Company. He has been a Director of the Company for 8 years. He is also the President of Zenith Mobility Solutions, Inc. He is a graduate of B.S. Civil Engineering & B.S. Sanitary Engineering at the Mapua Institute of Technology. He placed 12th in the Philippine Civil Engineering Board Examination and placed 5th in the Philippine Sanitary Engineering Board Examination. He has held the position of Vice-President & General Manager for Housing Business Unit of D.M. Consunji, Inc.

Victor S. Limlingan, 73, Filipino, has been a Director of the Company for 8 years. He is also the Director of D.M. Consunji, Inc., Berong Nickel Corporation and all other subsidiaries of DMCI Holdings, Inc. He is currently the Managing Director of DMCI-HI. He also serves as the Chairman of Guagua National Colleges and member of the Presidential Task Force on Education. He owns and manages Regina Capital Development Corporation. He is also the Chairman and majority shareholder of Cristina Travel Corporation. Mr. Limlingan was a Professor of Public Policy, Business Strategy, and Financial Management at the Asian Institute of Management (AIM). He is a graduate of Bachelor of Arts Major in Engineering and received his Master in Business Management and Bachelor of Arts Major in Engineering degrees from Ateneo de Manila University. He also received his Doctorate Degree in Business Administration from Harvard University.

Herbert M. Consunji, 65, Filipino, is a Director of the Company since June 2017. He has served as regular director of DMCI Holdings, Inc. for twenty-two (22) years since March 1995. He is also a regular Director of the following: (Listed) Semirara Mining and Power Corporation; (Non-listed) D.M. Consunji, Inc., Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. Education. Top Management Program, Asian Institute of Management; Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). Civic Affiliations. Philippine Institute of Certified Public Accountants, Member.

Ma. Cristina C. Gotianun, 63, Filipino, is a Director of the Company since June 2017. She has been the Assistant Treasurer of DMCI Holdings, Inc. for twenty-one (21) years. She is a regular director of the following companies: (Listed) Semirara Mining and Power Corporation; (Non-listed) Dacon Corporation, D.M. Consunji, Inc., DMCI Power Corporation, Sem-Calaca Power Corporation., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Development Corporation, St. Raphael Power Generation Corp., Semirara-Energy Utilities, Inc., Semirara Claystone, Inc., and Sem-Calaca Res Corp. She is a graduate of Bachelor of Science Major in Business Economics at the University of the Philippines. She acquired special studies in Top Management Program at Asian Institute of Management (AIM). She finished Strategic Business Economic Program at University of Asia and Pacific. She is a Fellow of the Institute of Corporate Directors.

(b) INDEPENDENT DIRECTORS

Honorio O. Reyes-Lao, 73, Filipino, has been an Independent Director of the Company for almost 2 years. He is currently an independent director of DMCI Holdings, Inc., an independent director of Semirara Mining and Power Corporation, and also a director of Philippine Business Bank (Listed). An independent director of Sem-Calaca Power Corporation and South West Luzon Power Generation Corporation (Non-Listed). Non-Listed (Past Positions) Gold Venture Lease and Management Services Inc. (2008-2009), First Sovereign Asset Management Corporation (2004-2006), CBC Forex Corporation (1998-2002), CBC Insurance Brokers, Inc. (1998-2004), CBC Properties and Computers Center, Inc. (1993-2006). He obtained his Bachelor of Arts degree, Major in Economics and his Bachelor of Science in Commerce, Major in Accounting from De La Salle University. He obtained his Master's Degree in Business Management from the Asian Institute of Management. His current civic affiliations include the Institute of Corporate Directors, Fellow, Rotary Club of Makati West, Member/Treasurer, Makati Chamber of Commerce and Industries, Past President.

Francisco F. Del Rosario, Jr., 70, Filipino, has been an Independent Director of the Company for 5 years. He is also an Independent Director of Metrobank and Philab Industries, Inc., a Director of Mapfre Insular Insurance Corp. and Ominipay Inc., a Cabinet Member of Habitat for Humanity Philippines, and a Trustee of ABS-CBN Foundation Inc. Mr. del Rosario is a graduate of B.S. Commerce major in Accounting and Bachelor of Arts Major in Economics from De La Salle College. He also obtained his Master in Business Management from the Asian Institute of Management. He is also a candidate for Doctoral Program in Business Administration from De La Salle University Professional Schools, Inc.

(c) KEY OFFICERS

The following are the names, ages, and citizenship of the Company's executive officers:

Name	Age	Position
Alfredo R. Austria	60	President
Ma. Edwina C. Laperal	56	Treasurer
Florante C. Ofrecio	64	Senior Vice-President for Sales
Elmer G. Civil	56	Senior Vice President for Construction and Post Construction Division
Enrico C. Wong	60	Senior Vice President for DMCI Property Management , Alta Vista de Boracay , Leasing and General Services
Evangeline H. Atchioco	43	Chief Compliance Officer/ Vice President for Finance
Noel A. Laman	78	Corporate Secretary
Ma. Pilar P. Gutierrez	41	Assistant Corporate Secretary

The business experience of each of the Company's executive officers covering the past five years are described below.

Alfredo R. Austria, 60, Filipino, is the President and Chief Operating Officer of the Company. He has been a Director of the Company for 14 years. He is a graduate of B.S. Civil Engineering, Cum Laude, at the University of the Philippines. He is a licensed Civil Engineer and placed 2nd at the Philippine Civil Engineering Board Exam. He also obtained his Master in Business Administration from the University of the Philippines and a Certificate in Business Economics from the University of Asia and the Pacific. He has held various positions in different construction companies domestically and internationally. He is a member of the Philippine Institute of Civil Engineers - Manila Chapter.

Ma. Edwina C. Laperal, 56, Filipino, is a Director, Senior Vice-President, and Treasurer of the Company. She has been a Director of the Company for 23 years. She is a graduate of B.S. Architecture and obtained her Master's Degree in Business Administration from the University of the Philippines. She obtained an Executive Certificate for Strategic Business Economics Program from the University of Asia & the Pacific (formerly the Center for Research and Communication). She is a licensed architect in the Philippines. She is concurrently the Director and Treasurer of DMCI Holdings, Inc., D.M. Consunji Inc., DFC Holdings, Inc., and Dacon Corporation. A Director in Semirara Mining and Power Corporation, DMC Urban Property

Developers, Inc., Southwest Luzon Power Generation Corporation, and Sem-Calaca Power Corporation. She is also a President and Director of DMC Urban Property Developers, Inc.

Elmer G. Civil, 56, Filipino, is a Director of the Company and SVP for Construction and Post Construction of the Company. He has been a Director of the Company for 8 years. He is also the President of Zenith Mobility Solutions, Inc. He is a graduate of B.S. Civil Engineering & B.S. Sanitary Engineering at the Mapua Institute of Technology. He placed 12th in the Philippine Civil Engineering Board Examination and placed 5th in the Philippine Sanitary Engineering Board Examination. He has held the position of Vice-President & General Manager for Housing Business Unit of D.M. Consunji, Inc.

Florante C. Ofrecio, 64, Filipino, has been the Senior Vice President for Sales of the Company and has been heading the Sales Division since 2006. He is a graduate of B.S. Industrial Engineering from University of the Philippines, Diliman. He obtained units for a degree in Master in Business Administration from the Ateneo de Manila University and Certificate in Business Economics from University of Asia and the Pacific. He is a licensed real estate broker since 1987. He has been involved in the realty business since 1981 in the areas of sales and marketing, financial planning, project conceptualization and actual development, consultancy and related advisory functions. He has been an active member of CREBA (Chamber of Real Estate Builders Association Inc.) since 1990 having served in various positions as officer and member of the Board of Directors. He is an active Rotarian and a past president of the Rotary Club of South Triangle, District 3780 for two terms RY2010-2011 and RY2012-2013.

Enrico C. Wong, 60, Filipino, has been the Senior Vice President for DMCI Property Management, Alta Vista de Boracay, Purchasing, Leasing and General Services of the Company for over 1 year. He is also the Managing Director and part owner of Nuvali Steel Processing Center Inc, Board of Trustee of Made in Hope Philippines (NGO helping rescued women and children) and a Lecturer / Associate Professor in Ateneo Graduate School of Business for MBA-Regis University USA program. Before joining the Company in 2015, he has held various positions in San Miguel Group of Companies such as Vice President, General Manager and Board of Director of San Miguel Packaging Specialist, Inc., Vice President and Business Manager for PET Packaging and Beverage Business Cluster, San Miguel Yamamura Packaging Corp and San Miguel Corp., and Assistant Vice President and Sales Account Director for Coca Cola (Domestic and International). He is a graduate of B.S. Electrical Engineering from University of the Philippines and obtained his Master's in Business Administration from Ateneo Graduate School of Business. He is also a business consultant and trainer for Strategic Planning and Management, Quality Management, Operations Management, Culture Development, Motivation and

Values Formation. He is a Certified Master Project Manager, a Professional Executive Coach and a member of International Coach Federation, USA.

Evangeline H. Atchioco, 43, Filipino, has been the Chief Compliance Officer of the Company for 2 years or since February 12, 2016. She graduated Magna Cum Laude from the University of the East in 1994 with a degree of Bachelor of Science in Accountancy and obtained a Certificate in Business Economics from University of Asia and the Pacific in 2016. She is a Certified Public Accountant. She was a Senior Auditor in SyCip Gorres Velayo & Co. from 1994 to 1996 and thereafter joined the Company in 1997. She also occupies the position of Vice President for Finance in the Company.

Noel A. Laman, 78, Filipino, has been the Corporate Secretary of the Company for 8 years. He is a graduate of the University of the Philippines College of Law (B.S. Juris '59, LLB '60) and pursued graduate law studies at the University of Michigan Law School (LLM '63) as a DeWitt scholar. He began his practice as an intellectual property and business lawyer after his studies in the United States and, after founding the law firm Castillo Laman Tan & Pantaleon in 1981, he expanded his intellectual property/business law practice to foreign investments and mergers and acquisitions. He is a name and senior partner of Castillo Laman Tan Pantaleon & San Jose. He was a former president of the Intellectual Property Association of the Philippines and a former council member of the Asian Patent Attorneys Association. He is a firm representative to the European Chamber of Commerce and German Philippine Chamber of Commerce, Inc. and a rear admiral of the Philippine Coast Guard Auxiliary aside from being its legal counsel and head of its board of discipline. He is the Corporate Secretary of DMCI Holdings, Inc. and D.M. Consunji, Inc.

Ma. Pilar P. Gutierrez, 41, Filipino, she has served the Corporation as Assistant Corporate Secretary of the Company for almost 13 years or since May 2005. She graduated from the Ateneo de Manila University with Bachelor of Science degree in Legal Management in 1997. She is a Dean's medalist and a graduate of the University of the Philippines College of Law Class of 2001. After taking the bar examinations in 2001, she joined the law firm Castillo Laman Tan Pantaleon & San Jose as an Associate on November 5, 2001. She was promoted to Senior Associate in the same law firm on January 1, 2007, and was admitted as a Partner on January 1, 2010. She is the Assistant Corporate Secretary of DMCI Holdings, Inc. and D.M. Consunji, Inc.

B. Significant Employees

Each of the employees whether classified as an executive or a rank & file is considered important. All makes a significant contribution to the business of the Company.

C. Family Relationships

The family relationship up to fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the Corporation to become directors or executive officers is stated below:

Chairman Isidro A. Consunji, Director Jorge A. Consunji, Director Victor A. Consunji, and SVP-Treasurer Ma. Edwina C. Laperal are siblings. Director Herbert M. Consunji is their cousin.

Except as disclosed above, there are no other family relationships known to the Corporation.

D. Involvement in Certain Legal Proceedings

Except for those referred under Item 3 of this report, the Company is not aware of the occurrence, as of the date hereof and during the past five (5) years preceding this date, of any of the following events which it believes to be material to the evaluation of the ability or integrity of any of its directors, nominees for election as a director, or executive officers:

1. Any bankruptcy petition filed by or against any business of the director, nominee for election as director, or executive officer who was a general partner or executive officer either at the time of bankruptcy or within two years prior that time
2. Any director, nominee for election as director, or executive officer being convicted by final judgement in a criminal proceeding, domestic or foreign, or being subject in his personal capacity to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.
3. Any director, nominee for election as director, or executive officer being subject to any judgment, order, or decree, not subsequently reversed, vacated, or suspended, of any court of competent jurisdiction domestic or foreign, permanently or temporarily enjoining, suspending, barring, or otherwise limiting his/her involvement in any type of business, securities, commodities, or banking activities, and
4. Any director, nominee for election as director, or executive officer being found by domestic or foreign court of competent jurisdiction in a civil action, the Commission or equivalent 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, vacated, or suspended.

Item 10. EXECUTIVE COMPENSATION

A. Compensation of Directors

Under Article III, Section 10 of the Company's By-Laws, each director shall receive a reasonable per diem for his attendance at every meeting of the Board. Every member of the Board shall receive such amount not to exceed 10% of the income before income tax of the Corporation during the preceding year, as may be determined by the Board of Directors, as compensation subject to the approval of the stockholders. The per diem of each director who attended a board meeting amounts to P10,000.

B. Executive Compensation

Under Article IV, Section 10 of the Company's By-laws, the Board of Directors shall determine the remuneration to be received by the executive officers designated herein.

ANNUAL COMPENSATION IN PHILIPPINE PESOS

Names	Year	Salary	Bonus	TOTAL
Alfredo R. Austria President and Chief Operating Officer				
Ma. Edwina C. Laperal Senior Vice-President and Treasurer				
Elmer G. Civil Senior Vice-President for Construction Division				
Enrico C. Wong Senior Vice President for DPMC, Alta Vista, General Services and Leasing				
Florante C. Ofrecio Senior Vice-President for Sales				
Total for five most highly compensated executive officers	2016	₱12,392,563.81	₱1,032,713.65	₱13,425,277.46
	2017	₱13,260,000.00	₱1,105,000.00	₱14,365,000.00
	2018 (estimates)	₱14,236,358.29	₱1,186,363.19	₱15,422,721.48
Total for all other officers as a group unnamed*	2016	₱45,978,637.85	₱3,831,553.15	₱49,810,191.00
	2017	₱49,657,000.00	₱4,138,000.00	₱53,795,000.00
	2018 (estimates)	₱53,343,561.67	₱4,445,296.81	₱57,788,858.48

* Officers holding positions of managers and above.

There is no contract covering their employment with the Corporation and they hold office by virtue of their election to office. The Company has no agreements with its named executive officers regarding any bonus, profit sharing, pension or retirement plan.

There are no outstanding warrants, options, or right to repurchase any securities held by the directors or executive officers of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1) Security Ownership of Management

The table sets forth as of December 31, 2017, the record or beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

Title of Class	Name of Beneficial Owner And Address	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Isidro A. Consunji No.7 Bauhinia St., Forbes Park, Makati City	1,000 Direct	Filipino	<0.01%
Common	Jorge A. Consunji 4883 Pasay Road, Dasmarinas Village, Makati City	1,000 Direct	Filipino	<0.01%
Common	Ma. Edwina C. Laperal 4883 Pasay Road, Dasmarinas Village, Makati City	1,000 Direct	Filipino	<0.01%
Common	Alfredo R. Austria 18 Mariposa St., Cubao, Quezon City	1 Direct	Filipino	<0.01%
Common	Elmer G. Civil 12 Duarte St. Mahogany I Taguig, Acacia Estate, Taguig City	1 Direct	Filipino	<0.01%
Common	Victor S. Limlingan 108 Celery Drive, Valle 5, Pasig City	1 Direct	Filipino	<0.01%
Common	Victor A. Consunji 4688 Pasay Road Dasmarinas Village, Makati City	1 Direct	Filipino	<0.01%
Common	Ma. Cristina C. Gotianun 3/F Dacon Building, 2281 Don Chino Roces Ave., Makati City	1 Direct	Filipino	<0.01%

Common	Herbert M. Consunji 3/F Dacon Building, 2281 Don Chino Roces Ave., Makati City	1	Direct	Filipino	<0.01%
Common	Honorio O. Reyes-Lao #10 Dampol St., Damar Village, Quezon City	1	Direct	Filipino	<0.01%
Common	Francisco F. Del Rosario, Jr. 12 McKinley Hill Drive, McKinley Hill Village, Taguig	1	Direct	Filipino	<0.01%
Common	Noel A. Laman 44 Tamarind Road, South Forbes, 1220 Makati City	0	N/A	Filipino	0.0000%
Common	Ma. Pilar P. Gutierrez Lot 9-10 Blk. 7, Citiplaza 3, 37 Tandang Sora Avenue, Quezon City	0	N/A	Filipino	0.0000%
Aggregate Ownership		3,008			<0.01%

All the above named directors and officers of the Corporation are of record and/or beneficial owners of the shares of stock set forth opposite their respective names.

2) Security Ownership of Certain Record and Beneficial Owners

The following table sets forth as of December 31, 2017, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Corporation which are entitled to vote and the amount of such record and/or beneficial ownership.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	DMCI Holdings, Inc. 3 rd Floor, Dacon Building 2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation	DMCI Holdings, Inc. 3 rd Floor, Dacon Building 2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation	Filipino	2,982,861,746	85.5%
Common	D.M. Consunji, Inc. 2/F DMCI Plaza 2281 Pasong Tamo Extension, Makati City	DMCI Holdings, Inc. 3 rd Floor, Dacon Building 2281 Pasong Tamo Extension Makati City DMCI Holdings, Inc. is the parent company of the Corporation	Filipino	504,862,578	14.5%

3) Voting Trust Holders of 5% or more

The Corporation is not aware of any person holding more than 5% of the shares of Corporation under a voting trust or similar agreement.

4) Changes in Control

As of December 31, 2017, there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

Item 12. Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

The Company is a subsidiary of DMCI-HI. The Company, in its regular course of business, engages in transactions with DMCI-HI, its subsidiaries and affiliates.

The Company's significant transactions with related parties consist primarily of the following:

- a. General and special management services rendered by DMCI-HI, the ultimate parent company, and by DMCI Homes, Inc., a subsidiary, to the Parent Company for a fee. This is effective for a period of five (5) years and renewable for another five (5) years upon mutual agreement of the contracting parties.

Total management fees charged against operations under this agreement amounted to ₱5.13 million as of December 31, 2017 and ₱66.60 million as of December 31, 2016.

- b. Dividend income from investment in Subic Water and Sewerage Company recognized by the Parent Company in the statements of comprehensive income amounted to ₱35.00 million and ₱35.00 million in 2017 and 2016, respectively.

- c. Contract billings by DMCI, an affiliate, amounting ₱251.64 million and ₱76.19 million as of December 31, 2017 and December 31, 2016 respectively, for the construction of the real estate projects included in the "Payables to related parties' account."

The Group's wholly owned subsidiary DMCI Homes Inc. provides general and special management services. DMCI Homes Inc. receives remittances from Company's customers situated in other countries as payment for real estate units. Transaction with other related parties represents advances made by the Company for daily operation of related parties.

There have been no guarantees provided or received for any related party receivables or payables. The Company has not recognized any impairment losses on amounts receivables from related parties for the year ended December 31, 2017. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Transactions between related parties are based on terms similar to those offered to non-related parties. Related party transactions are made under the normal course of business.

Aside from the above, the Company also has cash and operating advances made to and received from related parties. These advances are mostly made to subsidiaries for initial working capital requirements for maintenance of completed projects. To ensure the proper upkeep of premises upon completion of projects, the Company typically provides advances to each project's condominium corporation or homeowners' association as seed fund for maintenance purposes. Repayments of these advances are offset from association dues of units owned by the Company in these projects.

Total outstanding receivables from related parties as of December 31, 2017 and December 31, 2016 amounted to ₱7.13 million and ₱6.52 million, respectively. Total outstanding payable to related parties as of December 31, 2017 and December 31, 2016 amounted to ₱304.45 million and ₱232.80 million, respectively.

To the best of the Company's knowledge, there are no parties that fall outside of the definition of "related parties" under SFAS/IAS No. 24, but with whom the Company or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

PART IV- CORPORATE GOVERNANCE

Item 13. Corporate Governance

- 1) The Company's Corporate Governance Manual ("CG Manual") was filed on May 22, 2015. The Amended CG Manual was later on filed on September 14, 2015. The Company's CG Manual substantially complies with the SEC Memorandum Circular no. 6 Series of 2009 issued by the Securities and Exchange Commission on Revised Code of Corporate Governance.
- 2) With the appointment of the Chief Compliance Officer on February 12, 2016, the Compliance Department was formally established. The department is responsible for the company's acquiescence to the mandatory provisions laid down under the Revised Code of Corporate Governance, the provisions of the Company's CG Manual, the Well-Accepted Principles of Corporate Governance Best Practices for non-listed domestic private corporations, Rule 38 of the Securities Regulation Code, and other SEC Memorandum Circulars. It also ensures the yearly filing of the Certificate of Compliance with the Manual of Corporate Governance of the Chief Compliance Officer, the Corporate Secretary's Certificate of Attendance of Directors to Board Meetings, the Annual Report with corporate governance provisions, Quarterly Reports, General Information Sheet, and other reportorial requirements mandated by the Commission for the corporation to file. It also ensures that the company substantially complies with the laws applicable to the industry it belongs and other prevailing laws applicable to corporations duly incorporated in the Philippines.
- 3) On May 2017, the Chairman and the Members of the Audit Committee, Nomination & Election Committee, and Compensation & Remuneration Committee of the company were elected. The three committees were established to ensure substantial compliance with the provisions of the Revised Manual on Corporate Governance of SEC and the CG Manual of the Company as to the respective corporate committees.
- 4) The Chief Compliance Officer attends all meetings of the Board of Directors of the Company and closely coordinates with the Chairman of the Board and other officers to ensure compliance with its CG Manual. The Company's directors and top-level management also attend seminars on good corporate governance which are held annually by the Company's parent company, DMCI Holdings, Inc.
- 5) As of the date hereof, there are no deviations from the Company's Manual on Corporate Governance.

- 6) The Company is bound to comply with various corporate governance policies being implemented by its parent company, DMCI Holdings, Inc. This is intended to improve the corporate governance of the Company.

PART V- EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

- 1) **As to Exhibits:** *See index of exhibits incorporated by reference in this report.*

- a) 2017 Audited Consolidated Financial Statements of DMCI-Project Developers, Inc.

The other exhibits, as indicated in the index of exhibits are either not applicable to the Company or require no answer.

- 2) **Reports on SEC Form 17-C:**

The Company filed several SEC Form 17-C reports for the year 2017 within 5 calendar days after the occurrence of the event being reported.

- 3) **Reports under SEC Form 17-C:**

The reports below were filed at Securities and Exchange Commission Main Office.

- a) Certification on Board Attendance filed on January 9, 2018.
- b) Certification of Chief Compliance Officer as to Compliance with the Provisions of CG Manual of the Company filed on January 4, 2018.
- c) Resetting of the 2017 Annual Stockholders' Meeting.
- d) Annual Stockholders' Meeting on May 4, 2017 reporting the regular directors, independent directors, officers of the corporation, and the respective committees filed on May 8, 2017.
- e) Declaration of Cash Dividend filed on May 26, 2017.
- f) Approval of Amended Articles of Incorporation to increase 2 board seats from 9 directors to 11 directors and including 2 independent directors filed on June 20, 2017.
- g) Appointment of Ms. Josephine Isidro as Data Protection Officer filed on July 27, 2017.

4) Material events subsequent to the end of the reporting period that have not been reflected in the financial statements of the reporting period:

On January 4, 2018, the Company submitted the Certification of the Chief Compliance Officer of Compliance of the Provisions of the Corporate Governance Manual. For Calendar period of 2017, the Company has substantially adopted all the provisions of its Corporate Governance Manual as prescribed by SEC Memorandum Circular No.2 Series of 2002 as amended and there no material deviations by the Company in its compliance with the same.

On January 9, 2018, the Company submitted the Certification on Board Attendance for 2017. Based on the records of the minutes of the meetings of the Board of Directors of DMCI-PDI, no director has been absent for more than fifty percent (50%) from all regular and special meetings of the Board of Directors during incumbency or any twelve (12) month period of said incumbency.

On February 28, 2018, the Board of Directors of DMCI Project Developers, Inc. approved the following resolutions:

- 1) Declaration of cash dividends amounting to P1.2 Billion out of the unrestricted retained earnings of the Corporation as of December 31, 2017 to the current stockholders of record as of the same period.
- 2) Reversal of the appropriation from the retained earnings as follows:
 - a) Reversal of P3.95 Billion worth of appropriation for Fortis Residences due to deferment of its project launching.
 - b) Reversal of P33 Million from P4.4 Billion last 2016. The reversal was used for development cost of the following projects:

Project	Appropriated Fund Balance	Used in 2017	Balance	Ready for Occupancy
Mulberry Place	P1,500,000,000	P10,000,000	P1,490,000,000	2020
Prisma Residences	P2,929,000,000	P23,000,000	P2,906,000,000	2022
Total:	P4,429,000,000	P33,000,000	P4,396,000,000	

Remaining balance of appropriated fund will gradually be reversed until the project reached its Ready for Occupancy (RFO) status.


- c) Appropriation of the amount of P6.0 Billion from the retained earnings as of December 31, 2017 in order to fund the development and project cost of Brixton Place and Oak Harbor Residences amounting to P4.0 Billion and P2.0 Billion respectively.
- 3) To reset the 2018 Annual Stockholder's Meeting of DMCI-PDI to May 3, 2018, 2:00 P.M. instead of May 10, 2017 or the Second Wednesday of May of the calendar year. The meeting shall be held at the principal office of the corporation located at DMCI Homes Corporate Center, 1321 Apolinario St., Bangkal, 1233 Makati City; and
- 4) To set the record date for the 2018 Annual Stockholder's Meeting on March 31, 2018.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed in behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on APR 13 2018.

By:


Isidro A. Cosunji
Chairman and CEO


Alfredo R. Austria
President

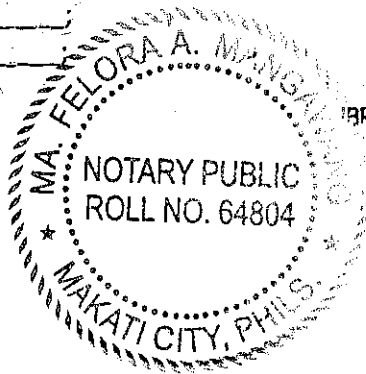

Evangelina H. Atchioco
Chief Compliance Officer


Atty. Ma. Pilar Pilares-Gutierrez
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 13 2018, day of _____, 2018
 affiants exhibiting to me their passport details as follows:

Name	Passport No.	Date of Issue	Place of Issue
Isidro A. Consunji	EC4977907	08-11-15	DFA Manila
Alfredo R. Austria	EB9222042	09-24-13	DFA Manila
Evangeline H. Atchioco	EB9321409	10-17-13	DFA NCR Central
Atty. Ma. Pilar Pilares-Gutierrez	EC3902052	09-10-15	DFA MANILA

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MA. FELORA A. MANGAWANG
 NOTARY PUBLIC
 Appointment No. M-438
 Notary Public for Makati City
 Until December 31, 2018
 Castillo Laman Tan Pantaleon
 & San Jose Law Firm
 The Valero Tower, 122 Valero Street
 Salcedo Village, Makati City
 PTR No. 6616060;01-04-2018;Makati City
 BP Lifetime No. 013749;04-15-2015;Makati Chapter
 Roll No. 64804