

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. 16 May 2019
Date of Report (Date of earliest event reported)
2. SEC Identification Number 51048 3. BIR Tax Identification No. 042-000-053-167
4. FILINVEST DEVELOPMENT CORPORATION
Exact name of issuer as specified in its charter
5. Philippines 6. (SEC Use Only)
Province, country or other Industry Classification Code:
jurisdiction of incorporation
7. The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City 1634
Address of principal office Postal Code
8. (632) 918-8188 / 798-3958
Issuer's telephone number, including area code
9. Not applicable
Former name or former address, 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
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt
Outstanding |
|---------------------|---|
| Common | 8,648,462,987 |

11. Indicate the item numbers reported herein: Item 9

Please see attached press release which is self-explanatory.

SIGNATURES

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

FILINVEST DEVELOPMENT CORPORATION

Issuer

Date 16 May 2019



SHARON P. PAGALING-REFUERZO

Corporate Secretary and
Corporate Information Officer

FDC income up 50% in 1Q 2019

Gotianun family-led Filinvest Development Corporation (FDC) posted consolidated net income of Php3.9 billion in the first quarter of 2019, 50% higher than the same period in 2018. Net income attributable to equity holders of the parent company reached Php2.8 billion, posting growth of 61%.

Excluding one-off expenses in the first quarter of 2018, consolidated net income increased by 37%. Previously reported full year 2018 consolidated net income of Php13.4 billion remains unchanged.

The strong performance was on the back of revenue growth of 22%, largely composed of contributions from its core businesses in property (43%) and banking (42%). The balance was contributed by its power segment (11%) and the sugar group (4%).

FDC believes that property, composed of the real estate and hospitality segments, continues to be a strong source of growth for the group, contributing more than half of FDC's bottom line. Meanwhile, FDC's banking and financial services subsidiary, East West Banking Corporation (EastWest Bank), delivered net income of Php1.3 billion in the first quarter of 2019, 36% higher than the same period last year. Power subsidiary, FDC Utilities, Inc. (FDCUI), posted net income growth of 166% to Php599 million.

Rental revenues from FDC's listed subsidiary, Filinvest Land, Inc. (FLI) grew by 42% following the completion of six office buildings in 2018, adding a total of 118,000 square meters of gross leasable area (GLA) to its portfolio. The group is targeting a combined office and retail GLA of 1.7 million square meters by 2023.

The opening of Crimson Resort and Spa Boracay in November 2018 also contributed to the first quarter's improved revenues from property operations. In April 2019, the group opened Quest Tagaytay, bringing the portfolio of managed properties of FDC's subsidiary, Filinvest Hospitality Corporation (FHC), to six, with approximately 1,800 rooms under management under the Crimson and Quest brands. The group also has approximately 2,600 rooms that are in the planning and construction stages, with a target of managing 5,000 rooms by 2023.

EastWest Bank's revenues grew by 30% to Php8.9 billion, primarily driven by a 29% increase in fees and commissions, as well as trading gains of Php525 million. "The increase in income is largely due to the resumption of the teachers' loan program offered by our rural bank subsidiary, improved trading income, and lower credit costs," commented FDC Chairman Jonathan T. Gotianun.

FDCUI revenues and other income surged by 26% to Php2.4 billion. FDCUI currently operates an aggregate 405-MW clean coal plant in Misamis Oriental, the largest operating baseload power plant in Mindanao. The income surge was partly due to additional power purchases arising from the non-availability of hydroelectric power resulting from the ongoing El Niño weather phenomenon and the sale of replacement power to other power generators. FDCUI recently partnered with Engie, one of the world's largest power generation and distribution firms, to establish Filinvest-Engie Renewable Energy Enterprise, Inc. (FREE), a joint venture providing solar energy solutions in the Philippines. Engie is also a partner of the FDC group in

the Philippine's largest district cooling system that supplies up to 12,000 tons refrigerant in FLI's BPO complex in Alabang.

FDC has taken a position in the high-growth Clark corridor, where it has significant investments. "We see a lot of potential in this area, as Central Luzon registered 7.2% GDP growth in 2018, higher than the national growth rate," said FDC President and CEO L. Josephine G. Yap.

Together with FLI, FDC invested in the 201-hectare Filinvest Mimosa+ Leisure City (the former Clark Mimosa Estate). This development currently has a 303 room Quest+ Hotel, two championship 18-hole golf courses, and two fully-leased out BPO office buildings. Over the coming years, Filinvest intends to further add to these developments. Under FHC subsidiary Mimosa Cityscapes, Inc., the group also has a provisional license granted by the Philippine Gaming and Amusement Corporation (PAGCOR) for a casino integrated resort in Filinvest Mimosa+. More than US\$200 million has been allotted to the project, which includes a casino, lifestyle mall, five-star hotel and events venue. FDC intends to engage a third-party casino operator to manage its casino operations.

"We start a new phase in the FDC story with our entry into infrastructure and logistics parks in New Clark City. Not only will these provide balance to our more cyclical property and banking segments and add another layer of diversity to our income mix, but these will also complement existing investments in the dynamic Clark corridor," shared Mrs. Yap.

In addition, the Filinvest group, under FLI, recently broke ground for its 288-hectare development in New Clark City, a joint venture with the Bases Conversion Development Authority (BCDA). In 2019, the group expects to start construction of Phase 1 of Filinvest at New Clark City, a 64-hectare innovation and logistics park, with completion targeted in 2020.

FDC is a lead consortium member with a 42.5% stake in Luzon International Premier Airport Development Corporation (LIPAD) which recently signed a 25-year concession agreement to develop commercial assets, operate and maintain project facilities, and fit-out the new terminal in the Clark International Airport. FDC's partners in this venture are JG Summit, Changi Airports Philippines (I) Pte., Ltd. and Philippine Airport Ground Support Solutions, Inc.

The Filinvest group is also part of a "superconsortium" of the country's seven largest conglomerates that was granted an original proponent status to transform the Ninoy Aquino International Airport (NAIA) into a regional airport hub and ensure that NAIA would have the capacity to meet continued growth in passenger traffic in and out of the growing economies of the Philippines and region.

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