COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION
DOING BUSINESS UNDER THE NAME
AND STYLE OF JOLLIBEE

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING
10 F. ORTIGAS JR. AVENUE
ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Last Friday of June

Month Day Year

Annual Meeting

Annual Report for the Year 2018

SEC Form 17-A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Last Friday of June
(Annual Meeting)

SEC Form 17-A
Annual Report for the year 2018
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1.	For the fiscal year ended	**December 31, 2018**
2.	SEC Identification Number	**77487**
3.	BIR Tax Identification Number	**000-388-771**
4.	Name of Registrant	**Jollibee Foods Corporation**
5.	Province, Country or other Jurisdiction of Incorporation or Organization	**Pasig City, Philippines**
6.	Industry Classification Code	
7.	Address of Principal Office	**10th Floor Jollibee Plaza, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City**
	Postal Code	**1605**
8.	Registrant's Telephone Number	**634-1111**
9.	Former name, former address, and former fiscal year, if changed since last report	**N/A**

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

Title of each Class	Number of shares of Common stock outstanding
Common	**1,092,487,779**
Treasury Shares:	
Common	**16,447,340**

Note: *Total common outstanding shares of 1,092,487,779 is inclusive of 2,724,171 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated April 5, 2019)	1,504,130
Shares applied for listing	(46,669)
Ending balance, as of April 8, 2019	1,457,461
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated April 5, 2019)	1,266,710
Shares applied for listing	-
Ending balance, as of April 8, 2019	1,266,710
TOTAL	2,724,171

11. **ALL** of these securities are listed on The Philippine Stock Exchange.

12. Reports filed by the Registrant

    (a) Registrant has filed all reports to be filed under Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months.

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

13. Aggregate market value of the voting stock held by non-affiliates of the Registrant as of December 31, 2018:

Total number of outstanding shares	1,088,052,815
Less: Outstanding Shares held by Affiliates	587,174,495
Shares held by Non-Affiliates	500,878,320
Average price as of December 31, 2018	Php278.16
Aggregate market value of voting stock held by Non-Affiliates	Php139,324,313,491.20
Level of Public Float based on information available as of December 31, 2018	43.64%

DOCUMENTS INCORPORATED BY REFERENCE

NONE of the following documents are incorporated by reference:

(a) Any annual reports to the security holder;

(b) Any proxy information statement filed pursuant to SRC Rule 20; or

(c) Any prospectus filed pursuant to SRC Rule 8.1.

PART I. BUSINESS AND GENERAL INFORMATION

1. BUSINESS

JOLLIBEE FOODS CORPORATION Doing business under the name and style of Jollibee (formerly Jollibee Foods Corporation) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 1978. The Parent Company and its subsidiaries (collectively referred to as "the Jollibee Group") and affiliates are involved primarily in the development, operations and franchising of quick service restaurants (QSRs) under the trade names "Jollibee", "Chowking", "Greenwich", "Red Ribbon", "Yong He King", "Hong Zhuang Yuan", "Mang Inasal", "Burger King", "Highlands Coffee", "Pho24", "Hard Rock Cafe", "Dunkin' Donuts", "Smashburger", "Tim Ho Wan" and "Tortas Frontera". The other activities of the Jollibee Group include manufacturing and property leasing in support of the quick service restaurant systems and other business activities.

Milestones and updates for subsidiaries and affiliates are discussed further in other parts of this Report.

Jollibee PH: Four Decades of Bringing Joy to the World

2018 marked a significant milestone for Jollibee as it celebrated 40 years of bringing joy to the world. Jollibee delivered a record-breaking performance that further reinforced its leadership in the industry.

Bestselling products, exciting new offerings and improved store processes propelled Jollibee to its highest systemwide sales growth in the last 11 years, resulting to sustained double-digit growth in its bottom line for the third straight year. Jollibee continued its aggressive expansion plans, ending 2018 with 1,146 stores in the Philippines and 232 abroad, including 4 new international markets – Italy, Macau, London and Malaysia – establishing the brand as a strong global fastfood player.

Jollibee's bestselling Chickenjoy was highlighted through "365 days of Chickenjoy" initiatives, kicking off with the return of the Muhlach Family to convey its role in family bonding. Its product superiority and value for money Chickenjoy Perfect Pairs was strongly communicated with the launch of the special web series, "One True Pair".

Yumburger maintained its strong Langhap Sarap proposition with endorsers Julia Barreto and Joshua Garcia while Jolly Spaghetti unveiled its newest ambassadors, Regine Velasquez-Alcasid and son Nate, as they shared their Sweet Sarap story.

Jollisavers continued to grow its affinity with young working adults and helped them survive Petsa de Peligro, with its variety of delicious and affordable Jollisavers meals.

Jollibee also solidified its position as the leader in Digital Engagement with the sustained success of the Kwentong Jollibee Valentines series, surpassing last year's results with over 60 million views. In total, the Kwentong Jollibee films have amassed over 188 million views on Facebook. The brand capped off the year launching a pioneer branded entertainment channel, "Jollibee Studios". Jollibee set a record haul with over 50 marketing awards including major international recognitions from the Asia-Pacific Effie's, Spikes Asia, and APAC Tambuli, as well as Kwentong Jollibee being adjudged as the 27th most effective campaign in the world.

The iconic Jollibee Funko Pop was launched to thank all customers for being part of the brand's journey for 4 decades. The first local Ad icon to be featured by the global toy company, it generated tremendous buzz and demand and helped heighten global brand awareness.

Jollibee continued to work with the Jollibee Group Foundation for its CSR initiatives, with the 8th Jollibee Family Values Awards introducing a new special citation for Agriculture and the Maaga ang Pasko holding a joint donation drive, gift-giving caravan and BLT feeding in Tuguegarao.

As it looks back with gratitude for the past 4 decades, Jollibee looks forward to the next 40 years with renewed vigor and commitment to continue spreading joy across the globe.

By the end of 2018, there were 1,146 Jollibee stores nationwide, of which 618 were franchised and 528 were company-owned.

Chickenjoy to the World!

Jollibee International closed 2018 with yet another year of phenomenal performance, driven by sustained growth in existing markets, augmented by aggressive global store network expansion, for new and existing markets alike.

Jollibee made its much-awaited entry into the European territories, opening its first stores in Milan, Italy, as well as London, United Kingdom. Lines lasting longer than 10 hours for opening day for both openings, and sustained performance of the stores in succeeding months after opening serve as strong indicators of potential expansion in the region.

Jollibee North America ended 2018 with double-digit systemwide sales growth, with stores posting healthy rolling base sales on the back of the strong performance of Chickenjoy due to improved FSC scores and year-round communication, coupled with block buster store openings.

The brand expanded further in Canada with two new stores – the first in Scarborough with a record-breaking 7,000 customers served on opening day, and the second one in Mississauga. Jollibee also opened its first store in Manhattan, just a few steps from The New York Times, an aggressive move showing its aim to reach out to a more diverse customer base. The opening drew massive crowds comprised of both locals and Filipinos, demonstrating the brand's global appeal. Crowds formed hours before the opening with lines snaking around the block. The store also drew massive crowds comprised of both locals and Filipinos, demonstrating the brand's global appeal.

Jollibee also announced its 5-year network expansion plan of growing to 250 stores in the region by 2023 — 150 in the US, and 100 in Canada.

Jollibee Vietnam ended the year with a remarkable double-digit rolling base sales growth, making it its 6th consecutive year to deliver extraordinary performance. This was driven by strong focus on its superior tasting flagship products, with Chickenjoy at the helm. Backed with its disciplined FSC practices, the business opened 19 new stores, ending the year 116 stores strong. To further propel the brand for growth, Jollibee Vietnam also opened its new, world-class commissary that can support up to 300 stores; a historic achievement as the first and only QSR chain with a dedicated commissary in Vietnam.

Jollibee Singapore and Hong Kong continued to strengthen their foothold in the respective markets, attracting an increasing number of mainstream customers. Over 50% of footfall in both markets come from mainstream customers, and as a result, Jollibee Singapore and Hong

Kong both ended the year with strong rolling base performance, and the promise for and even stronger future.

The same results were enjoyed in Brunei as Jollibee continues to expand as among the top QSR brands in the country in terms of store network, ending the year with 16 stores. Very close by, in Kota Kinabalu, Malaysia, Jollibee made its grand entrance once again, with customers, locals and Filipinos alike, lining up for hours to get their first bite of Chickenjoy.

The Middle East business continued to showcase resilience amidst the economic challenges, capitalizing on the uncertainties of the economic condition to build its value proposition amongst current and new customers. The brand also took the opportunity to capitalize on emerging business channels to strengthen its presence in their respective markets.

With milestones spread out across the globe, built on business fundamentals that show promise for long term, sustainable success, Jollibee International continues to prove that it certainly is possible to Spread the Joy of Eating around the world, one Chickenjoy at a time.

As of December 2018, Jollibee International had 232 stores, with 36 in the United States, 4 in Canada, 1 in Italy, 1 in United Kingdom, 116 in Vietnam, 16 in Brunei, 8 in Hong Kong, 6 in Singapore, 1 in Macau, 1 in Malaysia and 42 in the Middle East.

The Corporate Supply Chain provides manufacturing and logistics services to the various brands of JFC through Zenith Foods Corporation (“ZFC”) and JWS Logistics.

ZFC, a wholly-owned subsidiary of JFC, serves as the major manufacturing arm of the Company. The major facility, located in Carmelray Industrial Park 1 in Canlubang has a combined capacity of about 400 metric tons of various products daily. Together with a second site in Mandaue City, Cebu, ZFC can supply the requirements of over a thousand stores nationwide. Manufacturing expansion plans are underway in Luzon and in VisMin to support the projected growth of the JFC brands.

JWS Logistics (JWSL) is part of Jollibee Worldwide Pte. Ltd., the regional operating headquarters of the Jollibee Group of companies. JWSL ensures the delivery of goods to the JFC stores on-time and in-full through its services which include supply planning, warehousing, distribution, and customer support and order management. It operates distribution centers in strategic locations to service the growing network of stores in the JFC system. The biggest distribution center which serves as a major hub for Metro Manila and South Luzon is located in a 5-hectare property in Barangay Marcelo Green, Parañaque City with over 20,000 combined pallet locations for both dry and cold storages. Like its manufacturing partner ZFC, JWSL is poised for expansion by increasing its storage capacities in its distribution centers nationwide.

For 2019 expansion plans, the Company is increasing the capacity of its distribution centers to support the growth requirements of the stores nationwide.

The Company’s main suppliers are:

Food	*Supplier*
Chicken	SAN MIGUEL FOODS, INC. JMT Building, ADB Avenue, Pasig City
Carbonated Beverages	COCA-COLA BOTTLERS PHILIPPINES, INC. 1890 Paz Guazon Street, Otis, Paco, Manila

Sauces and Beverages	DEL MONTE PHILIPPINES, INC. Bugo, Cagayan De Oro City
Beverages	NESTLE PROFESSIONALS Nestle Center, Rockwell Center, Makati City
Dressings	UNILEVER PHILIPPINES UN Avenue, Paco, Manila
Oils	OLEO-FATS INC. #5 Mercury Avenue, Bagumbayan, Quezon City

The Company has existing agreements with all suppliers.

The Company's subsidiaries have their own commissaries for their respective specialty products, *i.e.,* pizza and pasta for Greenwich, Chinese dishes for Chowking, cakes and pastries for Red Ribbon, grilled chicken and Filipino food items for Mang Inasal, products for Burger King and Chinese food items for Yonghe King and Hong Zhuang Yuan in the People's Republic of China ("PRC").

Food quality, service, price-value relationship, store location and ambience, and efficient operations continue to be critical elements of the Company's success in the quick-service restaurant industry.

ACQUISITIONS, INVESTMENTS AND DIVESTMENTS

Acquisitions – United States of America (February 13, March 8, April 17 and December 14, 2018)

On February 13, 2018, the Company disclosed that, through its wholly-owned subsidiary Bee Good! Inc. (BGI), it will purchase from Smashburger Master LLC (Master) an additional 45% of SJBF LLC, the parent company of the entities comprising the Smashburger® business. This will increase BGI's ownership in SJBF LLC from current 40% to 85%. Master will retain the balance 15% ownership. The transaction, valued at USD 100 million is expected to be completed in one to two months, subject to government approvals in the United States and meeting certain closing conditions. JFC will pay Master through BGI in cash.

On March 8, 2018, the Company disclosed that BGI has executed the Purchase Agreement with Master for the acquisition of the additional 45% share of SJBF LLC.

On April 17, 2018, the Company disclosed that closing conditions, including required government approvals, have been obtained as provided under the Purchase Agreement executed between BGI and Master. With the completion of the acquisition, the Company included Smashburger in its financial consolidation starting April 17, 2018.

On December 14, 2018, the Company disclosed that BGI acquired Master's 15% stake in SJBF LLC for USD10Million. The Company is now the sole owner of the Smashburger ® business.

New Business – Philippines (April 25, 2018)

On April 25, 2018, the Company disclosed that its wholly-owned subsidiary Fresh N' Famous Foods Inc. will bring PHO24 to the Philippines. One of JFC's joint ventures, the SuperFoods Group, owns and operates PHO24, which serves traditional Vietnamese dishes with rice noodles as its core products. In its November 2016 disclosure, JFC disclosed that the SuperFoods Group aims to serve consumers in Asia and key cities in the world high quality and healthy Vietnamese food at affordable prices through the PHO24 brand.

Investment – Singapore (May 8, 2018)

On May 8, 2018, the Company disclosed that its wholly-owned subsidiary Jollibee Worldwide Pte. Ltd. shall invest up to 45 Million Singapore Dollars in Titan Dining LP (Titan), a private equity fund that has executed (through a wholly owned subsidiary) a binding agreement for the acquisition of 100% of the Asia Pacific master franchise holder of the "Tim Ho Wan" brand, Tim Ho Wan Pte. Ltd. (THWPL), and its affiliate Dim Sum Pte. Ltd. (DSPL), which owns and operates Tim Ho Wan stores in Singapore (the Companies).

Investment – United States of America (September 7 and December 21, 2018)

On September 7, 2018, the Company disclosed that it entered into a business venture with award-winning Chef Rick Bayless to build a Mexican fast-casual restaurant business in the United States through its wholly-owned subsidiary Jollibee Foods Corporation (USA). This partnership shall be formalized through an investment by JFC of US$12.4 Million in Tortas Frontera LLC (Tortas Frontera), which owns the Tortas Frontera business founded by Chef Bayless, in consideration for 47% of the fully-diluted membership interests therein. The remaining 53% membership interests in Tortas Frontera shall be held by Chef Rick Bayless and other shareholders.

On December 21, 2018, the Company disclosed that agreed closing conditions have been fulfilled.

Joint Venture – Philippines (September 27, 2018)

On September 27, 2018, the Company disclosed that it entered into a 50/50 joint venture with Panda Restaurant Group, Inc. to bring Panda Express restaurants to the Philippines. In its initial phase, the two industry leaders intend to focus on developing five stores in Metro Manila.

EMPLOYEES

The Company, its local business and support units have approximately 14,644 employees in the Philippines as at December 31, 2018. The regular daily-paid employees of Company-owned Jollibee stores are subject to a collective bargaining agreement which was renewed and signed on March 3, 2017.

Aside from all benefits mandated by law, the Company provides training opportunities (internal and external) to its employees. Qualified employees are also entitled to avail of options under the Company's Stock Option Plan.[1]

---

[1]Please see discussion on page 65.

COMPETITION

The Company competes in the quick-service restaurant industry. The Company's competitive edge includes strict adherence to its policy of maintaining high standards in food quality, reasonable prices, excellent service and cleanliness in its stores. Taking the Jollibee group in its entirety, competition includes, but is not limited to, McDonald's, Wendy's, KFC, and other burger, pizza and pasta chains, Chinese fast-food restaurants, grilled chicken and Filipino restaurants, and bakeshops.

CUSTOMERS

The Company serves a wide spectrum of customers from all economic classes. It is not dependent on a single customer or a few customers. Neither is there a single customer that accounts for, or will account for, 20% or more of the Company's sales.

RELATED PARTIES

The Company runs its business independently of its subsidiaries and other related parties. There is no dependence on the Company's related parties.

PERMITS AND APPROVALS

Other than the reportorial requirements of the Securities and Exchange Commission ("SEC"), The Philippine Stock Exchange ("PSE"), the Bureau of Internal Revenue ("*BIR*"), and the local permits for the opening and continued operations of stores, there are no other permits, licenses or approvals required from the Company for its operations. The Company is in compliance with the requirements of the SEC, PSE, BIR and local government units.

RESEARCH AND DEVELOPMENT

Research and development are an integral part of the Company's operations. New products, concepts and ideas are critical to the continued success of the Company and its subsidiaries.

For this reason, the Company allocates a Research and Development budget as indicated below for the Jollibee Philippines brand:

Year	Amount	Percentage to Systemwide Sales of Jollibee Brand
2017	PhP73,235,141.00	0.09%
2018	PhP43,784,707.00	0.02%

ENVIRONMENTAL LAWS

In keeping with its Corporate Social Responsibility ("CSR"), JFC places great premium in its commitment to environmental conservation and protection. A dedicated office was assigned to reduce the total environmental footprint of its businesses. Despite the lack of standards for the Restaurant Sector, the Company exerts efforts to meet the industrial standards being applied to it by government regulators. Several measures were included in its operations, covering both procedural and technological aspects, which pay heed to the environmental laws and regulations being applied to the quick-service restaurant sector.

Part of the proactive measures being undertaken at the store level, the Company continues to implement its ongoing training programs that equip the store teams with the knowledge and skills for environmental management and best management practices in the kitchen. For 2018, the Company conducted training for more than 1,000 Pollution Control Officers and Store Managers equipping them to become environmental stewards of the stores.

JFC continues its energy saving initiatives in the use of Grid-tied Solar Power in some stores to reduce power consumption from the Grid by about 10%-15% for a typical free-standing store. Use of solar power even with limited capacity will provide environmental benefits. In 2018, our roof-installed Solar PV System was able to generate more than 200,000 kWh from solar power equal to more than 100 tons of CO_2e saved. Low-E high performance glass is used in some stores to reduce the air-conditioning requirement by about 10% thus reducing power consumption.

In addition, different energy-saving technologies are being tested to transform stores to be more energy-efficient. Use of advanced equipment in freezers and refrigerators help reduce power consumption through delivery of required fixed-minimum space temperature and optimization of the running-time of the compressor. This can contribute up to 30% reduction in energy consumption for air-conditioning units (ACUs). Another is the control of surge and power fluctuation which can contribute of 8-9% savings in total kWh consumption.

While these energy-saving technologies can provide savings, equipping store personnel with the best store practices can also contribute in reducing power consumption in store. For 2018, a total of 202 stores were provided training on Energy Conservation.

Hand in hand with its mission of bringing the joy of eating to everyone, the Company also believes in inculcating the spirit of environmental responsibility both inside and outside the Company. More than a one-time effort, this unceasing pledge to the environment can be best seen in its proactive efforts to anticipate and address issues through continuous feedback and communication with the Company's partners in the government and the customer base.

RISKS

The Company and its subsidiaries are all in the quick-service restaurant sector. Quick-service restaurants like those maintained by the Company are expected to maintain high quality in terms of food, service and cleanliness ("*FSC*"). The Company responds by observing stringent guidelines, processes and procedures in its FSC, and conducting regular and spot audits to ensure that FSC standards are maintained not only in stores but also in commissaries. The Company has likewise instituted a system of incentives to reward excellent performance in terms of FSC by stores.

The Company encourages the implementation of systems that allow it to adequately identify, measure, manage and control significant and relevant risks that affect its activities and businesses. These systems and risk management policies enable the Company to: a) attain the strategic objectives formulated by the Company with controlled unpredictability; b) provide the maximum level of assurance to its shareholders; c) protect the Company's reputation; d) defend the interests of customers, shareholders, other groups interested in the Company's progress; and e) ensure sustained corporate stability and financial strength.

To ensure the effective availability of essential and critical services, the Company maintains its business continuity management policy in support of a comprehensive program for business continuity, limiting the impact and losses caused by major incidents, and business recovery.

The Company maintains its business continuity management policy and business continuity plan in compliance with ISO 22301 Societal Security – Business Continuity Management Systems as part of its risk management procedures.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUERS

The Company has no additional requirements as to certain issues or issuers.

SUBSIDIARIES AND AFFILIATES

The Company owns, develops, operates and franchises the following brands through various subsidiaries:

Chowking

Chowking Philippines stood strong and unfazed in 2018, despite a challenging eat out landscape. The business powered through difficult economic conditions and closed the year with profitable growth. This has fueled the brand to deliver its highest market share in history.

All throughout, the business has upheld its priorities to elevate the brand experience, grow its flagship products, and maintain excellence instore. Chowking has been consistently building its millennial consumer segment, with strategic placements in traditional and new media. Creative executions on TV, digital, out-of-home, instore merchandising have helped bring to life the unique selling propositions of Chowking's products.

The year also saw continuous improvements in Chowking's menu offerings. In growing its flagship products, Chowking stays true to its unique Chinese positioning, while ensuring that all Chowking dishes are served hot, fresh and delicious. Maintaining quality is key from the commissary all the way down to serving the food instore.

Chowking continues to grow as it has opened in 58 new locations in 2018, closing the year with 573 stores. Consumers continue to enjoy unique Chinese dishes whenever and wherever through drive-thru and delivery, as business channels tripled in size.

As we enter 2019, Chowking will be stepping up its game to bring hot, fresh, and delicious Chinese food to every Filipino.

As of December 2018, there were 573 Chowking stores nationwide, of which 306 were franchised and 267 were company-owned.

2018 was a story of transformation for Chowking USA. It was a year full of successes and challenges. Despite a challenging first half, the brand was able to turnaround its performance and ended 2018 on a positive note.

Mastery of Fundamentals was the key to last year's success. The brand ensured that efforts were directed on key pillars to achieve strong and sustainable growth. Operational excellence is one of the key strategic thrusts for the brand. Last year, Chowking US achieved its first ever FSC Gold Store in Chowking Panorama.

Strengthened key platforms led to double digit growth of our flagship products. Meaty Asado Siopao achieved its highest volume in its history through 365 days of communication. Improving the value proposition of Rice Meals was key to the category's growth. Offering Lauriat at its sweet spot price of $5.99 doubled its volume. The launch of the $5 Rice Savers brought in incremental sales attracting the everyday value meal consumers.

Chowking US also capitalized on its 2 core products; Halo-Halo and Taho. The campaigns on these products were supported by above-the-line communications which led to its high double-digit growth for these products.

In the Middle East, Chowking ended the year with 32 stores. Key store openings include the opening of its first ever store in Riyadh, which is the brand's second store in the Kingdom of Saudi Arabia. In the UAE, it opened its 21st store in The Dubai Mall, the largest mall and most visited retail and entertainment destination.

In the UAE, Chowking was able to further showcase resilience amidst the economic challenges through disciplined FSC practices and focused communication on their best-selling Signature Chao Fan. This resulted in the accelerated performance of the brand as they closed 2018 – a phenomenal achievement in the UAE restaurant industry.

Chowking UAE also received "The Preferred Casual Dining Restaurant of the Year" award for the 2nd year in a row from the Filipino Times - the largest Filipino newspaper in the UAE.

As of year-end, Chowking had 47 stores outside the Philippines - 15 stores in the United States, 21 in UAE, 4 in Qatar, 2 in Oman, 3 in Kuwait and 2 in Saudi Arabia.

Greenwich

2018 saw an overload of positive growth in sales and market shares of Greenwich, the all-time favorite pizza chain of the Barkada. The cut-throat branded eat-out pizza market's unremitting introduction of new products and value-laden promos, and maximization of takeout and delivery businesses did not stop Greenwich from truly rising beyond limits.

With a strong focus on promoting flagship products, growing key business channels and improving customer experience, Greenwich was able to fend off aggressive efforts by competitors centered on tactical price-off or discounting promos. Greenwich recorded yet another growth on its systemwide sales, pushed by reinforcement of taste and superiority in value.

Communication efforts focused on best-sellers Hawaiian Overload and Lasagna Supreme proved to be effective in solidifying the brand's position. Campaigns on Hawaiian Overload led the product in dominating the Hawaiian segment, ending the year with more than 70% market share. On the other table's end, the Lasagna Supreme held onto its lion's share of the segment at more than 90%. The Ultimate Meaty Overload enjoyed a premium flavorsome refresh. The variant is made meatier, making it even more palatable to every Barkada.

Riding on the expansion of delivery channels and partnership with food aggregators, Greenwich has become the fastest-rising pizza brand in the delivery segment with a double-digit growth. In the Take-out category, Greenwich is overall number one in the pizza landscape, with over 50% growth attributed to the main offer *Dealicious Duo* Overload featuring its two pizza flagships.

To cater to more Barkada fun bonding moments, Greenwich sustained the momentum of the upgraded store look with its renovations & network expansion, majority of which are now sporting the modern and hip store look and feel.

With the brand persevering to maintain its leadership despite the challenging pizza landscape with its value-laden and low-priced offerings, Greenwich is poised to continue its steady but sure growth to achieve market dominance in 2019.

As of December 2018, Greenwich had 285 stores nationwide. Greenwich ended the year 2018 with 118 franchised stores and 167 company-owned stores.

As of December 2018, PHO24 had 1 store in the Philippines.

"Chowking", "Greenwich" and "PHO24" are business units of Fresh N' Famous Foods, Inc., a wholly-owned subsidiary of the Company.

Red Ribbon

Red Ribbon Philippines wrapped up 2018 with record-breaking results. Sustaining its high-growth momentum across the recent years, the brand saw its systemwide sales growing double-digit in 2018, on account of quality store network expansion and strong same store growth. Average daily sales, transaction count, and average check reached record levels last year.

Red Ribbon grew its store network by opening 57 new stores in 2018, ending the year with 468 stores nationwide. Store renovations went into full swing, increasing the number of stores that showcase the new store concept.

Solid focus on flagship products and launch of exciting core flavor offerings and complements, supported by powerful campaigns, have facilitated robust growth across our bestselling products led by Black Forest, Dedication Cakes, Triple Chocolate Roll, Cheesy Ensaimada, and Butter Mamon. The new Ube Bloom cake was well-received by the market due to its delightful ube taste and elegant cake design. Power complement Theme Toppers not only added more fun to our Dedication Cakes but also increased the store's average check. The aggressive push on Pasalubong Packs exponentially grew the brand's top pastries and breads business.

Red Ribbon made inroads last year when it came to growing brand love among its patrons with a thematic campaign featuring its new megabrand tagline "When you care a little bit more, you make it Red Ribbon" and newest ambassadors Toni-Gonzaga Soriano and family. The brand stepped up its efforts to be the preferred brand for birthdays and red-letter days and to be more visible in the digital platform, headlined by social media darling Scarlet Snow Belo and other key online influencers.

Red Ribbon's breakthrough results were powered by a highly engaged organization and a passionate culture that enables making every moment sweeter with our customers.

The phenomenal results of 2018 fuel Red Ribbon's passion to move faster towards its vision of becoming the most loved bakeshop brand in the Philippines.

In the Philippines, Red Ribbon had 468 stores as of December 2018, 278 of which were franchised stores and 190 of which were company-owned.

Consistent in creating sweet moments to its customers in 2018, Red Ribbon USA ended the year with 31 stores, systemwide sales of 1.4% and a rolling base growth of 5.5% versus 2017. Amidst the presence of more competitors, and the incessantly growing consumer expectations, Red Ribbon has maintained its relevance as a brand to the US Filipino community by continuously offering a wide array of Filipino-flavor-inspired bakery products and anchoring on Red Letter Day occasions - highlighting flagship and core products.

As the brand continue to build on positioning its pastry products for everyday snacking, Red Ribbon was also able to encourage bulk pastry purchases with the launch of its new pastry gift box during the holiday season. This allowed customers to not only share their favorite Filipino cake flavors but also to introduce their favorite pastries like Butter Mamon and Cheesy Ensaimada to their family, friends and community on special gatherings.

Red Ribbon's 2018 success story will not be complete without the hard work and impressive performance of its Commissaries and Bakeshop Operations team. Several major initiatives for Commissary Excellence were done including upgrade of major equipment and set-up of pre-requisites for HACCP certification of all plant locations. It has also strengthened its Food Safety and Pest Control Programs. All these resulted to having the first ever QM Certified Plant- the New Jersey Commissary, and achieve great profit in 2018.

As of December 2018, Red Ribbon USA had a total of 31 stores.

Mang Inasal

Mang Inasal pursued its business objectives in 2018 with a single-minded focus that demonstrated the brand's resolve to sustain its growth momentum.

Year-to-date systemwide sales grew by 24.2% while rolling base sales registered a 14% increase. Driving these were the strong double-digit growth of Mang Inasal's Chicken Inasal, Pinoy Halo-Halo, and Pork Sisig. The New Iced Gulaman and Molo Soup also made their impressive debut in 2018.

Mang Inasal maintained the Number One Pinoy Branded restaurant position in Metro Manila and Urban Luzon according to Kantar. Same study also validated Mang Inasal Chicken Inasal to be the best branded grilled chicken.

Mang Inasal renovated 58 stores and opened 78 new stores. By yearend, it had a total of 552 stores, 95% of which were franchised. Mang Inasal inaugurated its 500th store in Iloilo City, showcasing fourth-generation store design. It donated story books to public schools in Iloilo City and in the province, in partnership with the "#Share A Book, Share The Christmas Joy" program of the Jollibee Group Foundation.

Mang Inasal opened 45 new delivery stores in 2018, an area it expects to further grow in the coming years.

Pursuing ready talent, powerful brand, solid profit and sustainable growth as strategic themes, Mang Inasal gears up to attaining its long-term aspiration of becoming a national icon in the Quick Service Restaurant industry.

As of December 2018, Mang Inasal had 552 stores, 522 of which were franchised stores and 30 of which were company-owned.

Burger King

Burger King reached the 100-store milestone in 2018, with 9 new store openings in new geographical areas in the Philippines, increasing its reach to serve more customers all over the country.

In the brand's commitment to deliver the best burger experience to its customers, Burger King hit another milestone in 2018 with its 2nd straight year with 100% of stores achieving Quality, Service and Cleanliness (QSC) certification, with 5% Gold stores, and 2% platinum stores. This is accompanied by a greater percentage of stores with higher ratings.

This excellence in service performance contributed to helping Burger King deliver a better business performance than the previous year. 2018 was the start of Burger King's resurgence with an improvement in rolling base sales from 2017's performance. Second semester rolling base sales were more than triple that of the first semester, driven by good growth coming from flagship products, value platforms, and delivery channel, leading to an 11% improvement in income vs 2017.

Investment in advertising campaigns for Whopper, 4-Cheese Whopper, and X-tra Long Chicken resulted in strong growth for the brand coming from incremental transactions for its key products. An increased effort for developing the brand's value platform, the Double Deal and the King Feasts, brought more guests into the stores while increasing average check size. With the full roll-out of the delivery website in 2018, the delivery channel also became a key contributor to the overall sales improvement.
The sustained performance, driven by good growth from flagship products, value platforms and new service channels, make Burger King poised to deliver an even better 2019.

Burger King ended the year 2018 with 101 stores.

Yonghe King

2018 witnessed the sustained growth of Yonghe King. In 2018, Yonghe King focused on delicious taste and customer experience, and continued to head for the goal of "Being the Top 1 CQSR". The system-wide sales grew by 3.9% in 2018 with 25 consecutive months of growth, comparable store rolling base grew by 5%. In the meantime, Yonghe King sped up opening new stores. In 2018, it opened 34 new stores, including 24 company-owned stores and 10 franchised stores. Total transactions and average daily transactions in the whole year of 2018 was 68,868,410 and 615 respectively. In 2018, 58,860,000 cups of Soya Milk were sold. On average, every 1.5 minutes, one cup of Soya Milk was sold.

2018 was also a year of innovation and breakthrough for Yonghe King. Firstly, its top three flagship products, namely, Soya Milk, Crispy Tender Chicken Thigh with Minced Pork Rice, and Premium Tomato Beef Noodle Soup, continued to win the acceptance and favor of consumers. Their share of business percentage was as high as 38.1%, thus becoming the main driver of the sales growth. Secondly, with the Chinese customers changing their consumption habit, Yonghe King proactively cooperated with third party delivery platforms, with the delivery business growing at a rate of 38%. Meanwhile, Yonghe King fully took advantage of Alipay and Wechat mobile phone payment functions to create convenience for customers and boost the restaurant sales. Thirdly, Yonghe King introduced a new format of mini-shop in partnership with Alibaba's Hema online grocery brand to start a new model of "e-commerce F&B". Moreover, Yonge King continued to use the social media platforms such as Wechat and Weibo to directly communicate with Chinese consumers and get real-time feedback on our products and services. By the end of 2018, Yonge King had accumulated 1.7 million Wechat fans.

In 2018, FSCC achievement rate reached 74% and Net Promoter Score was positive. Customer positive feedback focused on four aspects in particular: “healthy”, “delicious”, “quick service”, and “innovation”. In 2018, Yonghe King won “China food health 7-star prize” for the seventh consecutive year, one of the top food safety prizes in China. This a recognition of Yonghe King’s pursuit of great taste, food safety and satisfactory service.

As of December 2018, Yonghe King had 320 stores, 60 of which were franchised stores and 260 of which were company-owned.

Hong Zhuang Yuan

2018 was a sustainable year for Hong Zhuang Yuan with positive same store’s sales growth. Delivery business grew by 18.4% and accounted for 40% of its system wide sales. This continued to be the main driver of Hong Zhuang Yuan’s sales growth.

Hong Zhuang Yuan has further enhanced its 10 iconic products through 4 most remarkable congee, 2 most consumer’s delight staples and 4 most welcome hot dishes, which include Lean Pork & Preserved Egg Congee, Five Black Congee, Sautéed Assorted Vegetable served with Pancake in 2018. These products generated incremental sales for the business and were widely accepted by its customers. In addition to this, the brand also continued with its seasonal product launching activities with the mission of satisfying and encouraging more customer visits.

Hong Zhuang Yuan opened 5 new stores and renovated 2 stores during the year. Hong Zhuang Yuan has launched self-service digital ordering system in all of its 43 stores which enabled customers scanning the QR code on each table and allow customers placing their order on whatever customers would like to eat for dine-in. Hong Zhuang Yuan has also opened some new stores to fit a “showcase-kitchen” concept that will allow Hong Zhuang Yuan’s customers to see the inside kitchen, its freshly-cooked congee and hand-made meat pie while being reassured on high standards of food taste, quality, hygiene and safety conditions. This concept aims to attract more customers and encourage them to order more products.

All of these efforts have strengthened Hong Zhuang Yuan’s brand positioning especially on freshly cooked image for serving variety of congee to differentiate with other congee competitors in Beijing.

Hong Zhuang Yuan commits to continue providing superior product taste, premium customer experience, more attractive and accessible stores. It looks forward to 2019 as another exciting and busy year!

As of December 2018, Hong Zhuang Yuan had 44 stores, 43 of which were company-owned.

Dunkin’ Donuts

Targeting the customers of middle-and-up income, Dunkin’ Donuts in China positioned itself as an American coffee and bakery shop serving great tasting coffee and donuts at value-for-money prices that brings back a dose of happiness into the daily life.

As of December 2018, BJGCC had 13 stores in Beijing with mixed type of locations in transportation, office building, community and commercial areas. The brand positioned itself to offer its customers the best value for money with great product taste and started transforming to coffee and donuts brand instead of donuts centric starting November 2017. “Coffee Forward+” project, launched in 2017, continue to be the brand’s projected coffee shop image with beverage shares increased from 31% to 33% by year-end. More complementary categories such as food and retail products have been introduced and these categories offered multiple choices to customers to fulfill different day part needs. Delivery channel as 3rd platform continue to be a growth driver, reaching out to more on-line customers which accounted for 22% of total sales in the last quarter of 2018.

SuperFoods

The SuperFoods Group owns and operates various brands, including Highlands Coffee Shops in Vietnam, Highlands Coffee Packaged Products, and Hard Rock Café franchised stores in Macau, Hong Kong and Vietnam. Highlands Coffee serves Vietnamese coffee and light meals in trendy coffee shops, and also sells packaged coffee through retail outlets.

In 2018, Highlands Coffee continued its lead as the number one cafe chain in Vietnam. System-wide revenue growth was 32%, driven by a combination of new store openings and same-store sales growth. 77 new coffee shops were opened in Vietnam, with the brand expanding its presence from 18 to 23 cities across the country. In its home market, Highlands Coffee has the widest and deepest presence by any café chain with a total of 275 cafes at year end. In its first international market, Highlands Coffee Philippines opened 10 new outlets, bringing the total to 42 by end-of-year, which included the new flagship store in Double Dragon Plaza, Manila.

Highlands Coffee launched its first television brand campaign, focusing on its Vietnamese origins and pride. This campaign tapped into a sense of growing confidence that Vietnamese brands can compete, and beat, the world's best. As the brand grows throughout the region, Highlands Coffee will express itself as a confidently Asian brand, which meets the needs of café lovers in each market it serves.

The SuperFoods Group also owns and operates the PHO24 brand and restaurants. 2018 results for PHO24 in Vietnam were the best in 4 years. The transition into the fast-casual model was completed in 2017, enabling every PHO24 store to offer the new second generation (2G) design and service model for the entire year in 2018. This resulted in comparable sales growth of 10% and an increase in store bottom lines.

6 new stores were opened in 2018, enabling the brand to test location types including 1 airport, 2 central or office business districts and 3 residential areas. One of these is acting as a test store, focusing on expanding guest frequency and new user base, with very positive results to date.

As Vietnamese diners slowly change their preference from traditional to modern eateries, PHO24 is positioned to capture this massive consumer trend. The 2G fast service model is being appreciated by new guests. They love the cleanliness, fast service and consistent product experience the new stores deliver.

As of December 2018, SuperFoods had 359 stores (Highlands Coffee 317 stores with 275 in Vietnam and 42 in the Philippines; Pho 24 34 stores in Vietnam – 18 and Indonesia - 16; and, other SuperFoods brands 8 restaurants).

Smashburger

2018 concluded with the news that the Company assumed 100% ownership of Smashburger, setting the stage for an exciting future. Building up to this, Smashburger introduced new technology platforms, continued a successful and unique marketing program, explored new menu items and platforms, and found a new tool to engage our restaurants and owners.

Mid-year, a new online ordering platform was launched that was designed to help simplify digital ordering, improve customer engagement, and grow sales. Based on results, this program will be implemented systemwide in the first half of 2019. In addition, the delivery platform was expanded, taking advantage of new resources in the marketplace and building incremental sales.

The year brought changes and enhancements to the menu beginning in quarter one with the introduction of Crispy Brussels Sprouts, a new and delicious BBQ Ranch Salad, and the popular Cold Brew Shake (which expanded to Mocha Cold Brew and Salted Caramel Cold Brew Shakes in quarter three.) Popular limited time offers included the French Onion Double, the Pub Triple Double and the holiday favorite Peppermint Shake made with Oreo Cookies. Fourth quarter saw the successful return of the brand's popular customer frequency program SmashPass. Finally, Smashburger began testing a singles and doubles burger platform, which is anticipated to continue into 2019.

With new support, ideas, and leadership from the Jollibee team, Smashburger expects 2019 to be a "smashing" year.

As of December 2018, Smashburger had 349 stores, 153 of which were franchised stores and 196 of which were company-owned.

JOLLIBEE GROUP FOUNDATION, INC.

As the corporate social responsibility arm of one of the largest food service companies in the world, Jollibee Group Foundation (JGF) continues to expand its reach to uplift more communities through programs in agriculture, education, and disaster response.

Farmer Entrepreneurship Program (FEP)

2018 marked the 10th anniversary of FEP, the program that has turned smallholder farmers into agro-entrepreneurs who directly supply corporate buyers to improve their income.

Fifteen farmer groups are now direct suppliers of JFC, contributing 20% of the Company's annual vegetable requirements such as onions. Since 2009, at least 5,700 metric tons of vegetables have been delivered, with farmers earning more than PhP200 million in sales.

The year also saw the roll-out of Agri Yo: Youth Farmers Training, which trained 936 youth on agro-entrepreneurship. The FEP Youth Challenge was also completed, reaching out to 1,000 university students on how they can help farmers in their own capacity.

These initiatives earned JFC the inaugural AGROW Award for Inclusive Business conferred by the ASEAN Business Advisory Council Philippines, Department of Agriculture, and Go Negosyo.

Busog, Lusog, Talino (BLT) School Feeding Program

The BLT School Feeding Program initially provided daily lunch to help undernourished children remain in school. The program has since taken a more innovative approach to support the Department of Education's School-based Feeding Program by building BLT School Feeding Kitchens, which centralize the preparation of meals for a cluster of schools. This enables efficient large-scale feeding.

In 2018, 33 BLT Kitchens operated nationwide, serving more than 24,600 pupils in 235 schools. Some BLT Kitchens have been maximized for its beneficiaries, including as a production area to augment school canteen operations and a venue for women's livelihood training activities.

Access, Curriculum, and Employability (ACE) Scholarship Program

Since 2005, the ACE Scholarship Program has provided educational assistance to over 1,700 underprivileged Filipino youth.

In 2018, JGF partnered with Anihan Technical School to implement a technical-vocational track for Quick Service Restaurant Operations. The one-year program helps senior high school completers enhance their skills for gainful employment in the food industry. The first batch, composed of 27 female scholars, is set to complete the program by June 2019.

In addition to technical training, JGF scholars receive a two-day life skills training through Matalas na Alas (Sharp ACE), which employs creative and interactive sessions to help them learn self-management and prepare for employment.

Jollibee Group FoodAID

The Jollibee Group FoodAID program systematizes JFC's disaster response efforts to better address community needs in the fastest time possible. In 2018, more than 95,200 individuals were provided with food assistance. Congee mix packs that can serve 965,000 meals were prepositioned in different areas to provide communities with immediate access to warm meals should calamities strike. JGF also provided support in helping Marawi City recover by donating school kits for more than 1,300 school children and providing agro-enterprise training to more than 100 farmers.

OTHERS

Other subsidiaries of the Company include FREEMONT FOODS CORPORATION**,** a wholly-owned subsidiary which owns and operates the Company's Jollibee stores across the country, primarily in the Visayas and Mindanao areas, and GRANDWORTH RESOURCES CORPORATION**,** a real estate company which owns or leases some of the properties used as store sites.

PERCENTAGE OF FOREIGN SALES

The percentage of foreign sales to total net sales for the last four (4) years is as follows:

	2018	2017	2016	2015
Total Sales	**150,200,825,668**	124,663,547,749	108,020,745,396	95,810,688,792
Foreign Sales	**40,717,384,462**	28,393,358,940	23,153,252,197	22,353,890,989
Percentage	**27.11%**	22.78%	21.43%	23.30%

The percentage of foreign sales to net income is as follows:

	2018	2017	2016	2015
Net Income	**7,771,334,186**	6,672,581,542	6,053,508,622	5,046,333,392
Foreign Sales	**40,717,384,462**	28,393,358,940	23,153,252,197	22,353,890,989
Percentage	**523.94%**	425.52%	382.50%	443.00%

TRADEMARK REGISTRATION

Following is a list of the local and international trademark registrations and pending applications for registration for the "Jollibee" brand as of December 31, 2018.

The Company's subsidiaries have likewise procured the relevant trademark registrations for their respective brands.

[*List is found on the following page*.]

TRADEMARK REGISTRATION

Trademark Records by Country

Following is a list of the local and international trademark registrations and pending applications for registration for the "Jollibee" brand as of December 31, 2018.

The Company's subsidiaries have likewise procured the relevant trademark registrations for their respective brands.

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Afghanistan	BEE DEVICE		5987	7-May-16	17632	20-Nov-16	Registered	29
Afghanistan	BEE DEVICE		5988	7-May-16	17634	20-Nov-16	Registered	43
Afghanistan	BEE HEAD DEVICE		5986	7-May-16	17631	20-Nov-16	Registered	43
Afghanistan	BEE HEAD DEVICE		5985	7-May-16	17630	20-Nov-16	Registered	29
Afghanistan	CHAMP	CHAMP	5995	7-May-16	17640	20-Nov-16	Registered	29
Afghanistan	CHICKENJOY	CHICKENJOY	5991	7-May-16	17636	20-Nov-16	Registered	29
Afghanistan	CHICKENJOY	CHICKENJOY	5992	7-May-16	17637	20-Nov-16	Registered	43
Afghanistan	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	5996	7-May-16	17641	20-Nov-16	Registered	35
Afghanistan	JOLLIBEE	JOLLIBEE	5990	7-May-16	17635	20-Nov-16	Registered	43
Afghanistan	JOLLIBEE	JOLLIBEE	5989	7-May-16	17634	20-Nov-16	Registered	29
Afghanistan	JOLLY	JOLLY	5993	7-May-16	17638	20-Nov-16	Registered	30
Afghanistan	YUM	YUM	5994	7-May-16	17639	20-Nov-16	Registered	29
Argentina	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		1997309	29-Aug-95	1,652,377	3-Dec-97	Registered	42
Australia	BEE HEAD DEVICE		1666161	23-Dec-14	1666161	23-Dec-14	Registered	29, 43
Australia	CHICKENJOY	CHICKENJOY	1666176	23-Dec-14	1666176	23-Dec-14	Registered	29, 43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Australia	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	1666177	23-Dec-14	1666177	23-Dec-14	Registered	35
Australia	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	1879000	10-Oct-17	1879000	10-Oct-17	Registered	29, 43
Australia	JOLLIBEE MASCOT DESIGN		1666168	23-Dec-14	1666168	23-Dec-14	Registered	29, 43
Australia	JOLLIBEE MASCOT DEVICE		654121	24-Feb-95	654121	24-Feb-95	Registered	42
Australia	JOLLIBEE	JOLLIBEE	1666158	23-Dec-14	1666158	23-Dec-14	Registered	29, 43
Bahrain	BEE DEVICE		80980	15-Apr-10	80980	15-Apr-10	Registered	43
Bahrain	BEE DEVICE		80978	15-Apr-10	80978	15-Apr-10	Registered	29
Bahrain	BEE DEVICE		80979	15-Apr-10	80979	15-Apr-10	Registered	30
Bahrain	BEE HEAD DEVICE		91758	24-Apr-12	91758	24-Apr-12	Registered	43
Bahrain	BEE HEAD DEVICE		91757	24-Apr-12	91757	24-Apr-12	Registered	29
Bahrain	CHAMP	CHAMP	96797	17-Mar-13	96797	17-Mar-13	Registered	29
Bahrain	CHICKENJOY	CHICKENJOY	91759	24-Apr-12	91759	24-Apr-12	Registered	29
Bahrain	CHICKENJOY	CHICKENJOY	91760	24-Apr-12	91760	24-Apr-12	Registered	43
Bahrain	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	96788	17-Mar-13	96788	17-Mar-13	Registered	35
Bahrain	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	120580	10-Oct-17	120580	28-Feb-2018	Registered	29
Bahrain	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	120581	10-Oct-17	120581	28-Feb-2018	Registered	43
Bahrain	JOLLIBEE	JOLLIBEE	91755	24-Apr-12	91755	24-Apr-12	Registered	29
Bahrain	JOLLIBEE	JOLLIBEE	91756	24-Apr-12	91756	24-Apr-12	Registered	43
Bahrain	JOLLIBEE & MASCOT DEVICE		1070/95	2-Aug-95	S1718	2-Aug-95	Registered	42

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Bahrain	JOLLIBEE (IN ARABIC SCRIPT)	جوليبي	116614	28-Jun-16	116614	6-Jun-17	Registered	43
Bahrain	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		1068/95	2-Aug-95	TM 19220	10-Feb-98	Registered	29
Bahrain	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		1069/95	2-Aug-95	SM 1717	18-Dec-96	Registered	42
Bahrain	JOLLIBEE LOGO & DEVICE		80975	15-Apr-10	80975	15-Apr-10	Registered	29
Bahrain	JOLLIBEE LOGO & DEVICE	Jollibee	80976	15-Apr-10	80976	15-Apr-10	Registered	30
Bahrain	JOLLIBEE LOGO & DEVICE	Jollibee	80977	15-Apr-10	80977	15-Apr-10	Registered	43
Bahrain	JOLLIBEE MASCOT DESIGN		96798	17-Mar-13	96798	17-Mar-13	Registered	29
Bahrain	JOLLIBEE MASCOT DESIGN		96786	17-Mar-13	96786	17-Mar-13	Registered	43
Bahrain	JOLLY	JOLLY	100636	3-Nov-13	100636	28-Dec-16	Registered	30
Bahrain	YUM	YUM	96817	17-Mar-13	96817	16-Nov-15	Registered	29
Brazil	JOLLIBEE GREAT BURGERS GREAT CHICKEN		81893535 9	15-Dec-95	818935359	30-Nov-99	Registered	38
Brunei Darussalam	BEE HEAD DEVICE		42,856	26-Apr-12	42,856	26-Apr-12	Registered	29, 43
Brunei Darussalam	CHAMP	CHAMP	43909	14-Mar-13	43909	14-Mar-13	Registered	29
Brunei Darussalam	CHICKENJOY	CHICKENJOY	42855	26-Apr-12	42,855	26-Apr-12	Registered	29, 43
Brunei Darussalam	EVERYDAY DELICIOUS SLOGAN	EVERYDAY DELICIOUS	43908	14-Mar-13	43908	14-Mar-13	Registered	35
Brunei Darussalam	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	TM/49226	2-Oct-17	49226	2-Oct-17	Registered	29, 43
Brunei Darussalam	JOLLIBEE	JOLLIBEE	TM42857	26-Apr-12	42857	26-Apr-12	Registered	29, 43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Brunei Darussalam	JOLLIBEE	Jollibee	36,341	24-Jun-04	36,341	24-Jun-04	Registered	43
Brunei Darussalam	JOLLIBEE MASCOT DESIGN		43,918	14-Mar-13	43918	14-Mar-13	Registered	29, 42
Brunei Darussalam	YUM	YUM	43937	14-Mar-13	43937	14-Mar-13	Registered	29
Cambodia	BEE HEAD DEVICE		KH/46002/12	11-May-12	KH/43235/12	26-Dec-12	Registered	43
Cambodia	BEE HEAD DEVICE		KH/46001/12	11-May-12	KH/43234/12	26-Dec-12	Registered	29
Cambodia	CHAMP	CHAMP	50600	12-Mar-13	47542	4-Sep-13	Registered	29
Cambodia	CHICKENJOY	CHICKENJOY	KH/46004/12	11-May-12	KH/44011/13	29-Mar-13	Registered	43
Cambodia	CHICKENJOY	CHICKENJOY	KH/46003/12	11-May-12	KH/44094/13	1-Apr-13	Registered	29
Cambodia	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	50601	12-Mar-13	47543	4-Sep-13	Registered	35
Cambodia	JOLLIBEE	JOLLIBEE	KH/45999/12	11-May-12	KH/43232/12	26-Dec-12	Registered	29
Cambodia	JOLLIBEE	JOLLIBEE	KH/46000/12	11-May-12	KH/43233/12	26-Dec-12	Registered	43
Cambodia	JOLLIBEE MASCOT DESIGN		50597	12-Mar-13	47540	4-Sep-13	Registered	29
Cambodia	JOLLIBEE MASCOT DESIGN		50598	12-Mar-13	47541	4-Sep-13	Registered	43
Cambodia	YUM	YUM	KH/50599/13	12-Mar-13	KH/50876/14	7-Apr-14	Registered	29
Canada	BEE HEAD DEVICE		1324318	16-Nov-06	761468	11-Mar-10	Registered	43
Canada	BEE HEAD DEVICE		1563176	8-Feb-12	TMA961881	2-Feb-17	Registered	29
Canada	CHAMP WORD	CHAMP	1617855	20-Mar-13			Pending	29
Canada	JOLLIBEE	JOLLIBEE	1324317	16-Nov-06	761476	11-Mar-10	Registered	29, 30, 32, 42, 43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Canada	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DESIGN	Jollibee Great Burgers Great Chicken	783671	26-May-95	727149	28-Oct-08	Registered	29, 42
Canada	JOLLIBEE HALO HALO SUNDAE	JOLLIBEE HALO HALO SUNDAE	1786752	13-Jun-16			Pending	29, 30
Canada	JOLLIBEE MASCOT DESIGN		1617851	20-Mar-13	TMA965563	13-Mar-17	Registered	29, 43
Canada	JOLLY	JOLLY	1756916	27-Nov-15			Pending	30
Canada	JOLLY BURGER	JOLLY BURGER	1757228	1-Dec-15			Pending	30
Canada	JOLLY CHICKEN	JOLLY CHICKEN	1757227	1-Dec-15			Pending	29
Canada	JOLLY CRISPY CHICKEN	JOLLY CRISPY CHICKEN	1786751	13-Jun-16			Pending	29
Canada	JOLLY CRISPY FRIES	JOLLY CRISPY FRIES	1761602	30-Dec-15			Pending	29
Canada	JOLLY HOTDOG	JOLLY HOTDOG	1756914	27-Nov-15			Pending	29
Canada	JOLLY KRUNCHY TWIRL	JOLLY KRUNCHY TWIRL	1761599	30-Dec-15			Pending	29, 30
Canada	JOLLY SPAGHETTI	JOLLY SPAGHETTI	1757226	1-Dec-15			Pending	30
Canada	JOLLY VANILLA TWIRL	JOLLY VANILLA TWIRL	1761601	30-Dec-15			Pending	29, 30
Canada	YUM	YUM	1617850	20-Mar-13	TMA962253	8-Feb-17	Registered	29
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149268	7-June-19	Registered (Renewal)	1
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149237	7-June-19	Registered (Renewal)	2
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149236	7-Aug-13	Registered (Renewal)	3
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149235	7-June-19	Registered (Renewal)	4
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149234	11-Nov-19	Registered (Renewal)	5

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149233	21-Mar-2019	Registered (Renewal)	6
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149232	14-Jan-19	Registered (Renewal)	7
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149231	21-Nov-19	Registered (Renewal)	8
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149230	21-Mar-19	Registered (Renewal)	9
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149229	21-Mar-19	Registered (Renewal)	10
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149228	7-Jun-13	Registered (Renewal)	11
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149247	14-Jan-19	Registered (Renewal)	12
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149246	21-Mar-19	Registered (Renewal)	13
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149245	7-Aug-10	Registered (Renewal)	14
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149244	7-June-19	Registered (Renewal)	15
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149243	28-Jul-19	Registered (Renewal)	16
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149242	21-Jun-19	Registered (Renewal)	17

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	JOLLIBEE BEE HEAD DEVICE	Jollibee			4740573	28-May-10	Registered (Renewal)	18
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149240	21-Jun-19	Registered (Renewal)	19
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149239	7-Aug-10	Registered (Renewal)	20
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149238	21-Dec-21	Registered (Renewal)	21
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149257	2-Jun-19	Registered (Renewal)	22
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149256	7-Jun-19	Registered (Renewal)	23
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149255	14-Jan-10	Registered (Renewal)	24
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149252	7-July-19	Registered (Renewal)	26
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149251	7-Jan-10	Registered (Renewal)	27
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149250	7-Aug-10	Registered (Renewal)	28
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149249	21-Mar-19	Registered (Renewal)	29
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149248	28-Jun-19	Registered (Renewal)	30

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149267	21-Mar-19	Registered (Renewal)	31
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149266	21-Mar-19	Registered (Renewal)	32
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149265	21-Mar-19	Registered (Renewal)	33
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149264	21-Mar-19	Registered (Renewal)	34
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				4740577	7-Aug-10	Registered (Renewal)	35
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149260	28-Aug-19	Registered (Renewal)	36
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149259	28-Aug-19	Registered (Renewal)	37
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149258	21-Aug-19	Registered (Renewal)	38
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149277	28-May-19	Registered (Renewal)	39
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149276	28-Aug-19	Registered (Renewal)	40
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149275	21-June-19	Registered (Renewal)	41
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS				5149274	21-June-19	Registered (Renewal)	42

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149270	28-Aug-19	Registered (Renewal)	44
China (Mainland)	JOLLIBEE BEE HEAD DEVICE AND CHINESE CHARACTERS	Jollibee 快乐蜂			5149269	28-Aug-19	Registered (Renewal)	45
China (Mainland)	JOLLIBEE AND BEE HEAD DEVICE	Jollibee			5149241	14-Apr-14	Registered (Renewal)	18
China (Mainland)	JOLLIBEE AND BEE HEAD DEVICE	Jollibee			4740572	7-May-19	Registered (Renewal)	20
China (Mainland)	JOLLIBEE AND BEE HEAD DEVICE	Jollibee			4740571	7-May-19	Registered (Renewal)	21
China (Mainland)	JOLLIBEE AND BEE HEAD DEVICE	Jollibee			4740576	7-Feb-19	Registered (Renewal)	26
China (Mainland)	JOLLIBEE AND BEE HEAD DEVICE	Jollibee			4740590	7-Feb-19	Registered (Renewal)	28
China (Mainland)	JOLLIBEE AND BEE HEAD DEVICE	Jollibee			4740575	7-Mar-18	Registered (Renewal)	31
China (Mainland)	JOLLIBEE AND BEE HEAD DEVICE	Jollibee			4740574	7-Mar-18	Registered (Renewal)	33
China (Mainland)	JOLLIBEE AND BEE HEAD DEVICE	Jollibee			4740578	21-Feb-19	Registered (Renewal)	40
China (Mainland)	JOLLIBEE	Jollibee			4740579	7-May-19	Registered (Renewal)	16
China (Mainland)	JOLLIBEE	Jollibee			5149253	21-Apr-11	Registered	25
China (Mainland)	JOLLIBEE	Jollibee			5149261	28-May-09	Registered	35
China (Mainland)	JOLLIBEE	Jollibee			5149271	28-Aug-19	Registered (Renewal)	43
China (Mainland)	BEE HEAD DEVICE				5149254	28-Jan-10	Registered	25
China (Mainland)	BEE HEAD DEVICE				5149262	28-May-19	Registered	35
China (Mainland)	BEE HEAD DEVICE				4740580	21-Feb-19	Registered (Renewal)	41

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	BEE HEAD DEVICE				5149272	14-Mar-14	Registered	43
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂			5149263	7-Aug-13	Registered	35
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂			5149273	28-Aug-19	Registered (Renewal)	43
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173251	28-Feb-10	Registered	1
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173250	28-Feb-10	Registered	2
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173249	14-Feb-10	Registered	3
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173248	21-Feb-10	Registered	4
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173247	28-Feb-10	Registered	5
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173246	7-Jan-10	Registered	6
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173245	14-May-10	Registered	7
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173244	21-Feb-10	Registered	8
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173243	28-Feb-10	Registered	9
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173242	28-Dec-19	Registered (Renewal)	10
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173261	28-Feb-10	Registered	11
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173260	7-Jan-10	Registered	12
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173259	14-Feb-10	Registered	13
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173258	21-Jan-10	Registered	14
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173257	14-Jan-10	Registered	15
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173256	14-Feb-10	Registered	16
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173255	14-Feb-10	Registered	17
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173254	28-Mar-10	Registered	18

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173253	21-Feb-10	Registered	19
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173252	28-Jan-10	Registered	20
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173271	7-Feb-10	Registered	21
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173270	28-Mar-10	Registered	22
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173269	28-Mar-10	Registered	23
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173268	28-Mar-10	Registered	24
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173267	28-Mar-10	Registered	25
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173266	28-Mar-10	Registered	26
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173265	28-Mar-10	Registered	27
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173264	28-Mar-10	Registered	28
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173263	7-Sept-19	Registered (Renewal)	29
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173262	14-Jan-10	Registered	30
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173331	7-Sept-19	Registered	31
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173330	14-Jan-10	Registered	32
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173328	7-Sept-19	Registered	34
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173327	7-Jun-10	Registered	35
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173326	21-Mar-10	Registered	36
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173325	21-Mar-10	Registered	37
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173324	21-Mar-10	Registered	38
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173323	7-Jun-10	Registered	39
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173322	21-Mar-10	Registered	40

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173332	7-Jun-10	Registered	41
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173346	7-Jun-10	Registered	42
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173345	28-Mar-10	Registered	43
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173344	28-Mar-10	Registered	44
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	巧乐比			6173343	28-Mar-10	Registered	45
China (Mainland)	JOLLIBEE MASCOT DESIGN				12365588	14-Sep-14	Registered	43
China (Mainland)	JOLLIBEE MASCOT DESIGN				12365391	14-Sep-14	Registered	29
China (Mainland)	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.			12365553	14-Sep-14	Registered	35
China (Mainland)	CHAMP	CHAMP			12365494	14-Sep-14	Registered	30
China (Mainland)	JOLLIBEE	Jollibee			12365378	14-Sep-14	Registered	29
China (Mainland)	BEE HEAD DEVICE				12365367	14-Sep-14	Registered	29
China (Mainland)	BEE HEAD DEVICE AND JOLLIBEE IN CHINESE CHARACTERS	快乐蜂			12889863	7-Jan-15	Registered	18
China (Mainland)	CHICKENJOY WORD MARK	CHICKENJOY			10696320	28-May-13	Registered	29
China (Mainland)	CHICKENJOY WORD MARK	CHICKENJOY			10696336	28-May-13	Registered	43
China (Mainland)	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DESIGN				971757	28-Mar-17	Registered (Renewal)	42
China (Mainland)	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DESIGN				1117643	7-Oct-17	Registered (Renewal)	29

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	JOLLIBEE MASCOT DESIGN				955790	28-Feb-2017	Registered (Renewal)	42
China (Mainland)	JOLLIBEE MASCOT DESIGN				951389	21-Feb-2017	Registered (Renewal)	29
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS & DESIGN	Jollibee 快樂蜂			1019097	28-May-2017	Registered (Renewal)	29
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS & DESIGN	Jollibee 快樂蜂			980654	14-April-17	Registered (Renewal)	32
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS & DESIGN	Jollibee 快樂蜂			1019874	05-May-17	Registered (Renewal)	42
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂			1356544	21-Jan-10	Registered	30
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂			1359132	28-Jan-10	Registered (Renewal)	29
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂			1369995	28-Feb-10	Registered	42
China (Mainland)	CHICKENJOY AND CHICKENJOY IN CHINESE CHARACTERS	Chickenjoy			33326595	5-Sep-18	Registered	43
China (Mainland)	CHICKENJOY IN CHINESE CHARACTERS	樂脆雞			33340378	5-Sep-18	Registered	43
China (Mainland)	CHICKENJOY AND CHICKENJOY IN CHINESE CHARACTERS	Chickenjoy			33345388	5-Sep-18	Registered	29
China (Mainland)	CHICKENJOY IN CHINESE CHARACTERS	樂脆雞			33338097	5-Sep-18	Registered	29
China (Mainland)	BEE HEAD DEVICE				34653301	13-Nov-18	Registered	3
China (Mainland)	JOLLIBEE	Jollibee			34643037	13-Nov-18	Registered	3
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂			34650418	13-Nov-18	Registered	3

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
China (Mainland)	BEE HEAD DEVICE				34638376	13-Nov-18	Registered	35
China (Mainland)	JOLLIBEE	Jollibee			34634663	13-Nov-18	Registered	35
China (Mainland)	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂			34644930	13-Nov-18	Registered	35
Czech Republic	JOLLIBEE & DEVICE		104009	19-Sep-95	196474	3-Jan-97	Registered	29, 30, 32, 42
Egypt	JOLLIBEE & DEVICE		95740	18-May-95	95740	14-Feb-01	Registered	42
Egypt	JOLLIBEE & DEVICE		95741	18-May-95	95741	17-Jan-01	Registered	29
Egypt	JOLLIBEE MASCOT DEVICE		95742	18-May-95	95742	17-Jan-01	Registered	42
Hong Kong	JOLLIBEE	Jollibee	300352025	11-Jan-05	300352025	11-Jan-05	Registered	43
Hong Kong	JOLLY HOTDOG	JOLLY SPAGHETTI			303914596	27-Sept-16	Registered	29
Hong Kong	YUM! (Color)	YUM!			303918844	30-Sept-16	Registered	29& 30
Hong Kong	JOLLY SPAGHETTI	JOLLY SPAGHETTI			303914587	26-Sept-19	Registered	30
Hong Kong	JOLLIBEE MASCOT DESIGN				302569465	5-April-13	Registered	29, 43
Hong Kong	BEE HEAD DEVICE				302569456	5-April-13	Registered	29& 43
Hong Kong	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.			302569492	4-April-13	Registered	35
Hong Kong	JOLLIBEE WORD	Jollibee			302569447	5-April-13	Registered	29& 43
Hong Kong	JOLLIBEE CHAMP	Jollibee Champ			303030579	12-June-14	Registered	30
Hong Kong	JOLLIBEE MASCOT DESIGN				199700668	20-Jan-97	Registered	29
Hong Kong	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DESIGN	Jollibee Great Burgers Great Chicken			199901984	04-Apr-95	Registered	42
Hong Kong	JOLLIBEE MASCOT DESIGN				199904465	12-May-95	Registered	42

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Hong Kong	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY			304295557	08-Oct-17	Registered	29, 43
Hong Kong	YUMBURGER	YUMBURGER	304362101	08-Dec-17			Pending	29, 30, 43
Hong Kong	CHICKENJOY	CHICKENJOY	302217816	11-Apr-12	302217816	10-April-12	Registered	29, 43
Hong Kong	CHICKENJOY IN CHINESE CHARACTERS	樂脆雞	304662685	7-Sep-18			Pending	29, 43
Hong Kong	CHICKENJOY & CHICKENJOY IN CHINESE CHARACTERS	Chickenjoy	304662694	7-Sep-18			Pending	29, 43
Hong Kong	JOLLIBEE IN CHINESE CHARACTERS	快樂蜂	304662702	7-Sep-18			Pending	29, 43
Hong Kong	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂	304662711	7-Sep-18			Pending	29, 43
India	BEE HEAD DEVICE		2860866	10-Dec-14	2860866	12-Oct-14	Registered	29, 43
India	CHAMP	CHAMP	3238600	19-Apr-16			Pending	30
India	CHAMP	CHAMP	2855781	3-Dec-14			Pending	29
India	CHICKENJOY	CHICKENJOY	2855782	3-Dec-14			Pending	29, 43
India	CRISPYLICIOUS	CRISPYLICIOUS	3339898	18-Aug-16	3339898	18-Aug-16	Registered	29
India	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	3253269	6-May-16			Pending	29, 43
India	JOLLIBEE & DEVICE	Jollibee	1356313	10-May-05	1356313	10-May-05	Registered	42
India	JOLLIBEE & DEVICE	Jollibee	1367743	29-Jun-05	1367743	29-Jun-05	Registered	29, 30
India	JOLLIBEE MASCOT DESIGN		2855779	3-Dec-14			Pending	29, 43
India	JOLLIBEE	JOLLIBEE	2860855	10-Dec-14			Pending	29, 43
India	JOLLY SPAGHETTI	JOLLY SPAGHETTI	3252108	5-May-16	3252108	5-May-16	Registered	30
India	JUICYLICIOUS	JUICYLICIOUS	3339899	18-Aug-16	3339899	18-Aug-16	Registered	29
India	YUM	YUM	3238599	19-Apr-16			Pending	30

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
India	YUM	YUM	2855780	3-Dec-14			Pending	29
Indonesia	BEE HEAD DEVICE		D0020150 01765	16-Jan-15			Pending	25
Indonesia	BEE HEAD DEVICE		J00-2012-022539	11-May-12	IDM000445 781	20-Jan-15	Registered	43
Indonesia	BEE HEAD DEVICE		D00-2012-022535	11-May-12	IDM000441 097	5-Dec-14	Registered	29
Indonesia	CHAMP	CHAMP	D00.2013. 015229	3-Apr-13			Pending	29
Indonesia	CHICKENJOY	CHICKENJOY	J00-2012-022547	11-May-12	IDM000445 786	20-Jan-15	Registered	43
Indonesia	CHICKENJOY	CHICKENJOY	D00-2012-022543	11-May-12	IDM000441 084	5-Sep-14	Registered	29
Indonesia	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	J00.2013.0 15227	3-Apr-13	IDM000485 452	27-Jul-15	Registered	35
Indonesia	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	D00-2017-051064	10-Oct-17			Pending	29
Indonesia	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	J00-2017-051067	10-Oct-17			Pending	43
Indonesia	JOLLIBEE	JOLLIBEE	D00-2012-0022546	11-May-12	IDM000441 083	5-Dec-14	Registered	29
Indonesia	JOLLIBEE	JOLLIBEE	J00-2012-022551	11-May-12	IDM000445 784	20-Jan-15	Registered	43
Indonesia	JOLLIBEE & DEVICE		R14885/20 13	30-Sep-13	IDM000004 618	30-Sep-13	Registered	43
Indonesia	JOLLIBEE	JOLLIBEE	D0020150 01767	16-Jan-15			Pending	25
Indonesia	JOLLIBEE BEEFBURGER GREAT BURGERS GREAT CHICKEN & DEVICE		R5853/201 5	9-Apr-15	IDM000431 821	24-Apr-05	Registered	42
Indonesia	JOLLIBEE BEEFBURGE R GREAT BURGERS GREAT CHICKEN & DEVICE		R7455/201 5	6-May-15	IDM000431 820	24-Apr-05	Registered	29

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/ es
Indonesia	JOLLIBEE MASCOT DESIGN		D0020150 01763	16-Jan-15			Pending	25
Indonesia	JOLLIBEE MASCOT DESIGN		J00.2013.0 15228	3-Apr-13	IDM000485 987	27-Jul-2015	Registered	43
Indonesia	JOLLIBEE MASCOT DESIGN		D00.2013. 015232	3-Apr-13	idm000491 932	20-Aug 2015	Registered	29
Indonesia	YUM	YUM	D00.2013. 015230	3-Apr-13			Pending	29
Israel	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee	100922	20-Sep-95	100922	20-Sep-02	Registered	29
Israel	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee	100923	20-Sep-95	100923	20-Sep-02	Registered	42
Italy	BEE HEAD DEVICE		MI2012C0 04989	15-May-12	1521187	10-Dec-12	Registered	29, 43
Italy	CHAMP	CHAMP	MI2013C0 02500	13-Mar-13	1571901	20-Jan-14	Registered	29
Italy	CHICKENJOY	CHICKENJOY	MI2012C0 04988	15-May-12	1521186	10-Dec-12	Registered	29, 43
Italy	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	MI2013C0 02501	13-Mar-13	1561497	2-Oct-13	Registered	35
Italy	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	3.02015E+ 14	27-Nov-15	3.02015E+1 4	22-Jun-17	Registered	29, 43
Italy	JOLLIBEE	JOLLIBEE	MI2012C0 04987	15-May-12	1521185	10-Dec-12	Registered	29, 43
Italy	JOLLIBEE MASCOT DESIGN		MI2013C0 02502	13-Mar-13	1561496	2-Oct-13	Registered	29, 43
Italy	YUM	YUM	MI2013C0 02503	13-Mar-13	1571900	20-Jan-14	Registered	29
Japan	BEE HEAD DEVICE		2014-104750	11-Dec-14	5814835	18-Dec-15	Registered	29, 30, 32, 43
Japan	CHAMP	CHAMP	2014-104753	11-Dec-14	5842079	15-Apr-16	Registered	30
Japan	CHICKENJOY	CHICKENJOY	2014-104754	11-Dec-14	5755936	3-Apr-15	Registered	29, 43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Japan	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	2014-104755	11-Dec-14	5753946	27-Mar-15	Registered	35
Japan	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	2017-128409	26-Sep-17	6023713	2-Mar-2018	Registered	29, 43
Japan	JOLLIBEE & DEVICE	Jollibee			3249420	31-Jan-97	Registered	29
Japan	JOLLIBEE & DEVICE	Jollibee			3251544	31-Jan-97	Registered	30
Japan	JOLLIBEE & DEVICE	Jollibee			3282959	18-Apr-97	Registered	32
Japan	JOLLIBEE & DEVICE	Jollibee			4013499	20-Jun-97	Registered	42
Japan	JOLLIBEE CHAMP	JOLLIBEE CHAMP	2015-056995	16-Jun-15	5803627	30-Oct-15	Registered	30
Japan	JOLLIBEE MASCOT DESIGN		2014-104751	11-Dec-14	5814836	18-Dec-15	Registered	29, 30, 32, 43
Japan	JOLLIBEE	JOLLIBEE	2014-104749	11-Dec-14	5854408	27-May-16	Registered	29, 30, 32, 43
Japan	YUM	YUM	2014-104752	11-Dec-14	5755935	3-Apr-15	Registered	30
Jordan	BEE HEAD DEVICE		121001	22-Nov-11	121001	6-Dec-12	Registered	43
Jordan	JOLLIBEE	JOLLIBEE	121002	22-Nov-11	121002	6-Dec-12	Registered	43
Korea - Republic of (South)	BEE HEAD DEVICE		45-2012-0002341	7-May-12	48276	21-Feb-14	Registered	29, 43
Korea - Republic of (South)	CHAMP	CHAMP	40-2013-0016098	14-Mar-13			Pending	29
Korea - Republic of (South)	CHICKENJOY	CHICKENJOY	45-2012-0002342	7-May-12	46615	17-Oct-13	Registered	29, 43
Korea - Republic of (South)	JOLLIBEE	JOLLIBEE	45-2012-0002340	7-May-12	48272	21-Feb-14	Registered	29, 43
Korea - Republic of (South)	JOLLIBEE & DESIGN	Jollibee			40-0358457	21-Mar-97	Registered	29, 30
Korea - Republic of (South)	JOLLIBEE & DESIGN	Jollibee			40-0372192	9-Aug-97	Registered	32

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Korea - Republic of (South)	JOLLIBEE & DESIGN				40-0372105	8-Aug-97	Registered	29, 30
Korea - Republic of (South)	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		96-11545	23-Mar-96	377580	8-Oct-97	Registered	29
Korea - Republic of (South)	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		95-48721	21-Dec-95	369351	18-Jul-97	Registered	29
Korea - Republic of (South)	JOLLIBEE MASCOT DESIGN		45-2013-0001412	14-Mar-13	48629	18-Mar-14	Registered	29, 43
Korea - Republic of (South)	YUM	YUM	40-2013-0016097	14-Mar-13			Pending	29
Korea - Republic of (South)	YUM	YUM	40-2013-0087644	31-Dec-13	40-1080537	9-Jan-15	Registered	30
Korea - Republic of (South)	CHAMP	CHAMP	40-2013-0087645	31-Dec-13	40-1071265	21-Nov-14	Registered	30
Kuwait	JOLLIBEE LOGO AND DEVICE		112416	13-Jun-10	95849	13-Jun-10	Registered	43
Kuwait	BEE DEVICE		112418	13-Jun-10	95851	13-Jun-10	Registered	30
Kuwait	BEE DEVICE		112419	13-Jun-10	95852	13-Jun-10	Registered	43
Kuwait	BEE DEVICE		112417	13-Jun-10	95850	13-Jun-10	Registered	29
Kuwait	BEE HEAD DEVICE		129537	23-Apr-12			Pending	29
Kuwait	BEE HEAD DEVICE		129538	23-Apr-12			Pending	43
Kuwait	CHAMP	CHAMP	138830	2-Apr-13			Pending	29
Kuwait	CHICKENJOY	CHICKENJOY	129539	23-Apr-12			Pending	29

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Kuwait	CHICKENJOY	CHICKENJOY	129540	23-Apr-12			Pending	43
Kuwait	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	138831	2-Apr-13			Pending	35
Kuwait	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	194303	8-Oct-17			Pending	43
Kuwait	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	194302	8-Oct-17			Pending	29
Kuwait	JOLLIBEE	JOLLIBEE	129535	23-Apr-12			Pending	29
Kuwait	JOLLIBEE	JOLLIBEE	129536	23-Apr-12			Pending	43
Kuwait	JOLLIBEE & DEVICE	Jollibee	32460	26-Nov-95	29945	26-Nov-95	Registered	29
Kuwait	JOLLIBEE (IN ARABIC SCRIPT)	جوليبي	180970	8-Jun-16	161895	8-Jun-16	Registered	43
Kuwait	JOLLIBEE (WORD) AND DEVICE	Jollibee.	32461	26-Nov-95	29947	25-Nov-05	Registered	30
Kuwait	JOLLIBEE (WORD) AND DEVICE	Jollibee.	32462	26-Nov-95	29403	25-Nov-05	Registered	32
Kuwait	JOLLIBEE DEVICE &	Jollibee	32463	26-Nov-95	29946	25-Nov-05	Registered	43
Kuwait	JOLLIBEE LOGO AND DEVICE	Jollibee	112415	13-Jun-10	95848	13-Jun-10	Registered	30
Kuwait	JOLLIBEE LOGO AND DEVICE	Jollibee	112414	13-Jun-10	95847	13-Jun-10	Registered	29
Kuwait	JOLLIBEE MASCOT DESIGN		138827	2-Apr-13			Pending	29
Kuwait	JOLLIBEE MASCOT DESIGN		138828	2-Apr-13			Pending	43
Kuwait	YUM	YUM	138829	2-Apr-13			Pending	29
Lebanon	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee. Great Burgers Great Chicken	66960	20-Sep-95	66960	20-Sep-95	Registered	29, 42
Macau	CHICKENJOY	CHICKENJOY		23-Apr-12	N/065040 (061)	27-Feb-13	Registered	43
Macau	CHICKENJOY	CHICKENJOY		23-Apr-2012	N/065039 (136)	27-Feb-13	Registered	29

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Macau	JOLLIBEE MASCOT DESIGN			29-Apr-13	N/075126 (775)	14-Jan-14	Registered	29
Macau	JOLLIBEE MASCOT DESIGN			29-Apr-13	N/075132 (123)	14-Jan-14	Registered	43
Macau	CHAMP	CHAMP		29-Apr-13	N/075128 (170)	14-Jan-14	Registered	29
Macau	CHAMP	CHAMP		29-Apr-13	N/075130 (457)	14-Jan-14	Registered	30
Macau	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.		29-Apr-13	N/075131 (398)	14-Jan-14	Registered	35
Macau	JOLLIBEE	Jollibee		29-Apr-13	N/065042 (371)	27-Feb-13	Registered	29
Macau	JOLLIBEE	Jollibee		29-Apr-13	N/065044 (840)	27-Feb-13	Registered	43
Macau	BEE HEAD DEVICE			23-Apr-12	N/065043 (604)	27-Feb-13	Registered	29
Macau	BEE HEAD DEVICE			23-Apr-12	N/065045 (376)	27-Feb-13	Registered	43
Macau	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂		23-Apr-12	N/065046 (329)	27-Feb-13	Registered	43
Macau	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂		23-Apr-12	N/065041 (628)	27-Feb-13	Registered	29
Macau	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY		11-Mar-16	N/109778 (800)	13-Oct-16	Registered	43
Macau	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY		11-Mar-16	N/109777 (796)	13-Oct-16	Registered	29
Macau	JOLLY SPAGHETTI	JOLLY SPAGHETTI		15-Nov-16	N/117479 (381)	26-Apr-17	Registered	30
Macau	JOLLY HOTDOG	JOLLY HOTDOG		15-Nov-16	N/117480 (148)	26-Apr-17	Registered	29
Macau	CHICKENJOY & CHICKENJOY IN CHINESE CHARACTERS	Chickenjoy	N/144628	3-Oct-18			Pending	29
Macau	CHICKENJOY & CHICKENJOY IN CHINESE CHARACTERS	Chickenjoy	N/144629	3-Oct-18			Pending	43
Macau	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂	N/144632	3-Oct-18			Pending	29
Macau	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂	N/144633	3-Oct-18			Pending	43
Macau	JOLLIBEE IN CHINESE CHARACTERS	快樂蜂	N/144630	3-Oct-18			Pending	29

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Macau	JOLLIBEE IN CHINESE CHARACTERS	快樂蜂	N/144631	3-Oct-18			Pending	43
Malaysia	BEE HEAD DEVICE		2014069069	17-Dec-14	2014069069	17-Dec-14	Registered	25
Malaysia	BEE HEAD DEVICE		2012052510	23-Apr-12	2012052510	23-Apr-12	Registered	43
Malaysia	BEE HEAD DEVICE		2012052508	23-Apr-12	2012052508	23-Apr-12	Registered	29
Malaysia	CHAMP	CHAMP	2013052208	13-Mar-13	2013052208	13-Mar-13	Registered	29
Malaysia	CHICKENJOY	CHICKENJOY	2012052511	23-Apr-12	2012052511	23-Apr-12	Registered	29
Malaysia	CHICKENJOY	CHICKENJOY	2012052512	23-Apr-12	2012052512	23-Apr-12	Registered	43
Malaysia	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	2013052209	13-Mar-13	2013052209	13-Mar-13	Registered	35
Malaysia	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	2015070163	27-Nov-15			Pending	29
Malaysia	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	2015070165	27-Nov-15			Pending	43
Malaysia	JOLLIBEE	JOLLIBEE	2012052507	23-Apr-12	2012052507	23-Apr-12	Registered	29
Malaysia	JOLLIBEE	JOLLIBEE	2359	3-Mar-00	2359	3-Mar-00	Registered	43
Malaysia	JOLLIBEE & DEVICE	Jollibee.	95003171	8-Apr-95	95003171	8-Apr-95	Registered	29
Malaysia	JOLLIBEE	JOLLIBEE	2014069065	17-Dec-14	2014069065	17-Dec-14	Registered	25
Malaysia	JOLLIBEE MASCOT (SERIES OF 3)		2000-02358	3-Mar-00	2000-02358	3-Mar-00	Registered	43
Malaysia	JOLLIBEE MASCOT DESIGN		2014069071	17-Dec-14	2014069071	17-Dec-14	Registered	25
Malaysia	JOLLIBEE MASCOT DESIGN		2013052205	13-Mar-13	2013052205	13-Mar-13	Registered	43

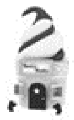
Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/ es
Malaysia	JOLLIBEE MASCOT DESIGN		2013052204	13-Mar-13	2013052204	13-Mar-13	Registered	29
Malaysia	YUM	YUM	2013052206	13-Mar-13	2013052206	20-Sep-16	Registered	29
Mexico	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DESIGN		405557	6-Jan-00	764426	21-Oct-02	Registered	42
Myanmar	BEE HEAD DEVICE		N/A	28-Feb-18	4/2430/2018	15-Mar-2018	Registered	29, 43
Myanmar	CHAMP	CHAMP	N/A	28-Feb-18	4/2433/2018	15-Mar-2018	Registered	29
Myanmar	CHICKENJOY	CHICKENJOY	N/A	28-Feb-18	4/2434/2018	15-Mar-2018	Registered	29, 43
Myanmar	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	N/A	28-Feb-18	4/2435/2018	15-Mar-2018	Registered	35
Myanmar	JOLLIBEE MASCOT DESIGN		N/A	28-Feb-18	4/2431/2018	15-Mar-2018	Registered	29, 43
Myanmar	JOLLIBEE	JOLLIBEE	N/A	28-Feb-18	4/2429/2018	15-Mar-2018	Registered	29, 43
Myanmar	YUM	YUM	N/A	28-Feb-18	4/2432/2018	15-Mar-2018	Registered	29
New Zealand	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		254483	6-Oct-95	254483	6-Oct-95	Registered	29
New Zealand	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		254484	6-Oct-95	254484	6-Oct-95	Registered	42
Oman	BEE HEAD DEVICE		73974	23-Apr-12	73974	20-May-13	Registered	29
Oman	BEE HEAD DEVICE		73975	23-Apr-12	73975	20-May-13	Registered	43
Oman	CHAMP	CHAMP	79630	13-Mar-13	79630	25-Aug-14	Registered	29
Oman	CHICKENJOY	CHICKENJOY	73976	23-Apr-12	73976	20-May-13	Registered	29

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/ es
Oman	CHICKENJOY	CHICKENJOY	73977	23-Apr-12	73977	20-May-13	Registered	43
Oman	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	79631	13-Mar-13	79631	25-Aug-14	Registered	35
Oman	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	113349	8-Oct-17	113349	4-Jul-2018	Registered	29
Oman	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	113350	8-Oct-17	113350	4-Jul-2018	Registered	43
Oman	JOLLIBEE (IN ARABIC SCRIPT)	جوليبي	103059	7-Jun-16	103059	17-Jul-17	Registered	43
Oman	JOLLIBEE	JOLLIBEE	69397	20-Jul-11	69397	4-Mar-14	Registered	29
Oman	JOLLIBEE	JOLLIBEE	69398	20-Jul-11	69398	4-Mar-14	Registered	30
Oman	JOLLIBEE	JOLLIBEE	69399	20-Jul-11	69399	4-Mar-14	Registered	43
Oman	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		11659	29-May-95	11659	29-May-05	Registered	42
Oman	JOLLIBEE MASCOT		11658	29-May-95	11658	11-Dec--03	Registered	42
Oman	JOLLIBEE MASCOT DESIGN		79627	13-Mar-13	79627	25-Aug-14	Registered	29
Oman	JOLLIBEE MASCOT DESIGN		79628	13-Mar-13	79628	25-Aug-14	Registered	43
Oman	YUM	YUM	79629	13-Mar-13	79629	25-Aug-14	Registered	29
Pakistan	BEE HEAD DEVICE		461104	9-Jun-17			Pending	29
Pakistan	BEE HEAD DEVICE		461106	9-Jun-17			Pending	30
Pakistan	BEE HEAD DEVICE		461108	9-Jun-17			Pending	43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/ es
Pakistan	JOLLIBEE	JOLLIBEE	461107	9-Jun-17			Pending	30
Pakistan	JOLLIBEE	JOLLIBEE	461109	9-Jun-17			Pending	43
Pakistan	JOLLIBEE	JOLLIBEE	461105	9-Jun-17			Pending	29
Pakistan	CHICKENJOY	CHICKENJOY	483806	29-Jan-2018			Pending	29
Pakistan	JOLLY CRISPY FRIES	JOLLY CRISPY FRIES	483807	29-Jan-2018			Pending	29
Philippines	AMAZING ALOHA ANG PINEAPLLE SLICE DEVICE	Amazing Aloha	4-1996-108683	04-Mar-96	4-1996-108683	04-Nov-02	Registered	30
Philippines	JOLLIBEE	JOLLIBEE	4-2000-004772	08-Jun-00	4-2000-004772	10-Mar-16	Renewed	29, 30, 32 & 42
Philippines	JOLLIBEE	JOLLIBEE	4-2000-007421	31-Aug-00	4-2000-007421	24-Sep-15	Renewed	16, 28
Philippines	JOLLY SHAKES WRITTEN IN COLORS RED AND ORANGE ENCLOSED BY A RECTANGLE SHADED IN BLUE	JOLLY SHAKES	4-2003-001019	05-Feb-03	4-2003-001019	20-Nov-16	Renewed	29, 30
Philippines	YUM	YUM	4-2003-008177	04-Sep-03	4-2003-008177	11-Nov-10	Registered	29, 43
Philippines	JOLLY CRISPY FRIES	JOLLY CRISPY FRIES	4-2004-006392	20-Jul-04	4-2004-006392	09-Feb-09	In examination of Renewal	29
Philippines	CHICKENJOY	CHICKENJOY	4-2004-006569	23-Jul-04	4-2004-006569	26-May-16	Renewed	29
Philippines	BEE HEAD DEVICE		4-2004-006570	23-Jul-04	4-2004-006570	06-Jan-16	Renewed	43
Philippines	JOLLIKIDS	JOLLIKIDS	4-2005-000388	13-Jan-05	4-2005-000388	08-Jun-16	Renewed	16, 18, 25 & 26
Philippines	JOLLY KRUNCHY TWIRL	JOLLY KRUNCHY TWIRL	4-2005-001998	02-Mar-05	4-2005-001998	18-Sep-16	Renewed	29 & 30
Philippines	JOLLIBEE SUPER MEALS	JOLLIBEE SUPER MEALS	4-2005-002450	15-Mar-05	4-2005-002450	18-Dec-16	Renewed	43
Philippines	BEE HEAD DEVICE		4-2005-007557	05-Aug-05	4-2005-007557	19-Feb-17	Renewed	9, 16, 18, 20, 21,

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/ es
								24, 25 & 28
Philippines	Jollibee	Jollibee	4-2005-007558	05-Aug-05	4-2005-007558	19-Feb-17	Renewed	9, 18, 20, 21, 24 & 25
Philippines	JOLLITOWN AND DEVICE		4-2008-005395	08-May-08	4-2008-005395	25-Mar-10	Registered	16, 18, 20, 24, 25, 27, 28 & 41
Philippines	TWIRLIE MASCOT DESIGN		4-2008-007561	25-Jun-08	4-2008-007561	23-Jul-09	Registered	16, 18, 20, 21, 24, 25, 27, 28, 41
Philippines	JOLLIBEE MASCOT DESIGN		4-2008-007562	25-Jun-08	4-2008-007562	23-Jul-09	Registered	16, 18, 20, 21, 24, 25, 27, 28, 41
Philippines	HETTY MASCOT DESIGN		4-2008-007563	25-Jun-08	4-2008-007563	23-Jul-09	Registered	16, 18, 20, 21, 24, 25, 27, 28, 41
Philippines	POPO MASCOT DESIGN		4-2008-007564	25-Jun-08	4-2008-007564	23-Jul-09	Registered	16, 18, 20, 21, 24, 25, 27, 28, 41

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Philippines	YUM MASCOT DESIGN		4-2008-007565	25-Jun-08	4-2008-007565	23-Jul-09	Registered	16, 18, 20, 21, 24, 25, 27, 28, 41
Philippines	LANGHAP SARAP	LANGHAP SARAP	4-2009-003033	23-Mar-09	4-2009-003033	12-Nov-09	Registered	29, 30
Philippines	JOLLIBEE CHAMP	Jollibee Champ	4-2009-006900	13-Jul-09	4-2009-006900	12-Nov-09	Registered	29, 35
Philippines	JOLLIBEE BREAKFAST JOYS	Jollibee Breakfast Joys	4-2009-006901	13-Jul-09	4-2009-006901	24-Dec-09	Registered	29, 35
Philippines	Jolly Hotdog	Jolly Hotdog	4-2009-006903	13-Jul-09	4-2009-006903	24-Dec-09	Registered	29, 35
Philippines	JOLLIBEE CHAMP. BIG BURGER GOODNESS LIKE NO OTHER.	Jollibee Champ. Big Burger Goodness Like No Other.	4-2009-006905	13-Jul-09	4-2009-006905	12-Nov-09	Registered	35
Philippines	JOLLY HOTDOG. SARAP ON-THE-MOVE.	Jolly Hotdog. Sarap on-the-move.	4-2009-006906	13-Jul-09	4-2009-006906	19-Nov-09	Registered	35
Philippines	JOLLY CRISPY FRIES. BEST	Jolly Crispy Fries. Best Friends Fries.	4-2009-006907	13-Jul-09	4-2009-006907	19-Nov-09	Registered	35

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
	FRIENDS FRIES.							
Philippines	JOLLY CRISPY FRIES		4-2009-006965	14-Jul-09	4-2009-006965	15-Apr-10	Registered	35
Philippines	Jollibee		4-2010-002055	24-Feb-10	4-2010-002055	22-Jul-10	Registered	29, 30 & 43
Philippines	CHAMP	CHAMP	4-2010-004236	21-Apr-10	4-2010-004236	28-Jan-11	Registered	29 & 35
Philippines	JOLLIBEE KIDS CLUB INSIDE A CIRCLE		4-2010-005155	17-May-10	4-2010-005155	31-Dec-10	Registered	16, 35
Philippines	JOLLIBEE KIDS CLUB INSIDE A CIRCLE		4-2010-005156	17-May-10	4-2010-005156	31-Dec-10	Registered	16, 35
Philippines	JOLLIBEE KIDS CLUB INSIDE A CIRCLE		4-2010-005302	20-May-10	4-2010-005302	31-Dec-10	Registered	16, 35
Philippines	JOLLIBEE KIDS CLUB INSIDE A CIRCLE		4-2010-005303	20-May-10	4-2010-005303	23-Dec-10	Registered	16, 35
Philippines	YUM MASCOT HOUSE		4-2010-005362	20-May-10	4-2010-005362	06-Jan-11	Registered	16, 18, 25, 28 & 41
Philippines	TWIRLIE MASCOT HOUSE		4-2010-005363	20-May-10	4-2010-005363	21-Oct-10	Registered	16, 18, 25, 28, 41
Philippines	POPO MASCOT HOUSE		4-2010-005364	20-May-10	4-2010-005364	21-Oct-10	Registered	16, 18, 25, 28, 41
Philippines	HETTY MASCOT HOUSE		4-2010-005365	20-May-10	4-2010-005365	21-Oct-10	Registered	16, 18, 25, 28, 41
Philippines	JOLLIBEE MASCOT HOUSE		4-2010-005366	20-May-10	4-2010-005366	21-Oct-10	Registered	16, 18, 25, 28, 41
Philippines	JOLLIBEE MASCOT HOUSE		4-2010-005367	20-May-10	4-2010-005367	21-Oct-10	Registered	16, 18, 25,

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
								28, 41
Philippines	HETTY MASCOT HOUSE		4-2010-005368	20-May-10	4-2010-005368	14-Oct-10	Registered	16, 18, 25, 28, 41
Philippines	POPO MASCOT HOUSE		4-2010-005369	20-May-10	4-2010-005369	14-Oct-10	Registered	16, 18, 25, 28, 41
Philippines	TWIRLIE MASCOT HOUSE		4-2010-005370	20-May-10	4-2010-005370	14-Oct-10	Registered	16, 18, 25, 28, 41
Philippines	YUM MASCOT HOUSE		4-2010-005371	20-May-10	4-2010-005371	14-Oct-10	Registered	16, 18, 25, 28, 41
Philippines	AFFORDELICIOUS	AFFORDELICIOUS	4-2010-010083	15-Sep-10	4-2010-010083	07-Apr-11	Registered	35
Philippines	CONE TWIRL	CONE TWIRL	4-2010-010089	15-Sep-10	4-2010-010089	07-Apr-11	Registered	29
Philippines	CASHLESS PAYMENT WITH REWARDS	happyplüs	4-2011-009245	05-Aug-11	4-2011-009245	05-Jan-12	Registered	9, 16, 35 & 36
Philippines	HAPPYPLUS CASHLESS PAYMENT WITH REWARDS	happyplüs	4-2011-009277	15-Mar-11	4-2011-009277	20-Jun-13	Registered	9, 16, 35 & 36
Philippines	EVERYDAY DESERVES A SUNDAE	EVERYDAY DESERVES A SUNDAE	4-2011-010765	08-Sep-11	4-2011-010765	20-Nov-14	Registered	30
Philippines	CRISPYLICIOUS	CRISPYLICIOUS	4-2012-000563	16-Jan-12	4-2012-000563	31-May-12	Registered	29
Philippines	JUICYLICIOUS	JUICYLICIOUS	4-2012-000564	16-Jan-12	4-2012-000564	09-May-13	Registered	29
Philippines	MAAGA ANG PASKO	MAAGA ANG PASKO	4-2012-001251	01-Feb-12	4-2012-001251	11-May-12	Registered	36
Philippines	BEE HAPPY	BEE HAPPY	4-2012-003129	12-Mar-12	4-2012-003129	24-May-12	Registered	35
Philippines	CHICKENJOY WORD MARK-MAIN	CHICKENJOY	4-2012-004770	19-Apr-12	4-2012-004770	12-Jul-12	Registered	43
Philippines	BEE HEAD		4-2012-004771	19-Apr-12	4-2012-004771	23-Aug-12	Registered	29
Philippines	DITO ANG SARAP	DITO ANG SARAP	4-2013-001089	31-Jan-13	4-2013-001089	20-Feb-15	Registered	35

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
	MAGING PAMILYA	MAGING PAMILYA						
Philippines	DITO ANG SARAP MAGING	DITO ANG SARAP MAGING	4-2013-001090	31-Jan-13	4-2013-001090	20-Feb-15	Registered	35
Philippines	JOLLIBEE MASCOT DESIGN		4-2013-002707	11-Mar-13	4-2013-002707	20-Jun-13	Registered	29 & 43
Philippines	FINANCE BEYOND NUMBERS	FINANCE BEYOND NUMBERS	4-2013-005162	06-May-13	4-2013-005162	12-Sep-13	Registered	16 & 41
Philippines	ULTIMATE BURGER STEAK	ULTIMATE BURGER STEAK	4-2013-006004	24-May-13			Pending	29
Philippines	ULTIMATE BURGER STEAK		4-2013-006363	03-Jun-13	4-2013-006363	23-Oct-14	Registered	29
Philippines	FAMILY VALUES AWARDS	FAMILY VALUES AWARDS	4-2013-010435	02-Sep-13	4-2013-010435	19-Dec-13	Registered	35
Philippines	JOLLIBEE FAMILY VALUES AWARDS CELEBRATING EXEMPLARY FILIFINO FAMILIES		4-2013-010436	02-Sep-13	4-2013-010436	12-Jun-14	Registered	35
Philippines	JOLLY	JOLLY	4-2013-012443	16-Oct-13	4-2013-012443	15-Oct-16	Registered	29, 30, 32
Philippines	JOLLY	JOLLY	4-2014-003233	14-Mar-14	4-2014-003233	18-Aug-16	Registered	29
Philippines	CRISPYJUICYE XTRAORDINA RYLICIOUS	CRISPYJUICYE XTRAORDINA RYLICIOUS	4-2014-505926	17-Dec-14	4-2014-505926	26-Feb-15	Registered	29
Philippines	JOLLIBEE MAAGA ANG PASKO LOGO		4-2015-500315	22-Jan-15	4-2015-500315	31-Mar-16	Registered	36
Philippines	JOLLISAVERS	JOLLISAVERS	4-2015-503892	14-Jul-15	4-2015-503892	12-Nov-15	Registered	29, 30, 32 & 43
Philippines	Jollibee Burger Steak Supreme	Jollibee Burger Steak Supreme	4-2015-506500	11-Nov-15			Pending	29
Philippines	Jollibee Big Burger Steak Supreme	Jollibee Big Burger Steak Supreme	4-2015-506501	11-Nov-15			Pending	29
Philippines	JOLLY JOY BOX	JOLLY JOY BOX	4-2015-507151	17-Dec-15	4-2015-507151	17-Aug-17	Registered	16, 28 & 35

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Philippines	JOY IN EVERY BOX	JOY IN EVERY BOX	4-2015-507152	17-Dec-15	4-2015-507152	26-May-16	Registered	16, 28 & 35
Philippines	JOY IN EVERY KID'S MEAL	JOY IN EVERY KID'S MEAL	4-2015-507153	17-Dec-15	4-2015-507153	26-May-16	Registered	16, 28 & 35
Philippines	3-D BOX DESIGN		4-2015-507226	22-Dec-15	4-2015-507226	27-Oct-16	Registered	16, 28 & 35
Philippines	GRAVYLICIOUS	GRAVYLICIOUS	4-2016-503206	28-Jun-16	4-2016-503206	01-Sep-16	Registered	29
Philippines	P99 PAIRS	P99 PAIRS	4-2016-504734	14-Sep-16	4-2016-504734	05-Apr-18	Registered	29, 30, 32 & 43
Philippines	PERFECT PAIRS	PERFECT PAIRS	4-2016-504735	14-Sep-16	4-2016-504735	22-Dec-16	Registered	29, 30, 32 & 43
Philippines	P99 PERFECT PAIRS	P99 PERFECT PAIRS	4-2016-504736	14-Sep-16	4-2016-504736	15-Feb-18	Registered	29, 30, 32 & 43
Philippines	JOLLY CRISPY FLAVORED FRIES	JOLLY CRISPY FLAVORED FRIES	4-2016-505391	20-Oct-16			Pending	29
Philippines	JOLLY CRISPY FLAVORED FRIES (stylized)	Jolly Crispy FLAVORED Fries	4-2016-505392	20-Oct-16			Pending	29
Philippines	CRISPY HOT CHICKENJOY	CRISPY HOT CHICKENJOY	4-2016-505399	20-Oct-16			Pending	29
Philippines	CREAMY FLOATS	CREAMY FLOATS	4-2016-505415	21-Oct-16			Pending	32
Philippines	CREAMY FLOATS (stylized)	Creamy	4-2016-505416	21-Oct-16			Pending	32
Philippines	FRUITY FLOATS	FRUITY FLOATS	4-2016-505417	21-Oct-16			Pending	32
Philippines	FRUITY FLOATS (stylized)	FRUITY FLOATS	4-2016-505418	21-Oct-16			Pending	32
Philippines	Jollibee Sweet-Spicy BBQ Burger Steak	Jollibee Sweet-Spicy BBQ Burger Steak	4-2016-505446	24-Oct-16			Pending	29
Philippines	CHAMP MADE WITH 100% PURE BEEF 1/3 POUND	CHAMP	4-2016-506284	02-Dec-16	4-2016-506284	25-May-17	Registered	29 & 43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
	PATTY LANGHAP-SARAP							
Philippines	FRAMILY	FRAMILY	4-2016-506373	08-Dec-16	4-2016-506373	02-Mar-17	Registered	29, 35 & 43
Philippines	JOLLY KIDDIE MEAL		4-2016-506501	15-Dec-16	4-2016-506501	25-May-17	Registered	16 & 35
Philippines	JOLLY KIDDIE MEAL		4-2016-506504	15-Dec-16	4-2016-506504	06-Jul-17	Registered	16 & 35
Philippines	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	4-2017-501502	10-Apr-17	4-2017-501502	22-Jun-17	Registered	29 & 43
Philippines	TOP-YOUR-OWN JOLLY HOTDOG	TOP-YOUR-OWN JOLLY HOTDOG	4-2017-501751	27-Apr-17			Pending	29 & 43
Philippines	Spicylicious	Spicylicious	4-2018-006922	24-Apr-18	4-2018-006922	02-Aug-18	Registered	29 & 43
Philippines	OVERTOP	OVERTOP	4-2018-007743	08-May-18	4-2018-007743	02-Aug-18	Registered	29
Philippines	NEW! SPICY CHICKENJOY		4-2018-501710	19-Apr-18	4-2018-501710	19-Aug-18	Registered	29 & 43
Qatar	BEE DEVICE		80980	15-Apr-10	80980	15-Apr-10	Registered	43
Qatar	BEE HEAD DEVICE		74466	30-Apr-12	74466	23-Nov-14	Registered	29
Qatar	BEE HEAD DEVICE		74467	30-Apr-12	74467	16-Oct-14	Registered	43
Qatar	CHAMP	CHAMP	80276	14-Mar-13	80276	22-Oct-15	Registered	29
Qatar	CHICKENJOY	CHICKENJOY	74469	30-Apr-12	74469	16-Oct-14	Registered	43
Qatar	CHICKENJOY	CHICKENJOY	74468	30-Apr-12	74468	16-Oct-14	Registered	29
Qatar	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	80277	14-Mar-13	80277	22-Oct-15	Registered	35
Qatar	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	117443	26-Sep-17			Pending	29
Qatar	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	117444	26-Sep-17			Pending	43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/ es
Qatar	JOLLIBEE	JOLLIBEE	74464	30-Apr-12	74464	11-Oct-15	Registered	29
Qatar	JOLLIBEE	JOLLIBEE	74465	30-Apr-12	74465	23-Nov-14	Registered	43
Qatar	JOLLIBEE (IN ARABIC SCRIPT)	جوليبي	106585	5-Jun-16			Pending	42
Qatar	JOLLIBEE CHARACTER AND DEVICE		57954	8-Jul-09	57954	20-Sep-12	Registered	29
Qatar	JOLLIBEE CHARACTER AND DEVICE		57955	8-Jul-09	57955	20-Sep-12	Registered	30
Qatar	JOLLIBEE CHARACTER AND DEVICE		57956	8-Jul-09	57956	20-Sep-12	Registered	42
Qatar	JOLLIBEE LOGO & DEVICE	Jollibee	57951	8-Jul-09	57951	25-Sep-12	Registered	29
Qatar	JOLLIBEE LOGO & DEVICE	Jollibee	57952	8-Jul-09	57952	25-Sep-12	Registered	30
Qatar	JOLLIBEE LOGO & DEVICE	Jollibee	57953	8-Jul-09	57953	20-Sep-12	Registered	42
Qatar	JOLLIBEE MASCOT DESIGN		80273	14-Mar-13	80273	22-Oct-15	Registered	29
Qatar	JOLLIBEE MASCOT DESIGN		80274	14-Mar-13	80274	22-Oct-15	Registered	42
Qatar	JOLLY	JOLLY	84753	23-Oct-13	84753	16-Feb-17	Registered	30
Qatar	YUM	YUM	80275	14-Mar-13	80275	22-Oct-15	Registered	29
Romania	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee	13511	8-Mar-95	29524	8-Mar-05	Registered	29, 42
Romania	JOLLIBEE MASCOT DEVICE		13512	8-Mar-95	29525	1-Jul-99	Registered	42

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Saudi Arabia	BEE HEAD DEVICE		182342	21-May-12	143307687	22-Aug-13	Registered	29
Saudi Arabia	BEE HEAD DEVICE		182343	21-May-12	143307688	10-Sep-13	Registered	43
Saudi Arabia	CHICKENJOY	CHICKENJOY	182346	21-May-12	143307686	4-Apr-14	Registered	29
Saudi Arabia	CHICKENJOY	CHICKENJOY	182347	21-May-12	143307685	4-Apr-14	Registered	43
Saudi Arabia	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	194610	26-Mar-13	143406467	1-Jul-14	Registered	35
Saudi Arabia	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	120088	25-Oct-17	1439002982	11-Apr-18	Registered	29
Saudi Arabia	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	120089	25-Oct-17			Pending	43
Saudi Arabia	JOLLIBEE	JOLLIBEE	182344	21-May-12	143307683	25-Jul-13	Registered	29
Saudi Arabia	JOLLIBEE	JOLLIBEE	182345	21-May-12	143307684	10-Sep-13	Registered	43
Saudi Arabia	JOLLIBEE & BEE DEVICE	Jollibee	122600	1-Oct-07	142809331	21-Jan-09	Registered	43
Saudi Arabia	JOLLIBEE (IN ARABIC SCRIPT)	جوليبي	1437020649	16-Jun-16	1437020649	12-Oct-16	Registered	43
Saudi Arabia	JOLLIBEE CHAMP	JOLLIBEE CHAMP	1436008326	8-Feb-15	1436008326	22-Jun-15	Registered	29
Saudi Arabia	JOLLIBEE CHAMP	JOLLIBEE CHAMP	1436008327	8-Feb-15	1436008327	22-Jun-15	Registered	30
Saudi Arabia	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee. Great Burgers Great Chicken.			501/26	17-Oct-99	Registered	29
Saudi Arabia	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee. Great Burgers Great Chicken.			501/25	17-Oct-99	Registered	42
Saudi Arabia	JOLLIBEE MASCOT DESIGN		194606	26-Mar-13	143406471	3-Jul-14	Registered	29
Saudi Arabia	JOLLIBEE MASCOT DESIGN		194607	26-Mar-13	143406472	3-Jul-14	Registered	43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Saudi Arabia	JOLLIBEE MASCOT DEVICE				379/25	2-Jul-96	Registered	42
Saudi Arabia	YUM	YUM	194608	26-Mar-13	143406468	1-Jul-14	Registered	29
Singapore	BEE HEAD DEVICE		T1205981F	26-Apr-12	T1205981F	26-Apr-12	Registered	29, 43
Singapore	CHAMP	CHAMP	T1304014J	11-Mar-13	T1304014J	11-Mar-13	Registered	30
Singapore	CHICKENJOY	CHICKENJOY	T1205748 A	20-Apr-12	T1205748A	20-Apr-12	Registered	29, 43
Singapore	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	T1304015I	11-Mar-13	T1304015I	11-Mar-13	Registered	35
Singapore	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	40201520 749Y	26-Nov-15	4020152074 9Y	26-Nov-15	Registered	29, 43
Singapore	JOLLIBEE	JOLLIBEE	T1205747 C	20-Apr-12	T1205747C	20-Apr-12	Registered	29, 43
Singapore	JOLLIBEE CHARACTER AND DEVICE		T0908261F	24-Jul-09	T0908261F	24-Jul-09	Registered	29, 30, 43
Singapore	JOLLIBEE LOGO AND DEVICE	Jollibee	T0908260 H	24-Jul-09	T0908260H	24-Jul-09	Registered	29, 30, 43
Singapore	JOLLIBEE MASCOT DESIGN		T1304012 D	11-Mar-13	T1304012D	11-Mar-13	Registered	29, 43
Singapore	JOLLIBEE WORD & DEVICE	Jollibee			3473/93	11-May-93	Registered	42
Singapore	JOLLIBEE WORD & DEVICE	Jollibee			3472/93	11-May-93	Registered	30
Singapore	YUM	YUM	4020180 9933T	25-May-18			Pending	30
South Africa	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee Great Burgers Great Chicken	9510214	8-Aug-95	95/10214	12-Jun-98	Registered	29

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
South Africa	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		9510215	8-Aug-95	95/10215	12-Jun-98	Registered	42
Spain	BEE HEAD DEVICE		3012444	5-Jan-12	3012444	1-Jun-12	Registered	29, 43
Spain	CHAMP	CHAMP	M3066988	11-Mar-13	3066988	12-Jun-13	Registered	29
Spain	CHICKENJOY	CHICKENJOY	M3012445	5-Jan-12	3012445	21-May-12	Registered	29, 43
Spain	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	M3066991	11-Mar-13	3066991	12-Jun-13	Registered	35
Spain	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	3684349	27-Sep-17			Pending	29, 43
Spain	JOLLIBEE MASCOT DESIGN		M3066986	11-Mar-13	3066986	12-Jun-13	Registered	29, 43
Spain	JOLLIBEE	JOLLIBEE	M3012443	5-Jan-12	3012443	21-May-12	Registered	29, 43
Sri Lanka	JOLLIBEE	JOLLIBEE	211717	29-Sep-16			Pending	29
Sri Lanka	JOLLIBEE	JOLLIBEE	211719	29-Sep-16			Pending	43
Sri Lanka	JOLLIBEE BEE HEAD DEVICE		211713	29-Sep-16			Pending	29
Sri Lanka	JOLLIBEE BEE HEAD DEVICE		211714	29-Sep-16			Pending	43
Sri Lanka	JOLLIBEE MASCOT DESIGN		211716	29-Sep-16			Pending	29
Sri Lanka	JOLLIBEE MASCOT DESIGN		211718	29-Sep-16			Pending	43
Syria	JOLLIBEE MASCOT DEVICE				56345	23-Oct-95	Registered	29, 30, 42
Taiwan	JOLLY SPAGHETTI	JOLLY SPAGHETTI			01851117	30-Jun-17	Registered	30
Taiwan	JOLLY HOTDOG	JOLLY HOTDOG			01850970	15-May-17	Registered	29

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Taiwan	YUM (IN STYLIZED FORM)	YUM!			1874837	15-Oct-17	Registered	29
Taiwan	JOLLIBEE	Jollibee			01841173	16-May-17	Registered	29
Taiwan	JOLLIBEE	Jollibee			01855925	16-May-17	Registered	43
Taiwan	BEE HEAD DEVICE				01841174	16-May-17	Registered	29
Taiwan	BEE HEAD DEVICE				01842299	16-May-17	Registered	43
Taiwan	JOLLIBEE MASCOT DESIGN				01841175	16-May-17	Registered	29
Taiwan	JOLLIBEE MASCOT DESIGN				01842300	15-May-17	Registered	43
Taiwan	CHAMP	CHAMP			01841176	16-May-17	Registered	29
Taiwan	CHICKENJOY	CHICKENJOY			01841177	16-May-17	Registered	29
Taiwan	CHICKENJOY	CHICKENJOY			01842301	16-May-17	Registered	43
Taiwan	YUMBURGER	YUMBURGER			01920710	16-Jun-18	Registered	30
Taiwan	YUMBURGER	YUMBURGER			01937077	01-Sept-18	Registered	43
Taiwan	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY			01909577	16-Apr-18	Registered	29
Taiwan	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY			01910767	16-Apr-18	Registered	43
Taiwan	JOLLIBEE IN CHINESE CHARACTERS	快樂蜂	107059823	13-Sep-18			Pending	29
Taiwan	JOLLIBEE IN CHINESE CHARACTERS	快樂蜂	107059824	13-Sep-18			Pending	43
Taiwan	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂	107059825	13-Sep-18			Pending	29
Taiwan	JOLLIBEE IN CHINESE CHARACTERS	快乐蜂	107059826	13-Sep-18			Pending	43
Thailand	BEE HEAD DEVICE		970144	19-Jan-15	171108418	19-Jan-15	Registered	43
Thailand	BEE HEAD DEVICE		970143	19-Jan-15	171101348	19-Jan-15	Registered	29
Thailand	CHAMP	CHAMP	970148	19-Jan-15	KOR414568	19-Jan-15	Registered	30

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Thailand	CHICKENJOY	CHICKENJOY	970149	19-Jan-15			Pending	29
Thailand	CHICKENJOY	CHICKENJOY	970150	19-Jan-15			Pending	43
Thailand	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	970151	19-Jan-15			Pending	35
Thailand	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	170135814	9-Oct-17			Pending	29
Thailand	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	170135815	9-Oct-17			Pending	43
Thailand	JOLLIBEE & THREE BEE DEVICE (JOLLIBEE MASCOT)	Jollibee	284093	19-Apr-95	BOR4134	19-Apr-95	Registered	43
Thailand	JOLLIBEE (WORD MARK)	JOLLIBEE	969050	8-Jan-15	171108692	8-Jan-15	Registered	25
Thailand	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee Great Burgers Great Chicken	284091	19-Apr-95	KOR41802	19-Apr-95	Registered	29
Thailand	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee Great Burgers Great Chicken	284092	19-Apr-95	BOR4135	19-Apr-95	Registered	43
Thailand	JOLLIBEE MASCOT DESIGN		969052	8-Jan-15	171107470	8-Jan-15	Registered	25
Thailand	JOLLIBEE MASCOT DESIGN		970145	19-Jan-15	171102032	19-Jan-15	Registered	29
Thailand	JOLLIBEE MASCOT DESIGN		970146	19-Jan-15	171108423	19-Jan-15	Registered	43
Thailand	JOLLIBEE	JOLLIBEE	970142	19-Jan-15	161109652	19-Jan-15	Registered	43
Thailand	JOLLIBEE	JOLLIBEE	970141	19-Jan-15	171101347	19-Jan-15	Registered	29
Thailand	YUM	YUM	970147	19-Jan-15	KOR415934	19-Jan-15	Registered	30
Turkey	BEE HEAD DEVICE		2014/82416	13-Oct-14	2014/82416	13-Oct-14	Registered	29, 43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Turkey	JOLLIBEE	JOLLIBEE	2014/82414	13-Oct-14	2014/82414	13-Oct-14	Registered	29
United Arab Emirates	BEE HEAD DEVICE		173869	20-May-12	173869	13-Jan-14	Registered	29
United Arab Emirates	BEE HEAD DEVICE		173870	20-May-12	173870	13-Jan-14	Registered	43
United Arab Emirates	CHAMP	CHAMP	189044	26-Mar-13	189044	9-Sep-14	Registered	29
United Arab Emirates	CHICKENJOY	CHICKENJOY	173871	20-May-12	173871	13-Jan-14	Registered	29
United Arab Emirates	CHICKENJOY	CHICKENJOY	173872	20-May-12	173872	13-Jan-14	Registered	43
United Arab Emirates	CHOWKING (IN ARABIC)	شاو كينغ	259171	29-Aug-16	259171	15-Oct-17	Registered	43
United Arab Emirates	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	189045	26-Mar-13	189045	3-Sep-14	Registered	35
United Arab Emirates	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	280804	10-Oct-17			Pending	43
United Arab Emirates	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	280803	10-Oct-17			Pending	29
United Arab Emirates	JOLLIBEE	JOLLIBEE	173867	20-May-12	173867	13-Jan-14	Registered	29
United Arab Emirates	JOLLIBEE	JOLLIBEE	173868	20-May-12	173868	13-Jan-14	Registered	43
United Arab Emirates	JOLLIBEE (IN ARABIC SCRIPT)	جوليبي	4686783	5-Jun-16			Pending	43
United Arab Emirates	JOLLIBEE CHARACTER & DEVICE		126847	10-Mar-09	126847	23-Aug-12	Registered	43
United Arab Emirates	JOLLIBEE CHARACTER & DEVICE		126844	10-Mar-09	126844	23-Aug-12	Registered	29
United Arab Emirates	JOLLIBEE CHARACTER & DEVICE		126845	10-Mar-09	126845	23-Aug-12	Registered	30
United Arab Emirates	JOLLIBEE CHARACTER & DEVICE		126846	10-Mar-09	126846	23-Aug-12	Registered	32
United Arab Emirates	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee. Great Burgers Great Chicken	16343	27-May-96	15560	27-May-98	Registered	42

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/ es
United Arab Emirates	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee Great Burgers Great Chicken	16344	27-May-96	15559	27-May-98	Registered	29
United Arab Emirates	JOLLIBEE LOGO & DEVICE	Jollibee	126840	10-Mar-09	126	23-Aug-12	Registered	29
United Arab Emirates	JOLLIBEE LOGO & DEVICE	Jollibee	126842	10-Mar-09	126842	23-Aug-12	Registered	32
United Arab Emirates	JOLLIBEE LOGO & DEVICE	Jollibee	126841	10-Mar-09	126841	23-Aug-12	Registered	30
United Arab Emirates	JOLLIBEE LOGO & DEVICE	Jollibee	126843	10-Mar-09	126843	23-Aug-12	Registered	43
United Arab Emirates	JOLLIBEE MASCOT DESIGN		189041	26-Mar-13	189041	2-Sep-14	Registered	29
United Arab Emirates	JOLLIBEE MASCOT DESIGN		189042	26-Mar-13	189042	2-Sep-14	Registered	43
United Arab Emirates	JOLLIBEE MASCOT DEVICE		16345	27-May-96	14694	25-Apr-98	Registered	42
United Arab Emirates	YUM	YUM	189043	26-Mar-13	189043	2-Sep-14	Registered	29
United Kingdom	BEE HEAD DEVICE		3086509	17-Dec-14	3086509	20-Mar-15	Registered	29, 43
United Kingdom	CHAMP	CHAMP	3086550	17-Dec-14	3086550	20-Mar-15	Registered	30
United Kingdom	CHICKENJOY	CHICKENJOY	3086685	18-Dec-14	3086685	27-Mar-15	Registered	29, 43
United Kingdom	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS	3086549	17-Dec-14	3086549	27-Mar-15	Registered	35
United Kingdom	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	3138210	27-Nov-15	UK0000313 8210	26-Feb-16	Registered	29, 43
United Kingdom	JOLLIBEE (STYLISED) & DEVICE	Jollibee	2572105	14-Feb-11	2572105	14-Feb-11	Registered	43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
United Kingdom	JOLLIBEE MASCOT DESIGN		3086533	17-Dec-14	3086533	20-Mar-15	Registered	29, 43
United Kingdom	JOLLIBEE	JOLLIBEE	3086498	17-Dec-14	3086498	20-Mar-15	Registered	29, 43
United Kingdom	YUM	YUM	3086691	18-Dec-14	3086691	27-Mar-15	Registered	30
United States of America	AMAZING ALOHA	AMAZING ALOHA	78/773483	14-Dec-05	3399726	18-Mar-08	Registered	30
United States of America	BEE HAPPY	BEE HAPPY	76/355920	7-Jan-02	2,830,503	6-Apr-04	Registered	43
United States of America	BEE HEAD DEVICE		85/513900	11-Jan-12	4426087	29-Oct-13	Registered	29, 43
United States of America	CHICKENJOY	CHICKENJOY	85/524814	25-Jan-12	4874637	22-Dec-15	Registered	43
United States of America	CHICKENJOY	CHICKENJOY	78/773490	14-Dec-05	3949145	19-Apr-11	Registered	29
United States of America	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	86836564	2-Dec-15			Pending	29, 43
United States of America	JOLLIBEE	JOLLIBEE	78/683906	2-Aug-05	3196017	9-Jan-07	Registered	43
United States of America	JOLLIBEE & DEVICE	Jollibee	78/546427	12-Jan-05	3152057	3-Oct-06	Registered	43
United States of America	JOLLIBEE BURGER STEAK	JOLLIBEE BURGER STEAK	78/773477	14-Dec-05	3562559	13-Jan-09	Registered	29
United States of America	JOLLIBEE MASCOT DESIGN		85/872818	11-Mar-13	5146897	21-Feb-17	Registered	29, 43
United States of America	JOLLIBEE	JOLLIBEE	85524886	25-Jan-12	4426109	29-Oct-13	Registered	29
United States of America	JOLLY CHICKEN	JOLLY CHICKEN	87028174	6-May-16			Pending	29
United States of America	JOLLY CRISPY FRIES	JOLLY CRISPY FRIES	87030021	9-May-16			Pending	29
United States of America	JOLLY HOTDOG	JOLLY HOTDOG	87028187	6-May-16	5239427	11-Jul-17	Registered	29, 30
United States of America	JOLLY KRUNCHY TWIRL	JOLLY KRUNCHY TWIRL	87028194	6-May-16	5253889	1-Aug-17	Registered	29, 30
United States of America	JOLLY SPAGHETTI	JOLLY SPAGHETTI	78/773476	14-Dec-05	3374063	22-Jan-08	Registered	30
United States of America	JOLLY VANILLA TWIRL	JOLLY VANILLA TWIRL	87028182	6-May-16			Pending	29, 30

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
United States of America	PALABOK FIESTA	PALABOK FIESTA	78/773470	14-Dec-05	3393101	4-Mar-08	Registered	29
United States of America	YUM	YUM	78-773,415	14-Dec-05	3,363,459	1-Jan-08	Registered	30
United States of America	YUMBURGER	YUMBURGER	78/773383	14-Dec-05	3349864	4-Dec-07	Registered	30
Vietnam	EVERYDAY DELICIOUS	EVERYDAY DELICIOUS.	4-2014-15419	07-Jul-14	254335	12-Nov-15	Registered	29, 30
Vietnam	BEE DEVICE		4-2013-04474	12-Mar-13	225456	3-Jun-14	Registered	29, 43
Vietnam	BEE HEAD DEVICE		4-2012-08039	24-Apr-12	210299	13-Aug-13	Registered	29, 43
Vietnam	CHAMP	CHAMP	4-2013-04470	12-Mar-13	225455	3-Jun-14	Registered	30
Vietnam	CHICKENJOY	CHICKENJOY	4-2012-08038	24-Apr-12	210298	13-Aug-13	Registered	29, 43
Vietnam	HOME OF THE FAMOUS CHICKENJOY	HOME OF THE FAMOUS CHICKENJOY	4-2017-31269	27-Sep-17			Pending	29, 43
Vietnam	JOLLIBEE	Jollibee	4-2005-02046	25-Feb-05	89304	20-Sep-07	Registered	43
Vietnam	JOLLIBEE	JOLLIBEE	4-2012-08037	24-Apr-12	210739	21-Aug-13	Registered	29, 43
Vietnam	JOLLIBEE MASCOT		4-2008-25172	25-Nov-08	153633	28-Oct-10	Registered	29, 43

Country	Title of Trademark	Representation of Trademark	Application Number	Application Date	Registration Number	Registration Date	Status	Class/es
Vietnam	JOLLIBEE MASCOT DEVICE		4-1995-22974	18-May-95	19997	10-Feb-96	Registered	29
Vietnam	JOLLIBEE STACKED LOGO	Jollibee	4-2008-25170	25-Nov-08	153631	28-Oct-10	Registered	29, 43
Vietnam	PEEKING BEE		4-2008-25171	25-Nov-08	153632	28-Oct-10	Registered	29, 43
Vietnam	GÀ GIÒN VUI VẺ (CHICKENJOY in Vietnamese)	GÀ GIÒN VUI VẺ	4-2018-30910	15-Oct-18			Pending	29, 43

[Remainder of the page intentionally left blank.]

2. PROPERTIES

The Company's properties are, primarily, its company-owned Jollibee stores which are located either on company-owned premises or on land or buildings leased by the Company from third parties under land or building lease agreements. In terms of store floor area, the largest company-owned Jollibee stores are the following:

Store Location	Site Owner	Type of Lease
Davao Maa DT	Julian Rodriguez, Jr.	Land
Tuguegarao Tanza Junction	Romeo Babaran	Land
Tuguegarao Buntun	Magno Y. Lim Corporation	Land
Carmona Highway	Grandworth Resources Corporation	Land
Puerto Princesa Junction	Palawan Jolly Foods Corporation	Land
Palo Leyte	V Lava and Company Incorporated	Land
Alang-Alang DT	Linda V. Ramos married to Rodoolfo C. Ramos Alma V. Delgado married to Perter Igmedio Delgado Beatriz V. Saso married to Manuel Saso Leticia V. Abejuela married to Benjamin E. Abejuela Hermina V. Yu married to Alejo Yu Amelia V. Larraga Fernando S. de Veyra Eduardo S. de Veyra married to Virginia M. de Veyra Socorro V. Seneca married to Arnulfo Seneca	Land
Paciano / Mayapa	STF Realty and Development Corp.	Land
Atimonan	Paul Barley P. Chito/ Kein Harvey P. Chito	Land
Tanay Highway	Geronimo M. Custodio / Darwin B. Garcia	Land
Gen Maxilom	Cebu Super Development Corporation and Jesa Management Corporation	Land
Fairview Regalado	Brixton Builders Corporation / Sanrox Development Corporation	Land
North Harbour	Chong 119 Philippines Corporation	Land
Binalonan	Lolita Co; Quirino Tan Co; John Tan Co; Tolentino Co	Land
Davao Talomo	Emelito Yparraguirre	Land
Canlubang	Sugar Junction Inc./Leandro Y. Locsin, Jr.	Land
Dolores Junction	Jolly Palate Foods Corp	Land
Ortigas Roosevelt	Alben Holdings Corporation	Land
Bauang	Eufranio Eriguel and Sandra Eriguel	Land
Bacao	Pablo Tobiano	Land

The Company houses its main office in the Jollibee Plaza located in 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City (where it occupies an area totaling approximately 16,169.44 sq.m.) and in the Jollibee Center located in San Miguel Avenue (where it occupies an area totaling approximately 6,054.50 sq. m.).

It also leases additional office spaces in the Jollibee Plaza, Jollibee Center, Karina, JJACISS and Pioneer Highland building with a total combined office space of 200,748.77 sq.m.

In Cebu City, satellite main office at the Insular Life Building (646 sq.m.), Ayala Center Cebu and Mercedez Benz Tower building (347 sq.m.) and a new regional office in Matina Town Square (1,202.50 sq.m.) in Davao City enables the Company to take direct and timely advantage of the business opportunities in the Visayas and Mindanao Areas.

Also, a 350 sq.m. training facility called the Visayas Training Center, is scheduled for completion by June 2019. This will facilitate the learning and development of JFC talent.

The 10-hectare property occupied by ZFC in Calamba, Laguna is owned by the Company, while the 7,719 sq.m. property occupied by ZFC in Mandaue City is owned by Freemont Foods Corporation. The Company also has a warehousing and distribution center in Brgy. Marcelo Green Village, Paranaque City

To keep up with demand, the Company leases and operates various warehousing and distribution centers nationwide. The latest addition being the commissary and warehouse leased at Luisita Industrial Park, Tarlac City.

All of the properties owned by the Company are free of liens and encumbrances.

3. LEGAL PROCEEDINGS

For purposes of this discussion, a legal proceeding is deemed "material" if the claim involved amounts to at least PhP5,000,000.00. Following are the material pending legal proceedings to which the Company is a party, as of December 31, 2018:

SPS. ESCAT, *ET AL.*, VS. JOLLIBEE FOODS CORP., *ET AL.*
Civil Case No. Q-93-17683
Regional Trial Court, Branch 85, Quezon City

This is a claim for damages amounting to PhP5.3 Million arising from various illnesses allegedly suffered by the children of the plaintiffs after dining at the Jollibee Crossroads Arcade, a franchised store owned and operated by Great Foods Corp.

Federal Phoenix Assurance Co. Inc. who was impleaded as third-party defendant by Great Foods Corp. has already presented its case and all of its documentary evidence were admitted by the Court on February 29, 2016. Plaintiffs were considered to have waived their rights to present rebuttal evidence and to submit the required judicial affidavit for failure to appear at the scheduled hearing date on June 6, 2016. On November 18, 2016, the Court issued a Decision dismissing the case for lack of merit.

Plaintiffs appealed the matter to the Court of Appeals. The Court has directed them to file their Appellant's Brief, which they have not done so to date. Plaintiffs have asked for three (3) extensions to file the same, and our counsels have already opposed their latest request. The appeal remains pending.

L.O.L. FOOD VENTURES CORP. VS. JOLLIBEE FOODS CORP., *ET AL.*
Civil Case No. 02-105339
Regional Trial Court, Branch 37, Manila

LOL Food Ventures Corporation, MALL Food Ventures Corporation ("MALL") and Royal Garden Restaurant, Inc. ("Royal Garden") are sub-lessees of the Company. The Company, on the other hand, is the lessee of LOL Realty Corporation. While the Company is the sub-lessor of LOL Food Ventures, MALL and Royal Garden, these sub-lessees remit their rent directly to LOL Realty Corporation, the principal lessor.

LOL Food Ventures filed this case seeking reimbursement from MALL and Royal Garden for the leased premises' common area expenses that LOL Food Ventures allegedly advanced since 1999 on behalf of MALL and Royal Garden in the amount of PhP3,394,482.24 for Royal Garden and PhP2,740,311.57 for MALL. LOL Food Ventures impleaded the Company as a party defendant and holds the Company liable for the total amount of PhP6,134,793.81 in view of the Company's role as the sub-lessor of the leased premises and therefore, according to LOL Food Ventures Corporation, responsible for collecting the common area expenses from MALL and Royal Garden.

On 7 March 2002, the Company filed its "Answer with Counterclaim and Cross-claim" maintaining that the common area expenses pertain to the operation of the common area as a food court and include the following items: electric and water utility charges, security services, janitorial services and other related food court operating expenses. While the Company is the sub-lessor of the plaintiff, MALL and Royal Garden, the Company never agreed to act as the operator of the food court (the common area) charged with collecting the expenses connected with its day-to-day operation.

On 3 December 2014, the Court rendered a Decision holding the Company and other defendants jointly and severally liable to the plaintiff. The total amount awarded was approximately PhP6 Million. On 17 January 2015, the Company filed a Motion for Reconsideration which was subsequently denied. The Company appealed to the Court of Appeals. The Company filed its Appellant's Brief and on 11 July 2015, LOL filed its Appellee's Brief. On 20 August 2015, the Company filed its Reply Brief.

In January 2016, mediation before the Court of Appeals was terminated due to failure of the parties to enter into an amicable settlement. On 7 November 2017, the Court of Appeals rendered its Decision denying the appeal of the Company. On 6 December 2017, the Company filed a Motion Reconsideration of the Court of Appeal's Decision.

The motion was denied by the court in its Resolution dated 11 March 2019. The Company may appeal the Decision and Resolution of the Court of Appeals to the Supreme Court via a Petition for Review on Certiorari under Rule 45 of the Rules of Court within fifteen (15) days from receipt of the denial of the Motion for Reconsideration. Since the Notice of Resolution of the denial of the Motion for Reconsideration was received on 28 March 2019, the Company has until, and intends to appeal by, 12 April 2019.

4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote by security holders of the Company during the fourth quarter of the fiscal year covered by this Report.

PART II. OPERATIONAL AND FINANCIAL INFORMATION

5. MARKET PRICE FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(A) Market Price of and Dividends on Registrant's Common Equity, and Related Stockholder Matters

(1) Market Information

Shares traded at the Philippine Stock Exchange

	2018		2017	
	High	Low	High	Low
1st Quarter	305.40	253.00	219.60	182.10
2nd Quarter	300.00	259.00	219.00	197.00
3rd Quarter	294.00	287.00	249.80	206.20
4th Quarter	309.80	303.00	259.80	241.40

Source: The Philippine Stock Exchange

The high and low daily closing prices for the first quarter of 2019 are PhP325.20 and PhP292.00, respectively.

(2) Holders

There are approximately 3,023 holders as of December 31, 2018. The Company's top 20 shareholders as of this date are:

Jollibee Foods Corporation
Top 20 Stockholders
As of December 31, 2018

		Total Direct & Indirect Shares	Percentage of Ownership Issued & Outstanding
1	PCD Nominee Corporation (Non-Filipino)	300,501,028	27.62%
2	Hyper Dynamic Corporation	273,218,750	25.11%
3	Honeysea Corporation	127,743,747	11.74%
4	PCD Nominee Corporation (Filipino)	126,576,259	11.63%
5	Winall Holding Corporation	54,140,736	4.98%
6	Honeyworth Corporation	40,424,643	3.72%
7	Kingsworth Corporation	29,168,935	2.68%
8	Centregold Corporation	27,430,964	2.52%
9	Gemma Tanbuntiong	21,910,601	2.01%
10	Venice Corporation	17,423,735	1.60%
11	A-Star Holding Corporation	17,160,393	1.58%
12	William Tan Untiong	8,549,722	0.79%
13	Tony Tan Caktiong	8,494,565	0.78%
14	Ernesto Tanmantiong	7,672,970	0.71%
15	Azucena T. King	7,491,199	0.69%
16	Susana Tanmantiong	1,231,857	0.11%
17	Paul Rosenberg	1,084,010	0.10%
18	Ysmael V. Baysa	811,667	0.07%
19	Anastacia S. Masancay	769,600	0.07%
20	Armando Medina	515,625	0.05%
	Total	1,072,321,006	98.55%
	Others	15,731,809	1.45%
	Total Issued and Outstanding	**1,104,500,155**	
	Treasury Shares (per SEC 11-C)	**16,447,340**	**1.51%**
	Total Issued and Outstanding*	**1,088,052,815**	100.00%

*(net of Treasury Shares)

(3) Dividends

The Company declares dividends on a semi-annual basis and upon approval by the Board of Directors. The Jollibee Group has a cash dividend policy of declaring one-third of the Jollibee Group's net income for the year as cash dividends. It uses best estimate of its net income as basis for declaring cash dividends.

For 2018, the actual cash dividends per share declared as a percentage of the Earnings Per Share is 32.4%.

Below are the cash dividend declarations of the Company for the years 2018, 2017 and 2016:

Cash Dividend	Declaration Date	Ex-Date	Record Date	Payment Date
Php1.34	November 9, 2018	November 21, 2018	November 26, 2018	December 10, 2018
Php1.14	April 6, 2018	April 19, 2018	April 24, 2018	May 9, 2018
Php1.18	November 10, 2017	November 22, 2017	November 27, 2017	December 11, 2017
Php1.00	April 5, 2017	April 18, 2017	April 21, 2017	May 5, 2017
Php1.00	November 11, 2016	November 23, 2016	November 28, 2016	December 12, 2016
PhP0.86	April 6, 2016	April 18, 2016	April 21, 2016	May 6, 2016

(4) Recent Sales of Unregistered Securities

There are no recent sales of unregistered securities.

Senior Management Stock Option and Incentive Plan

On January 10, 2017 and December 17, 2002, the SEC approved the exemption requested by the Jollibee Group on the registration requirements of 31,500,000 and 101,500,000 options, respectively, underlying the Parent Company's common shares to be issued pursuant to the Jollibee Group's Senior Management Stock Option and Incentive Plan (the Plan). The Plan covers selected key members of management of the Jollibee Group and designated affiliated entities.

The Plan is divided into two programs, namely, the Management Stock Option Program (MSOP) and the Executive Long-term Incentive Program (ELTIP). The MSOP provides a yearly stock option grant program based on company and individual performance while the ELTIP provides stock ownership as an incentive to reinforce entrepreneurial and long-term ownership behavior of executive participants.

MSOP. The MSOP is a yearly stock option grant program open to members of the senior management committee of the Jollibee Group and members of the management committee, key talents and designated consultants of some of the business units.

Each MSOP cycle refers to the period commencing on the MSOP grant date and ending on the last day of the MSOP exercise period. Vesting is conditional on the employment of the employee-participants in the Jollibee Group within the vesting period. The options will vest at the rate of one-third of the total options granted on each anniversary of the MSOP grant date until the third anniversary.

The exercise price of the stock options is determined by the Jollibee Group with reference to prevailing market prices over the three months immediately preceding the date of grant for the 1st up to the 7th MSOP cycle. Starting with the 8th MSOP cycle, the exercise price of the option is determined by the Jollibee Group with reference to the market closing price at date of grant.

The options will vest at the rate of one-third of the total options granted from the start of the grant date on each anniversary date which will start after a year from the grant date. For instance, under the 1st MSOP cycle, the Compensation Committee of the Jollibee Group granted 2,385,000 options to eligible participants on July 1, 2004. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005. The exercise period for the 1st MSOP cycle was until June 30, 2012. From July 1, 2005 to July 3, 2017, the Compensation Committee granted series of MSOP grants under the 2nd to 14th MSOP cycle to eligible participants. Under the most recent grant (July 9, 2018), the 15th MSOP cycle, the Compensation Committee granted 3,308,050 options. These options vest similar to the 1st MSOP cycle.

The options under MSOP expire eight years after grant date. The 1st, 2nd, 3rd, 4th, 5th, 6th and 7th MSOP cycles expired on June 30, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, respectively.

The Jollibee Group does not pay cash as a form of settlement.

The movements in the number of stock options outstanding under MSOP and related weighted average exercise prices (WAEP) for the years ended December 31, 2018, 2017 and 2016 follow:

	2018		2017		2016	
	Number of Options	**WAEP**	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning of year	**47,184,794**	**₱102.59**	42,986,294	₱92.47	40,120,794	₱82.22
Options granted during the year	**3,308,050**	**245.00**	4,198,500	206.20	2,865,500	236.00
Total options granted at end of year	**50,492,844**	**₱111.92**	47,184,794	₱102.59	42,986,294	₱92.47
Outstanding at beginning of year	**16,780,550**	**₱176.63**	15,256,198	₱159.46	14,868,437	₱133.32
Options granted during the year	**3,308,050**	**245.00**	4,198,500	206.20	2,865,500	236.00
Options exercised during the year	**(2,234,849)**	**145.31**	(2,672,040)	110.35	(2,259,125)	87.40
Options forfeited during the year	**(240,498)**	**204.03**	(2,108)	213.28	(218,614)	129.31
Outstanding at end of year	**17,613,253**	**₱193.07**	16,780,550	₱176.63	15,256,198	₱159.46
Exercisable at end of year	**10,612,036**	**₱169.70**	9,688,683	₱151.94	9,141,965	₱128.20

The weighted average share price of the Parent Company common shares is ₱278.16, ₱222.86 and ₱227.53 in 2018, 2017 and 2016, respectively. The weighted average remaining contractual life for the stock options outstanding as at December 31, 2018, 2017 and 2016 is 4.48 years, 5.21 years and 5.17 years, respectively.

The weighted average fair value of stock options granted in 2018, 2017 and 2016 is ₱58.42, ₱29.88, and ₱31.16, respectively. The fair value of share options as at the date of grant is estimated using the Black-Scholes Option Pricing Model, taking into account, the terms and conditions upon which the options were granted. The option style used for this plan is the American style because the option plan allows exercise before the expiry date.

The inputs in the valuation of the options granted on the dates of grant for each MSOP cycle are shown below:

MSOP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
1st	2004	1.72%	36.91%	6.20%	5-7 years	₱24.00	₱20.00
2nd	2005	1.72%	36.91%	6.20%	5-7 years	29.00	27.50
3rd	2006	1.72%	36.91%	6.20%	5-7 years	35.00	32.32
4th	2007	1.70%	28.06%	6.41%	3-4 years	52.50	50.77
5th	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
6th	2009	2.00%	30.37%	5.28%	3-4 years	48.00	45.45
7th	2010	2.00%	29.72%	5.25%	3-4 years	70.00	57.77
8th	2011	2.00%	34.53%	4.18%	3-4 years	89.90	89.90

MSOP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
9th	2012	2.00%	28.72%	3.50%	3-4 years	107.90	107.90
10th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00
11th	2014	2.00%	24.87%	2.64%	3-4 years	179.80	179.80
12th	2015	2.00%	18.94%	2.98%	3-4 years	180.00	180.00
13th	2016	2.00%	17.76%	2.63%	3-4 years	236.00	236.00
14th	2017	2.00%	16.70%	3.92%	3-4 years	206.20	206.20
15th	2018	2.00%	28.98%	4.95%	3-4 years	245.00	245.00

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

ELTIP. The ELTIP entitlement is given to members of the senior management committee and designated consultants of the Jollibee Group.

Each ELTIP cycle refers to the period commencing on the ELTIP entitlement date and ending on the last day of the ELTIP exercise period. Actual grant and vesting is conditional upon achievement of the Jollibee Group's medium to long-term goals and individual targets in a given period, and the employment of the employee-participants in the Jollibee Group within the vesting period. If the goals are achieved, the options will be granted. For the 3rd ELTIP cycle, a percentage of the options to be granted are based on the percentage of growth in annual earnings per share such that 100%, 50% or 25% of the options granted when percentage of growth in annual earnings per share are 12% and above, 10% to less than 12% or 8% to less than 10%, respectively. For the 4th ELTIP cycle, the percentage of the options to be granted and the targeted percentage of growth in annual earnings per share have been further revised such that 150%, 100% or 50% of the options granted when percentage of growth in annual earnings per share are 15% and above, 12% to less than 15% or 10% to less than 12%, respectively.

The exercise price of the stock options under ELTIP is determined by the Jollibee Group with reference to prevailing market prices over the three months immediately preceding the date of entitlement for the first and second ELTIP cycles. Starting with the 3rd ELTIP cycle, the exercise price of the option is determined by the Jollibee Group with reference to the closing market price as at the date of entitlement.

The options will vest at the rate of one-third of the total options granted on each anniversary date which will start after the goals are achieved. For instance, on July 1, 2004, the Compensation Committee gave an entitlement of 22,750,000 options under the 1st ELTIP cycle to eligible participants. One-third of the options granted, or 7,583,333 options, vested and were exercised starting July 1, 2007 until June 30, 2012. On July 1, 2008, October 19, 2012, August 25, 2015 and January 3, 2018, entitlement to 20,399,999, 24,350,000, 11,470,000 and 9,290,000 options were given to eligible participants under the 2nd, 3rd, 4th and 5th ELTIP cycles, respectively. The 1st and 2nd ELTIP cycles expired on June 30, 2012 and April 30, 2017, respectively. The stock options granted under the 3rd, 4th and 5th ELTIP cycles will expire in 2020, 2023 and 2026, respectively.

The Jollibee Group does not pay cash as a form of settlement.

The movements in the number of stock options outstanding for the 2nd to 4th ELTIP cycles and related WAEP for the years ended December 31, 2018, 2017 and 2016 follow:

	2018		2017		2016	
	Number of Options	**WAEP**	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning and end of year	**78,969,999**	**₱74.58**	78,969,999	₱74.58	78,969,999	₱74.58
Outstanding at beginning of year	**27,436,666**	**₱136.35**	35,118,896	₱122.65	38,344,999	₱117.74
Options exercised during the year	**(1,323,333)**	**111.99**	(7,682,230)	73.69	(2,892,770)	59.59
Options forfeited during the year	**(7,483,333)**	**180.00**	–	–	(333,333)	105.00
Outstanding at end of year	**18,630,000**	**₱120.55**	27,436,666	₱136.35	35,118,896	₱122.65
Exercisable at end of year	**15,683,333**	**₱109.38**	15,966,666	₱105.00	15,615,420	₱89.60

The weighted average remaining contractual life for the stock options outstanding as at 2018, 2017 and 2016 is 2.07 years, 3.59 years and 4.00 years, respectively.

The fair value of stock options granted is ₱26.13 in 2015. There were no additional stock option grants under ELTIP in 2018, 2017 and 2016. The fair value of share options as at the date of grant is estimated using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The option style used for this plan is the American style because this option plan allows exercise before the maturity date.

The inputs to the model used for the options granted on the dates of grant for each ELTIP cycle are shown below:

ELTIP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
1st	2004	1.72%	36.91%	6.20%	5 years	₱24.00	₱20.00
2nd	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
3rd	2012	2.00%	28.74%	3.60%	3-4 years	105.00	105.00
4th	2015	2.00%	18.94%	2.98%	3-4 years	180.00	180.00

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The cost of the stock options expense charged to operations for both MSOP and ELTIP in the "General and administrative expenses" account amounted to ₱312.0 million, ₱227.5 million and ₱241.3 million in 2018, 2017 and 2016, respectively (see Notes 19 and 22). Correspondingly, a credit was made to additional paid-in-capital (see Note 19).

External Audit Fees

The audit and audit-related fees cover professional services related to the performance of the audit or review of the Company's annual financial statements by the external auditor. The Audit Committee reviews and approves the audit and non-audit services rendered by the Company's external auditors to ensure that the Company does not engage the external auditors for certain non-audit services expressly prohibited by regulations of the Securities and Exchange Commission to be performed by an external auditor for its audit clients. The proposal of external auditors for professional services was submitted to, and reviewed by, the Audit Committee which, in turn, is endorsed to the Board of Directors for approval.

For the 2018 audit, the aggregate fee for professional services rendered by the external auditors is approximately Php50.1Million. For the 2017 audit, the aggregate fee for professional services rendered by the external auditors is approximately Php22.1 Million.

Tax Fees: In 2018 and 2017, fees for professional services rendered by the external auditors for tax accounting, compliance, advise and other tax services are included in the external audit fees.

Other Fees: There are no other fees billed for 2018 and 2017 professional services rendered by external auditors other than those mentioned above.

6. MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE YEAR ENDED DECEMBER 31, 2018

JOLLIBEE FOODS CORPORATION (JFC) AND SUBSIDIARIES
Management Discussion and Analysis of
Results of Operations and Financial Condition

The following Management Discussion and Analysis should be read in conjunction with the submitted Audited Consolidated Financial Statements as at December 31, 2018 and 2017 and for the years ended December 31, 2018, 2017 and 2016. The 2017 and 2016 Management Discussion and Analyses have been amended to include the impact of the adoption of PFRS 15 reclassifying franchisees' contribution to advertising expenses as revenues instead of as deduction from JFC's advertising expenses, which became effective in January 2018.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new PFRS and amendments to existing PFRS which became effective on January 1, 2018.

Please refer to Note 2 of the attached Audited Consolidated Financial Statements for the Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Basis of Consolidation.

Causes for Any Material Changes (Increase or decrease of 5% or more in the financial statements)

Results of Operations

For the Year Ended December 31, 2018 vs. December 31, 2017

(All Amounts are in Million Pesos)

Revenues and System Wide Sales

	Year Ended December		Change	
	2018	2017	Amount	**Pct**
System Wide Sales	**212,185.4**	171,761.0	40,424.4	23.5%
Revenues	**161,199.4**	133,613.1	27,586.3	20.6%

System wide sales (SWS), a measure of all sales to consumers, both from company owned and franchised stores grew by 23.5% for the entire year of 2018. Of this growth rate, global store network expansion, including the impact of Smashburger accounted for 15.2%, same store sales contributed 6.2% and currency exchange rate changes added 2.1%. JFC opened a total of 502 stores in 2018, the highest number of new stores opened in a year in JFC's 40-year history.

In the Philippines, sales of its restaurant chains grew by 15.1% for the entire year driven by 8.2% store network expansion and 6.9% same store sales growth. Same store sales growth pertains to restaurants that were already open for at least 15 months. It excludes sales growth from new store opening. Sales of stores abroad rose by 55.5% led by the North America business which grew by 161.1% due to the consolidation of Smashburger (21.7% ex-Smashburger), Europe, Middle East and Asia ex-Philippines (EMEAA) business grew by 42.7% (28.6% ex-SuperFoods) and the China business by 9.1%.

Consolidated revenues, which consist of sales by company-owned stores, fees from stores operated by franchisees and commissary sales to stores operated by franchisees grew by 20.6% in 2018 compared with 2017. Sales discounts increased by 83.1%, from 1.2% 2017 to 1.8% for 2018, driven mostly by promotional discounts of Smashburger and our China entities.

The JFC Group opened 502 stores (Philippines 317; Foreign 185) and closed 131 stores (Philippines 66; Foreign business 65) in 2018. Smashburger increased JFC's store network by 349 stores. JFC ended 2018 with 4,521 stores, 19.1% higher compared to the number of stores at the end of 2017.

Cost of Sales

Consolidated cost of sales increased to ₱133,894.7 million, which is ₱24,200.0 million or 22.1% higher than consolidated cost of sales for the year 2017.

The following table summarizes the breakdown of the Jollibee Group's cost of sales for the years ended December 31, 2018 and 2017 and the percentage of each component and the consolidated cost of sales to consolidated revenues:

	Year Ended December		Change		Pct to Rev	
	2018	2017	Amount	Pct	**2018**	2017
Cost of Sales						
Cost of inventories	**74,995.4**	62,725.5	12,269.9	19.6%	**46.5%**	46.9%
Personnel costs:						
Salaries, wages and other employee benefits	**14,878.1**	11,021.8	3,856.3	35.0%	**9.2%**	8.2%
Pension expense	**190.3**	168.1	22.2	13.2%	**0.1%**	0.1%
Rent	**12,151.2**	9,719.9	2,431.3	25.0%	**7.5%**	7.3%
Contracted services	**8,847.5**	7,305.0	1,542.5	21.1%	**5.5%**	5.5%
Depreciation and amortization	**5,367.0**	4,307.8	1,059.2	24.6%	**3.3%**	3.2%
Electricity and other utilities	**5,247.4**	4,587.2	660.2	14.4%	**3.3%**	3.4%
PFRS 15 impact on share in advertising expense	**2,523.5**	2,036.5	487.0	23.9%	**1.6%**	1.5%
Supplies	**3,150.1**	2,570.0	580.1	22.6%	**2.0%**	1.9%
Repairs and maintenance	**1,578.6**	1,218.6	360.0	29.5%	**1.0%**	0.9%
Security and janitorial	**983.3**	795.8	187.5	23.6%	**0.6%**	0.6%
Communication	**289.7**	227.2	62.5	27.5%	**0.2%**	0.2%
Professional fees	**169.5**	57.6	111.9	194.3%	**0.1%**	0.0%
Representation and entertainment	**131.8**	39.2	92.6	236.2%	**0.1%**	0.0%
Others	**3,391.3**	2,914.5	476.8	16.4%	**2.1%**	2.2%
	133,894.7	109,694.7	24,200.0	22.1%	**83.1%**	82.1%

See Note 21 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated cost of inventories increased by 19.6% year-on-year (YoY), slower than the revenue growth. The increase was driven by new store additions, higher raw material prices and the consolidation of Smashburger. As a percentage of revenues, cost of inventories decreased by 0.4% points year-on-year (YoY). The Philippine business implemented upward price adjustments to help mitigate the impact of high raw material prices caused by increase in commodity prices and depreciation of the Philippine peso.

Consolidated store and manufacturing costs increased much faster than revenues. All cost items increased driven by new stores added during the year and the consolidation of Smashburger starting April 17, 2018. The change in treatment for expenses related to Corporate Services Group (Network Development Group, Engineering Services, Real Estate, Planning and Control Services, Process Engineering, Program Management, Information Management and Quality Management) that have been transferred to Jollibee Worldwide Services starting the third quarter of 2018 also contributed to the increase in consolidated store and manufacturing costs. With the transfer of these service groups, all related-expenses are now treated as cost of services.

As a percentage of consolidated revenues, consolidated store and manufacturing costs increased by 1.3% points, also driven by the consolidation of Smashburger.

Aside from the consolidation of Smashburger, other factors that drove the change in store and manufacturing costs as a percentage of revenues follow:

- Consolidated personnel costs increased due to increase in store and commissary headcount, wage increase, performance-related increases in basic pay, employee promotions, and upgrades in employee benefits.

- Increase in consolidated rent expenses due to annual rent escalation and the impact of PFRS-related adjustments on operating leases (i.e., recognition of rent expenses under the straight-line method).

- Increase in consolidated contracted services due to increase in headcount and rate per hour, both for the domestic and China businesses. The reclassification of expenses related to network development and information management from general and administrative expenses to cost of sales also contributed to the increase. The increase was partly offset by decrease in expenses related to Project SEEDS*. Following are the details:

	Year Ended December		Change		Pct to Rev	
	2018	2017	Amount	Pct	**2018**	2017
Personnel costs	**15,068.3**	11,189.9	3,878.5	34.7%	**9.3%**	8.4%
Contracted services	**8,847.5**	7,305.0	1,542.4	21.1%	**5.5%**	5.5%
Project SEEDS*	**85.9**	194.9	(109.0)	-55.9%	**0.1%**	0.1%
	24,001.7	18,689.8	5,311.9	28.4%	**14.9%**	14.0%

*SEEDS stands for Skills Enhancement and Educational Development for Students, a joint project of JFC and the Department of Labor and Employment. The program aims to pursue post-secondary education through the provision of financial assistance to enable students to acquire job competencies --- skills, attitudes and work values through in-store training, thus help qualified students enhancing employability upon completion of post-secondary education. Expenses related to the Project SEEDS are booked under the account Cost of sales - Others.

- Increase in consolidated depreciation expense due to higher investment in new stores especially those outside the Philippines.

- Consolidated electricity and other utilities increased due to increase in power rates and usage driven by store network growth.

- Consolidated repairs and maintenance increased due to reclassification of repairs and maintenance expenses related to Engineering and Information Management from general and admin expenses to cost of sales – repairs and maintenance (please see note on General and Administrative Expenses – Repairs and Maintenance).

- Increase in consolidated professional fees due to higher legal fees and professional fees related to recruitments, store design, etc. arising from increase in store network and higher legal fees.

- Increase in entertainment, amusement and recreational expenses was mainly due to the consolidation of Smashburger.

- Increase in other expenses mainly due to higher disallowed input VAT for senior citizens.

As a percentage of consolidated revenues, consolidated cost of sales was higher by 1.0% YoY driven by higher store and manufacturing costs, as discussed above.

Gross Profit

	Year Ended December		Change		Pct to Rev	
	2018	2017	Amount	Pct	**2018**	2017
GROSS PROFIT	**27,304.7**	23,918.4	3,386.3	14.2%	**16.9%**	17.9%

Due to the factors discussed above, gross profit for the year 2018 increased at a much slower rate than revenues. Gross profit margin also contracted YoY resulting from higher store operating expenses (% of revenues) of the newly-consolidated Smashburger due to lower same store sales. The impact of rising inflation rate and the peso depreciation also negatively affected JFC's gross profit margins for the year.

General and Administrative Expenses

Consolidated expenses for the year 2018 increased at a slower rate than revenues despite the consolidation of Smashburger and SuperFoods. This was due to the lower increase in the Philippine business' consolidated expenses. The following table summarizes the breakdown of the Jollibee Group's consolidated expenses for the years ended December 31, 2018 and 2017, and the percentage of each expense item to the consolidated revenues:

	Year Ended December		Change		Pct to Rev	
	2018	2017	Amount	Pct	**2018**	2017
Personnel costs:						
Salaries, wages and other employee benefits	**8,027.2**	6,850.4	1,176.8	17.2%	**5.0%**	5.1%
Stock options expense	**312.0**	227.5	84.5	37.1%	**0.2%**	0.2%
Pension expense	**208.5**	194.8	13.7	7.0%	**0.1%**	0.1%
Taxes and licenses	**1,561.7**	1,394.4	167.3	12.0%	**1.0%**	1.0%
Professional fees	**1,018.3**	825.3	193.0	23.4%	**0.6%**	0.6%
Transportation and travel	**748.9**	577.4	171.5	29.7%	**0.5%**	0.4%
Rent	**587.0**	516.7	70.3	13.6%	**0.4%**	0.4%
Contracted services	**565.3**	474.6	90.7	19.1%	**0.4%**	0.4%
Depreciation and amortization	**542.8**	437.3	105.5	24.1%	**0.3%**	0.3%
Reversals of provision for impairment on:						
Property, plant & equipment	**(408.2)**	(2.1)	(406.1)	19338.1%	**-0.3%**	0.0%
Receivables	**(23.7)**	(20.7)	(3.0)	14.5%	**0.0%**	0.0%
Inventories	**(6.1)**	(53.8)	47.7	-88.7%	**0.0%**	0.0%
Repairs and maintenance	**279.9**	157.5	122.4	77.7%	**0.2%**	0.1%
Corporate events	**234.9**	192.2	42.7	22.2%	**0.1%**	0.1%
Membership and subscriptions	**160.4**	139.6	20.8	14.9%	**0.1%**	0.1%
Communication	**158.4**	116.1	42.3	36.4%	**0.1%**	0.1%
Training	**151.7**	134.4	17.3	12.9%	**0.1%**	0.1%
Representation and entertainment	**121.3**	70.3	51.0	72.5%	**0.1%**	0.1%
Donations	**101.1**	93.3	7.8	8.4%	**0.1%**	0.1%
Supplies	**96.2**	89.6	6.6	7.4%	**0.1%**	0.1%
Electricity and other utilities	**72.1**	55.8	16.3	29.2%	**0.0%**	0.0%
Association dues	**69.6**	52.0	17.6	33.8%	**0.0%**	0.0%
Loss (gain) on retirement and disposals of:						
Property, plant and equipment	**45.5**	174.5	(129.0)	-73.9%	**0.0%**	0.1%
Investment properties	-	(231.0)	231.0	-100.0%	**0.0%**	-0.2%
Insurance	**41.2**	21.2	20.0	94.3%	**0.0%**	0.0%
Security and janitorial	**26.0**	24.4	1.6	6.6%	**0.0%**	0.0%
Impairment in value of:						
Receivables	**10.2**	143.8	(133.6)	-92.9%	**0.0%**	0.1%
Inventories	**8.3**	7.4	0.9	12.2%	**0.0%**	0.0%
Property, plant & equipment	-	431.9	(431.9)	-100.0%	**0.0%**	0.3%
Other assets	-	122.7	(122.7)	-100.0%	**0.0%**	0.1%
Others	**751.0**	688.3	62.7	9.1%	**0.5%**	0.5%
Total General and Administrative Expenses	**15,461.5**	13,905.8	1,555.7	11.2%	9.6%	10.4%
Advertising and promotions	**4,027.6**	3,342.9	684.7	20.5%	2.5%	2.5%
	19,489.1	17,248.8	2,240.3	13.0%	12.1%	12.9%

See Note 22 to the accompanying Audited Consolidated Financial Statements for details.

- Consolidated personnel costs increased due to increase in the Corporate Office's headcount, performance-related increases in basic pay, employee promotions, upgrades in employee benefits and fringe benefit tax on stock options exercised. The consolidation of the Smashburger's personnel costs also contributed to the increase in operating expenses.

- Consolidated taxes and licenses expense increased due to higher business-related taxes and license fees resulting from higher revenues.

- Consolidated professional fees increased primarily driven by higher legal fees related to M&A projects, market research, digital marketing projects and training-related consultancy fees.

- Consolidated transportation and travel expenses increased due to higher lodging, mileage and per diem expenses for activities related to store expansion (e.g. site visits for store construction and renovation, site evaluation and sourcing, etc.) and various projects in the Philippines and foreign markets.

- Consolidated rent expense increased due to annual rent escalation and additional office spaces for the Corporate Offices in the Philippines, China and the United States due to the Jollibee Group's growing organization and the inclusion of the SuperFoods Group's and Smashburger's rent expenses.

- Consolidated contracted services increased due to increase in outsourced services for Jollibee Group's information management and network development.

- Consolidated depreciation and amortization increased due to the growing fixed asset base of the Jollibee Group including the newly-consolidated subsidiaries.

- Loss on retirement and disposals of property, plant and equipment pertains to loss incurred from change in store ownership, store closures and fixed asset disposals.

- Consolidated repairs and maintenance increased due to the consolidation of Smashburger and SuperFoods (full year operation in 2018 vs 8 months in 2017) repairs and maintenance expenses. 2018 repairs and maintenance also include expenses related to the implementation of SAP Business Warehouse. The increase was also due to lower base due to capitalization of 2017 SAP Technology Upgrade.

- Consolidated corporate events increased driven by higher expenses incurred for conventions, corporate awards and corporate program launches due to higher number of participants arising from increase in headcount.

- Consolidated membership and subscription increased due to increase in rates and increase in headcount.

- Consolidated communication expenses increased due to higher telephone and internet charges, Office 365 implementation particularly for the Philippine business and the consolidation of the SuperFoods Group's and Smashburger's expenses.

- Consolidated training expenses increased as more training programs were launched in 2018 such as talent development programs (Leadership Enhancement and Acceleration Program), coaching programs as well as the JFC University training programs for store management team.

- Consolidated representation and entertainment expenses increased due to the consolidation of the SuperFoods Group's and Smashburger's expenses.

- Consolidated donations increased due to donations made to the Jollibee Group Foundation based on certain percentage of 2018 Audited Consolidated Net Income.

- Consolidated supplies expenses increased due to higher office and janitorial supplies expenses.

- Consolidated electricity and other utilities expenses increased due to increase in usage and power rates.

- Consolidated association dues increased relative to increase in number of office units of JFC and increase in rate per square meter for building units.

- The Jollibee Group also reversed previously recognized provisions for impairment loss on property, plant and equipment, receivables and inventories.

- Consolidated insurance expense increased due to increase in value of properties as a result of higher asset appraisal.

- Provision for impairment loss on receivables was recognized as a result of specific and collective impairment assessments performed by the Jollibee Group.

- Provision for inventory obsolescence was recognized after the Jollibee Group's assessment that the net realizable value for some inventories is lower than cost.

- Consolidated other expenses increased due to expenses related to market research and increase in disallowed input VAT for exempt sales classified under OPEX for Minimum Corporate Tax (MCIT) calculation purposes.

- The increase in consolidated advertising and promotions expense was driven by marketing campaigns for new products and flagship products, both for the Philippine business and the foreign business and the consolidation of Smashburger and SuperFoods.

Operating Income

	Year Ended December		Change	
	2018	2017	Amount	Pct
Operating Income	**7,815.6**	6,669.7	1,145.9	17.2%
Operating Income Margin	**4.8%**	5.0%		

Consolidated operating income for the year 2018 increased over last year driven by strong revenue growth and slower growth of general and administrative expenses. As a percentage of revenues, operating income declined due to lower gross profit margin and consolidation of losses of Smashburger.

Interest Income (Expense)

	Year Ended December		Change		Pct to Rev	
	2018	2017	Amount	Pct	**2018**	2017
Interest income	**415.4**	259.6	155.8	60.0%	**0.3%**	0.2%
Interest expense	**(888.8)**	(405.8)	(483.0)	119.0%	**-0.6%**	-0.3%
	(473.5)	(146.3)	(327.2)	223.7%	**-0.3%**	-0.1%

See Note 23 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated interest income increased primarily due to higher interest rates on short-term deposits and short-term investments versus the same period last year. See Note 23 to the accompanying Audited Consolidated Financial Statements for more information.

Consolidated interest expense increased due to increased bank loans and higher loan interest rates. See Notes 18 and 23 to the accompanying Audited Consolidated Financial Statements for more information.

Equity in Net Losses of Joint Ventures and Associates

	Year Ended December		Change		Pct to Rev	
	2018	2017	Amount	Pct	**2018**	2017
Equity in net losses of joint ventures and associates - net	**(86.7)**	(282.6)	195.9	69.3%	**-0.1%**	-0.2%

See Note 11 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated equity in net losses of joint ventures and associates pertains to Jollibee Group's share in the net losses of Smashburger (Full year 2017; January – April 16, 2018) and Cargill Joy offset by the net earnings of Entrek - the Company that operates Jollibee stores in Brunei and Golden Bee - the Company that operates Jollibee stores in the UAE.

Other Income

	Year Ended December		Change		Pct to Rev	
	2018	2017	Amount	Pct	**2018**	2017
Write-off of liabilities	**2,343.3**	1,547.2	796.1	51.5%	**1.5%**	1.2%
Gain from re-measurement of previously held interest	**754.8**	1,328.7	(573.9)	-43.2%	**0.5%**	1.0%
Bank charges	**(317.8)**	(165.3)	(152.5)	92.3%	**-0.2%**	-0.1%
Rebates and suppliers' incentives	**194.9**	189.5	5.4	2.8%	**0.1%**	0.1%
Pre-termination of operating leases	**85.9**	15.8	70.1	443.7%	**0.1%**	0.0%
Penalties and charges	**62.4**	69.6	(7.2)	-10.3%	**0.0%**	0.1%
Marked-to-market loss on derivatives	**(49.8)**	(129.4)	79.6	-61.5%	**0.0%**	-0.1%
Foreign exchange loss	**(34.6)**	(63.5)	28.9	-45.5%	**0.0%**	0.0%
Charges to franchisees	**24.7**	19.0	5.7	30.0%	**0.0%**	0.0%
Reversal of impairment loss on interest in an associate	**16.7**	-	16.7	0.0%	**0.0%**	0.0%
Net unrealized gain on financial assets at FVTPL	**10.0**	-	10.0	0.0%	**0.0%**	0.0%
Other rentals	**8.7**	17.5	(8.8)	-50.3%	**0.0%**	0.0%
Provisions	**-**	(794.6)	794.6	-100.0%	**0.0%**	-0.6%
Divestment of subsidiaries and interese in a joint venture	**-**	(116.2)	116.2	-100.0%	**0.0%**	-0.1%
Insurance claims and others	**136.0**	180.5	(44.5)	-24.7%	**0.1%**	0.1%
	3,235.2	2,098.8	1,136.4	54.1%	**2.0%**	1.6%

See Note 23 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated other income increased year-on-year, mainly due to reversal of long outstanding accruals and liabilities and no provisions made in 2018 versus 2017, partly offset by gains from re-measurement of previously held interest and bank charges.

Income Taxes

	Year Ended December		Change		Pct to Rev	
	2018	2017	Amount	Pct	**2018**	2017
Current	**2,822.0**	2,310.6	511.4	22.1%	**1.8%**	1.7%
Deferred	**(102.8)**	(643.7)	540.9	-84.0%	**-0.1%**	-0.5%
	2,719.2	1,666.9	1,052.3	63.1%	**1.7%**	1.2%

The increase in provision for income tax was due to higher taxable income, write-off and utilization of Net Operating Loss Carryover (NOLCO) and minimum corporate income tax (MCIT) of some subsidiaries. See Note 24 to the accompanying Audited Consolidated Financial Statements for details.

Net Income

	Year Ended December		Change	
	2018	2017	Amount	Pct
Net Income	**7,771.3**	6,672.6	1,098.8	16.5%
Net Income Margin	**4.8%**	5.0%		

As a result of the factors discussed above, consolidated net income for 2018 increased compared to 2017. However, net income margin for 2018 declined by 0.2% over 2017.

Net Income Attributable to Equity Holders of the Parent Company

	Year Ended December		Change	
	2018	2017	Amount	Pct
Net Income Attributable to Equity Holders of the Parent Company	**8,329.9**	7,109.1	1,220.8	17.2%

Consolidated net income attributable to equity holders of the Parent Company increased by 17.2% YoY, higher than the 16.5% increase in consolidated net income as share in losses of non-controlling interests increased due to Smashburger. Basic earnings per share for 2018 grew by 16.5% to ₱7.663.

Financial Condition

As at December 31, 2018 Versus December 31, 2017

The Jollibee Group ended 2018 with consolidated total assets of ₱113,851.8 million, 26.8% higher than the ₱89,783.9 million consolidated total assets as at the end of 2017. The following explain the significant movements in the asset accounts:

- The Jollibee Group's consolidated cash and cash equivalents increased to ₱23,285.9 million, ₱2,178.4 million or 10.3% higher than the balance at year-end 2017, mainly due to proceeds from loans availed partly offset by uses of funds to settle loans and other payables. The movements in the Jollibee Group's cash will be explained further in the cash flow discussion.

- Short-term investments decreased by ₱530.2 million or 37.5% due to reclassification to cash and cash equivalents of deposits that have matured.

- Consolidated receivables increased by ₱921.7 million or 23.4% to ₱4,862.7 million primarily due to higher receivables from franchisees for their commissary purchases and royalty fees, relative to increase in sales. Average collection period was maintained at 10 days.

- Consolidated inventories increased by ₱1,976.7 million or 28.9% due to commodity price increases as well as the impact of the depreciation of the Philippine Peso. The increase in average diesel price also contributed to the higher cost of inventories.

- Consolidated other current assets increased mainly due to increase in prepaid taxes, prepaid rent, prepaid insurance, prepaid advertising and deposits to suppliers and other third parties. See Note 9 to the accompanying Audited Consolidated Financial Statements for the terms and conditions of other current assets.

The Company has a current ratio of 1.25:1.00 as at December 31, 2018, lower than the current ratio of 1.39:1.00 as at December 31, 2017.

- Consolidated financial assets at fair value through profit or loss increased due to increase in fair value of investments, reported in accordance with PFRS 9.

- Consolidated interests in and advances to joint ventures, co-venturers and associates decreased by ₱3,980.5 million or 53.1% to ₱3,512.2 million due to the acquisition of non-controlling interest in Smashburger amounting to ₱5,345.5. See Note 11 to the accompanying Audited Consolidated Financial Statements for more information.

- Consolidated property, plant and equipment increased by ₱5,800.2 million or 27.8% to ₱26,694.0 million, net of accumulated depreciation, primarily due to investments in new stores and renovation of existing stores and investments in commissaries.

- The increase in trademarks, goodwill and other intangible assets pertains to the trademarks of ₱10,414.0 million and goodwill of ₱5,345.5 million arising from the acquisition of the Smashburger. The acquisition of the remaining 10% stake in Smashburger was completed on December 14, 2018. Other intangibles likewise increased by ₱250.3 million, partly offset by decrease in computer software.

- Consolidated operating lease receivables increased by ₱3.6 million or 12.8% to ₱31.6 million, which is the cumulative difference of rent income recognized under the straight-line method and the rent amounts in accordance with the terms of the lease agreements.

- The increase in consolidated derivative asset pertains to the unrealized gain position on the interest rate swap that amounted to ₱70.9 million. This is due to the lower fixed rate compared to the current floating rate, which is based on the 3 months USD LIBOR. See Note 18 to the accompanying Audited Consolidated Financial Statements for details.

- Deferred tax assets increased by ₱414.2 million or 10.6% to ₱4,323.0 million, mainly due to the recognition of deferred tax assets on stock options and increase in excess of MCIT over Regular Corporate Income Tax (RCIT). See Note 24 to the accompanying Audited Consolidated Financial Statements for details.

- Consolidated other noncurrent assets increased by ₱240.5 million or 6.9% to ₱3,751.0 million, mainly from increase in refundable and security deposits for new stores.

Consolidated current liabilities amounted to ₱34,184.5 million, ₱7,237.7 million or 26.9% higher than the 2017 year-end balance of ₱26,946.8 million. The following explain the significant movements in current liabilities:

- Consolidated trade payables and other current liabilities increased by ₱3,462.2 million or 13.7% to ₱28,716.8 million, relative to increase in consolidated inventories, increase in employee-related accruals, customer deposits and store accruals.

- Consolidated income tax payable increased by ₱39.7 million or 17.7% to ₱263.5 million, due to higher taxable income in 2018.

- Current portion of long-term debt increased, from ₱1,216.2 million to ₱4,892.1 million, due to reclassification of loans maturing within one year from non-current portion to current portion of long-term debt, partly offset by payments made during the quarter.

- Consolidated operating lease payables (current portion) increased by ₱48.7 million or 19.3% to ₱300.9 million, arising from increase in number of company-owned stores. The increase of ₱48.7 million is the difference of rent expense recognized under the straight-line method and the rent amounts due in accordance with the terms of the lease agreements.

- Liability for acquisition of businesses pertains to the remaining balance of re-acquired franchise rights of Smashburger, partially offset by subsequent payments made.

Consolidated noncurrent liabilities amounted to ₱29,749.1 million, 46.9% or ₱9,494.1 million higher than the December 31, 2017 audited balance of ₱20,255.1 million. The following explain the significant movements in noncurrent liabilities:

- Consolidated noncurrent portion of long-term debt increased by ₱6,471.2 million to ₱21,372.3 million, due to bank loans of ₱11,162.7 million, availed in February to August 2018, partly offset by reclassification to current portion of loans maturing within one year. See Notes 18, 30 and 31 to the accompanying Audited Consolidated Financial Statements for details.

- Consolidated pension liability decreased by ₱168.9 million to ₱1,320.6 million, due to additional contributions to plan assets and actuarial changes arising from changes in financial assumptions.

- Consolidated operating lease payable increased by ₱916.6 million or 50.9% to ₱2,716.0 million, arising from increase in number of company-owned stores. The increase of ₱916.6 million is the difference of rent expense recognized under the straight-line method and the rent amounts due in accordance with the terms of the lease agreements.

- The deferred tax liabilities as of December 31, 2018 increased by ₱2,323.3 million or 195.4% to ₱3,512.3 million compared to the 2017 year-end audited balance of ₱1,189.0 million. The increase was due to taxable temporary differences pertaining substantially to excess of fair value over book value of property, plant and equipment and other intangibles of Smashburger. See Note 24 of the accompanying Audited Consolidated Financial Statements for details.

Consolidated total equity increased by ₱7,336.2 million or 17.2% to ₱49,918.2 million primarily due to the income for 2018 that amounted to ₱8,329.9 million, increase in cumulative translation adjustments and additional paid-in capital, partly offset by cash dividend payments. The following explain the significant movements in Equity:

- The change of ₱249.1 million (income) in cumulative translation adjustment was due to the depreciation of the Philippine Peso versus the RMB for end of December 2018 (Peso to RMB: 7.68) compared to December 31, 2017 (Peso to RMB: 7.64) and the depreciation of the Philippine Peso versus the USD for end of December 2018 (Peso to USD: 52.58) compared to December 31, 2017 (Peso to USD: 49.93) which resulted to the increase in value of the Jollibee Group's net assets.

- The improvement in consolidated other comprehensive income on derivative liability by ₱70.9 million was due to the recognition of derivative asset for the interest rate swap compared to a derivative liability last year.

- The increase in consolidated retained earnings of ₱5,644.9 million pertains to the consolidated net income (attributable to equity holders of the Parent Company) for 2018 amounting to ₱8,329.9 million, partly offset by cash dividends paid during the year amounting to ₱2,691.8 million. JFC also disclosed in Q3 2018 the release of previously appropriated retained earnings amounting to ₱18,200.0 million as at September 30, 2018 related to the completed projects in 2013 to 2018 and the appropriation of retained earnings amounting to ₱20,000.0 million. Details are as follows:

Projects	Timeline	Amount
Capital Expenditures	2019 - 2024	₱12,000,000
Acquisition of Businesses	2019 - 2024	8,000,000
		₱20,000,000

Liquidity and Capital Resources

Consolidated net cash provided by operating activities amounted to ₱13,493.7 million at end of December 2018, ₱650.0 million or 5.1% higher compared to the consolidated net cash provided by operating activities of ₱12,843.6 million as at December 2017 mainly from higher income, partly offset by higher inventories and income taxes paid.

Consolidated net cash used in investing activities amounted to ₱13,974.9 million at end of December 2018, ₱3,430.5 million or 32.5% higher compared with the net cash used in investing activities at the end of December 2017. The increase was primarily due the acquisition of additional 45% stake in Smashburger and higher capital expenditures for 2018 compared to 2017.

Consolidated net cash provided by financing activities amounted to ₱2,689.9 million at the end of December 2018, mainly from proceeds from bank loans amounting to ₱11,126.5 million, partly offset by payments of bank loans, interest on bank loans and cash dividends.

Cash and cash equivalents at the end of December 2018 stood at ₱23,285.9 million, ₱2,178.4 million or 10.3% higher than the December 31, 2017 audited balance of ₱21,107.5 million.

Discussion and Analysis of Material Events and Uncertainties

1. There were no events during the period that will trigger direct or contingent financial obligation that is material to the Jollibee Group.

2. There were no material off-balance sheet transactions, arrangements, obligations created during the reporting period.

3. Consolidated capital expenditures budget for 2019 amounted to ₱17,200.00 million, of which ₱8,000.0 million will be used for new stores and renovations, ₱6,000.0 million for commissary expansion and the rest for head office capital expenditures.

4. Food service operations have both peak and lean seasons. Historically, sales in the second and fourth quarters are strong due to the summer and the Christmas seasons, respectively. Demand during the first and third quarters usually slackens. The material financial impact of this seasonality has been considered in the Jollibee Group's consolidated financial forecast.

5. All of the Jollibee Group's income arose from its continuing operations.

6. Event after the Reporting Period:

Dividend Declaration

On April 8, 2019, the BOD of the Parent Company approved a regular cash dividend of ₱1.23 of common stock to all stockholders of record as of April 26, 2019. Consequently, the cash dividend is expected to be paid out by May 9, 2019. The cash dividend is 7.9% higher than the ₱1.14 regular dividend declared on April 6, 2018.

Discussion of the Jollibee Group's Top Five (5) Key Performance Indicators

System Wide Sales

System Wide Sales is a measure of all sales to consumers both from company-owned and franchised stores.

	As of end Dec 2018	As of end Dec 2017
System Wide Sales	**₱212,185.4 million**	₱171,761.0 million
% Growth vs LY	**23.5%**	15.2%

Revenues

Revenues is a measure of (1) all sales made by the Jollibee Group’s company-owned stores (both food and novelty sales); (2) Commissary sales to franchised stores; (3) fees from stores operated by franchisees; (4) rental revenues of the Jollibee Group’s investment properties; and (5) revenues from services rendered by the in-house Construction and Business Support Service Groups.

	As of end Dec 2018	As of end Dec 2017
Revenues	**₱161,199.4 million**	₱133,613.1 million
% Growth vs LY	**20.6%**	15.6%

Net Income Margin

Net Income Margin is the ratio of the Jollibee Group's earnings after interest and tax. This is computed by dividing consolidated net income by consolidated revenues. The quotient is expressed in percentage. This measures the Jollibee Group’s return for every peso of revenue earned, after deducting cost of sales, operating expenses, interests and taxes.

	As of end Dec 2018	As of end Dec 2017
Net Income	**₱7,771.3 million**	₱6,672.6 million
% to Revenues	**4.8%**	5.0%

Basic Earnings Per Share (EPS)

EPS is the portion of the Jollibee Group’s profit allocated to each outstanding share of common stock. This is computed by dividing the net income for the period attributable to the equity holders of the Parent Company by the weighted average outstanding shares during the same period. This serves as an indicator of the Jollibee Group’s profitability.

	As of end Dec 2018	As of end Dec 2017
EPS (Basic)	**₱7.663**	₱6.580
% Growth vs LY	**16.5%**	14.5%

Return on Equity (ROE)

ROE is the ratio of the JFC Group's net income attributable to equity holders of the Parent Company to equity. It is computed by dividing annualized net income attributable to equity holders of the Parent Company by average equity attributable to equity holders of the Parent Company. ROE is a measure of return for every peso of invested equity. The JFC Group also uses ROE for comparing its profitability with other firms in the same industry.

Annualized	**As of end Dec 2018**	As of end Dec 2017
Return on Equity	**18.7%**	19.1%

Financial Ratios

Jollibee Foods Corporation and Subsidiaries

	Formula	**Dec-18 Audited**	Dec-17 Audited
Liquidity Ratios			
Current Ratio	Current Assets / Current Liabilities	**1.25**	1.39
Financial Leverage Ratios			
Asset to Equity Ratio	Total Assets / Total Equity Attributable to Equity Holders of the Parent Company	**2.35**	2.20
Debt Ratio	Total Debt* / Total Debt + Equity Attributable to Equity Holders of the Parent Company	**56.9%**	53.6%
Net Debt Ratio	Total Debt* - Cash and Cash Equivalents - Short-term Investments / (Total Debt* - Cash and Cash Equivalents - Short-term Investments) + Equity Attributable to Equity Holders of the Parent Company	**45.1%**	37.7%
Interest Coverage Ratio	Earnings before Interest and Taxes** / Interest Expense**	**12.8**	22.2
Solvency Ratio	Net Income** + Depreciation and Amortization** / Total Liabilities	**0.21**	0.24
Debt Service Coverage Ratio	Net Income** / Total Liabilities	**0.12**	0.14

* *Including both total current and total noncurrent liabilities*

** *Annualized*

JOLLIBEE FOODS CORPORATION (JFC) AND SUBSIDIARIES
Management Discussion and Analysis of
Results of Operations and Financial Condition

The following Management Discussion and Analysis has been amended to include the impact of the adoption of PFRS 15 reclassifying franchisees' contribution to advertising expenses as revenues instead of as deduction from JFC's advertising expenses, which became effective in January 2018. This report should be read in conjunction with the submitted Audited Consolidated Financial Statements as at December 31, 2018 and 2017 and for the years ended December 31, 2018, 2017 and 2016.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new PFRS and amendments to existing PFRS which became effective on January 1, 2017.

Please refer to Note 2 of the attached Audited Consolidated Financial Statements for the Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Basis of Consolidation.

Causes for Any Material Changes (Increase or decrease of 5% or more in the financial statements)

Results of Operations

For the Year Ended December 31, 2017 vs. December 31, 2016
(All Amounts are in Million Pesos)

Revenues and System Wide Sales

	Year Ended December		Change	
	2017	2016	Amount	**Pct**
System Wide Sales	**171,761.0**	149,142.1	22,618.9	15.2%
Revenues	**133,613.1**	115,613.5	17,999.6	15.6%

System wide sales (SWS), a measure of all sales to consumers, both from company-owned and franchised stores grew by 15.2% for the entire year of 2017 driven by the expansion of store network and strong same store sales. The JFC Group opened 465 new stores in 2017, the highest number of new stores opened in a year in JFC's 39-year history. The sales growth also included the impact of the newly-consolidated SuperFoods Group and the divestments of San Pin Wang and Jinja Bar in 2016. Without SuperFoods Group and divestments, system wide sales grew by 15.0%.

System wide sales of the Philippine business grew by 13.2% driven by the acceleration of store network expansion and continued strong same store sales growth. The JFC group opened 328 new stores (232 net of closures) in the country in 2017, 34.4% higher than the 244 new stores (167 net of closures) opened in the Philippines in 2016.

Systemwide sales of the foreign business grew by 23.3% (excluding divestments and acquisition) with the Southeast Asia (ex-Philippines) business growing by 39.1%. China business by 18.2%, North America business by 25.6%, and the Middle East business by 26.6%. This growth rate excluded the impact of the divestments in 2016 and the consolidation of the SuperFoods Group starting May, 2017. System wide sales of the foreign business increased by 23.4%, including the SuperFoods Group and the divestments.

Consolidated revenues, which consist of sales by company-owned stores, fees from stores operated by franchisees and commissary sales to stores operated by franchisees grew by 15.6% in 2017 compared with 2016. Sales discounts increased, from 0.9% of revenues in 2016 to 1.2% in 2017 driven mostly by promotional discounts from the China brands' delivery business.

The JFC Group opened 465 stores (Philippines 328; Foreign 137) and closed 151 stores (Philippines 96; Foreign business 55) during the year. It ended the 2017 with 3,797 stores, 16.7% higher compared to the number of stores at the end of 2016. The total stores for 2017 included store network of the SuperFoods Group, with 244 for Highlands Coffee, 29 for Pho 24 and 8 for Hard Rock Café. Excluding the SuperFoods Group and divestments, JFC's store network grew by 8.1% YoY.

Cost of Sales

Consolidated cost of sales increased to ₱109,694.8 million, which is ₱15,077.2 million or 15.9% higher than consolidated cost of sales for the year 2016.

The following table summarizes the breakdown of the Jollibee Group's cost of sales for the years ended December 31, 2017 and 2016 and the percentage of each component and the consolidated cost of sales to consolidated revenues:

	Year Ended December		Change		Pct to Rev	
	2017	2016	Amount	Pct	**2017**	2016
Cost of Sales						
Cost of inventories	**62,725.5**	54,475.0	8,250.5	15.1%	**46.9%**	47.1%
Personnel costs:						
Salaries, wages and other employee benefits	**11,021.8**	10,472.7	549.1	5.2%	**8.2%**	9.1%
Pension expense	**168.1**	171.5	(3.4)	-2.0%	**0.1%**	0.1%
Rent	**9,719.9**	8,234.5	1,485.4	18.0%	**7.3%**	7.1%
Contracted services	**7,305.0**	4,875.1	2,429.9	49.8%	**5.5%**	4.2%
Electricity and other utilities	**4,587.2**	4,022.8	564.4	14.0%	**3.4%**	3.5%
Depreciation and amortization	**4,307.8**	3,542.6	765.2	21.6%	**3.2%**	3.1%
Supplies	**2,570.0**	2,155.0	415.0	19.3%	**1.9%**	1.9%
PFRS 15 impact on system-wide advertising fees	**2,036.5**	1,802.1	234.4	13.0%	**1.5%**	1.6%
Repairs and maintenance	**1,218.6**	1,327.9	(109.3)	-8.2%	**0.9%**	1.1%
Security and janitorial	**795.8**	638.3	157.5	24.7%	**0.6%**	0.6%
Communication	**227.2**	190.8	36.4	19.1%	**0.2%**	0.2%
Professional fees	**57.6**	35.0	22.6	64.6%	**0.0%**	0.0%
Representation and entertainment	**39.2**	33.2	6.0	18.1%	**0.0%**	0.0%
Others	**2,914.5**	2,641.0	273.5	10.4%	**2.2%**	2.3%
	109,694.8	94,617.6	15,077.2	15.9%	**82.1%**	81.8%

See Note 21 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated cost of inventories increased almost at the same rate as revenues. Cost of raw materials, particularly imported items such as beef, frozen potatoes, pork and dairy products increased due to increase in cost per unit and the impact of peso depreciation. As a percentage of revenues, cost of inventories still improved slightly driven by upward price adjustments implemented by the domestic brands during the year.

The improvement in cost of inventories was however offset by higher store and manufacturing costs, which increased by 17.0% year-on-year (YoY) due to increase in practically all cost items driven by increase in number of stores and the consolidation of the SuperFoods Group starting May 2017. As a percentage of revenues, store and manufacturing costs increased by 0.4% points, driven by the following:

- Increase in consolidated depreciation expense due to higher investment in new stores.

- Increase in consolidated rent expenses due to annual rent escalation, consolidation of the SuperFoods' Group rent expenses and the impact of PFRS-related adjustments on operating leases (i.e., recognition of rent expenses under the straight-line method).

- Increase in consolidated supplies due to increase in the cost of Liquified Petroleum Gas (LPG).

- Increase in consolidated professional fees due to higher headhunter fees for recruiting services, arising from store network expansion and higher legal fees incurred by a US subsidiary of the Parent Company; and,

- Increase in consolidated contracted services due to headcount increase needed to support store operations and the impact of the implementation of the new labor regulations. The increase was partly offset by the slower increase in salaries and wages and decrease in expenses related to Project SEEDS*. Following are the details:

	Year Ended December 31		Change		Pct to Rev	
	2017	2016	Amount	Pct	**2017**	2016
Salaries, wages and benefits	**11,189.9**	10,644.2	545.7	5.1%	**8.4%**	9.2%
Contracted services	**7,305.0**	4,875.1	2,429.9	49.8%	**5.5%**	4.2%
Project SEEDS*	**194.9**	408.7	(213.8)	-52.3%	**0.1%**	0.4%
	18,689.8	15,928.0	2,761.9	17.3%	**14.0%**	13.8%

*SEEDS stands for Skills Enhancement and Educational Development for Students, a joint project of JFC and the Department of Labor and Employment. The program aims to help qualified students pursue post-secondary education through the provision of financial assistance to enable students to acquire job competencies - skills, attitudes and work values through in-store training, thus enhancing employability upon completion of post-secondary education. Expenses related to the SEEDS Project are booked under the account Cost of sales - Others.

- Consolidated repairs and maintenance decreased on account of higher base from late billings for store repairs and maintenance for 2015, which were recognized only in 2016.

As a percentage of consolidated revenues, consolidated cost of sales was slightly higher compared to the previous year due to higher store and manufacturing costs, as discussed above.

Gross Profit

Consolidated gross profit for 2017 increased to ₱23,918.4 million, ₱2,922.4 million or 13.9% higher than the consolidated gross profit of ₱20,996.0 million for 2016. Gross profit margin for 2017 was 17.9%, lower than the 18.2% gross profit margin for 2016 as store and manufacturing costs increased at a much faster rate than revenues.

General and Administrative Expenses

Consolidated expenses for 2017 increased to ₱17,248.8 million, ₱2,717.9 million or 18.7% higher compared to the consolidated expenses for 2016 of ₱14,530.9 million.

The following table summarizes the breakdown of the Jollibee Group's consolidated expenses for the years ended December 31, 2017 and 2016, and the percentage of each expense item to the consolidated revenues:

	Year Ended December		Change		Pct to Rev	
	2017	2016	Amount	**Pct**	**2017**	2016
Personnel costs:						
Salaries, wages and other employee benefits	**6,850.4**	5,543.2	1,307.2	23.6%	**5.1%**	4.8%
Stock option expense	**227.5**	241.3	(13.8)	-5.7%	**0.2%**	0.2%
Pension expense	**194.8**	192.3	2.5	1.3%	**0.1%**	0.2%
Taxes and licenses	**1,394.4**	1,271.1	123.3	9.7%	**1.0%**	1.1%
Professional fees	**825.3**	608.6	216.7	35.6%	**0.6%**	0.5%
Transportation and travel	**577.4**	504.5	72.9	14.5%	**0.4%**	0.4%
Rent	**516.7**	470.0	46.7	9.9%	**0.4%**	0.4%
Contracted services	**474.6**	499.5	(24.9)	-5.0%	**0.4%**	0.4%
Depreciation and amortization	**437.3**	453.2	(15.9)	-3.5%	**0.3%**	0.4%
Impairment in value of:						
Property, plant & equipment	**431.9**	42.7	389.2	911.5%	**0.3%**	0.0%
Receivables	**143.8**	91.4	52.4	57.3%	**0.1%**	0.1%
Other Assets	**122.8**	-	122.8	100.0%	**0.1%**	0.0%
Inventories	**7.4**	78.6	(71.2)	-90.6%	**0.0%**	0.1%
Corporate events	**192.2**	161.6	30.6	18.9%	**0.1%**	0.1%
Repairs and maintenance	**157.5**	191.3	(33.8)	-17.7%	**0.1%**	0.2%
Membership and subscriptions	**139.6**	112.1	27.5	24.5%	**0.1%**	0.1%
Training	**134.4**	161.7	(27.3)	-16.9%	**0.1%**	0.1%
Communication	**116.1**	98.8	17.3	17.5%	**0.1%**	0.1%
Donations	**93.3**	82.6	10.7	13.0%	**0.1%**	0.1%
Supplies	**89.6**	78.8	10.8	13.7%	**0.1%**	0.1%
Representation and entertainment	**70.3**	53.8	16.5	30.7%	**0.1%**	0.0%
Reversals of provision for impairment on:						
Inventories	**(53.8)**	(18.1)	(35.7)	197.2%	**0.0%**	0.0%
Receivables	**(20.7)**	(3.2)	(17.5)	546.9%	**0.0%**	0.0%
Property, plant & equipment	**(2.1)**	(2.0)	(0.1)	5.0%	**0.0%**	0.0%
Loss (gain) on retirement and disposals of:						
Investment properties	**(231.0)**	-	(231.0)	100.0%	**-0.2%**	0.0%
Property, plant & equipment	**174.5**	236.8	(62.3)	-26.3%	**0.1%**	0.2%
Electricity and other utilities	**55.8**	52.6	3.2	6.1%	**0.0%**	0.0%
Association dues	**52.0**	50.5	1.5	3.0%	**0.0%**	0.0%
Security and janitorial	**24.4**	22.5	1.9	8.4%	**0.0%**	0.0%
Insurance	**21.2**	16.8	4.4	26.2%	**0.0%**	0.0%
Others	**688.3**	568.5	119.8	21.1%	**0.5%**	0.5%
Total General and Administrative Expenses	13,905.8	11,861.4	2,044.4	17.2%	10.4%	10.3%
Advertising and promotions	3,342.9	2,669.5	673.4	25.2%	2.5%	2.3%
	17,248.8	14,530.9	2,717.9	18.7%	12.9%	12.6%

See Note 22 to the accompanying Audited Consolidated Financial Statements for details.

- Consolidated personnel costs increased due to an increase in the Corporate Office's headcount, performance-related increases in basic pay, employee promotions, upgrades in employee benefits and fringe benefit tax on stock options exercised. The consolidation of the SuperFoods Group’s personnel costs also contributed to the increase in operating expenses.

- Consolidated taxes and licenses expense increased due to higher business-related taxes and license fees resulting from higher revenues.

- Consolidated professional fees increased primarily driven by higher legal fees related to M&A projects, engineering and design, market research, site sourcing, digital marketing projects, Information Management and HR-related consultancy fees.

- Consolidated transportation and travel expenses increased due to higher lodging, mileage and per diem expenses for activities related to store expansion (e.g. site visits for store construction and renovation, site evaluation and sourcing, etc.) and various projects in the Philippines and foreign markets.

- Consolidated rent expense increased due to annual rent escalation and additional office spaces for the Corporate Offices in the Philippines, China and the United States due to the JFC Group's growing organization and the inclusion of the SuperFoods Group's rent expenses.

- Consolidated contracted services declined, primarily driven by Burger King, which shifted its accounting services, from a third-party contractor to JFC's subsidiary, Jollibee Worldwide Services.

- Provision for impairment loss on receivables and other assets were recognized as a result of specific and collective impairment assessments performed by the Jollibee Group. The Jollibee Group performed impairment assessments of its fixed assets considering that there are observable indications that the assets' values have significantly declined during the period as a result of the passage of time.

- Provision for impairment of fixed assets pertains to allowance for impairment loss on office, store and food processing equipment.

- Provision for inventory obsolescence was recognized after the Jollibee Group's assessment that the net realizable value for some inventories is lower than cost.

- Consolidated corporate events increased driven by higher expenses incurred for conventions, corporate awards and corporate program launches due to higher number of participants arising from increase in headcount.

- Consolidated repairs and maintenance decreased due to higher base arising from late billings for repairs and maintenance expenses in 2015, which were recognized only in 2016.

- Consolidated memberships and subscriptions increased due to higher expenses related to memberships in golf, leisure clubs and various professional organizations

- Consolidated training expenses decreased because of training programs for the Jollibee business supposedly scheduled in 2017, but were postponed or cancelled.

- Consolidated communication expense increased due to higher telephone and internet charges, particularly of the Philippine business and the consolidation of the SuperFoods Group's expenses with the JFC Group.

- Consolidated donations increased, mainly due to increase in Consolidated Net Income, which is used as basis for calculating the amount of donation as part of the JFC Group's social responsibility.

- Consolidated supplies expense increased due to higher office supplies expense and consolidation of the SuperFoods Group expenses with the JFC Group.

- Consolidated representation and entertainment, increased due to the consolidation of the SuperFoods Group's expenses with the JFC Group.

- The Jollibee Group also recognized reversal of previously recognized provisions for impairment loss on receivables, inventories, and property, plant and equipment.

- Loss (gain) on retirement and disposals of assets pertains to loss incurred arising from change in store ownership, store closures and fixed asset disposals.

- Consolidated electricity and other utilities expenses increased due to increase in usage and power rates.

- Consolidated security and janitorial expense increased due to increase in manpower as a result of additional office spaces as well as increase in rate per hour.

- Consolidated insurance expense increased due to higher number of stores that were constructed and renovated in 2017 compared to 2016.

- Consolidated other expenses increased due to increase in miscellaneous expenses.

- The increase in consolidated advertising and promotions expense was driven by marketing campaigns for new products and flagship products, both for the Philippine business and the foreign business. Some domestic brands also used new celebrity product endorsers.

Operating Income

Consolidated operating income for 2017 increased by 3.2% or ₱204.6 million to ₱6,669.7 million driven by strong revenue growth. As a percentage of revenues, operating income declined from 5.6% in 2016 to 5.0 % in 2017 despite the strong growth in revenues (+15.6%), as the increase in store and manufacturing expenses reduced the JFC Group's gross profit margin. General and administrative expenses and advertising and promotions likewise increased faster than revenues.

Interest Income (Expense)

	Year Ended December		Change		Pct to Rev	
	2017	2016	Amount	Pct	**2017**	2016
Interest income	**259.6**	286.9	(27.3)	-9.5%	**0.2%**	0.2%
Interest expense	**(405.8)**	(267.6)	(138.2)	51.6%	**-0.3%**	-0.2%
	(146.3)	19.3	(165.5)	-858.0%	**-0.1%**	0.0%

See Note 23 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated interest income decreased primarily due to lower interest income earned from cash in banks, short-term deposits and short-term investments. Also, with the acquisition of additional interest in the SuperFoods Group, loans and advances as at December 31, 2016, including accrued interest income were converted into additional equity. See Note 11 to the accompanying Audited Consolidated Financial Statements for more information.

Consolidated interest expense in 2017 was higher than the consolidated interest expense in 2016 due to higher bank loans. See Notes 18 and 23 to the accompanying Audited Consolidated Financial Statements for more information.

Equity in Net Losses of Joint Ventures and Associates

	Year Ended December		Change		Pct to Rev	
	2017	2016	Amount	Pct	**2017**	2016
Equity in net losses of joint ventures and associates - net	**(282.6)**	(337.1)	54.5	16.2%	**-0.2%**	-0.3%

See Note 11 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated equity in net losses of joint ventures and associates pertains to JFC's share in the net losses of Smashburger, Wow Prime and Cargill partly offset by the net earnings of the SuperFoods Group (for January to May 2017), Entrek - the Company that operates Jollibee stores in Brunei and Golden Crown - the Company that operates Jollibee stores in the UAE.

Other Income

	Year Ended December		Change		Pct to Rev	
	2017	2016	Amount	Pct	**2017**	2016
Write-off of liabilities	**1,547.2**	1,111.9	435.3	39.1%	**1.2%**	1.0%
Gain from the re-measurement of the previously held interest	**1,328.7**	-	1,328.7	100.0%	**1.0%**	0.0%
Provisions	**(794.6)**	-	(794.6)	-100.0%	**-0.6%**	0.0%
Rebates and suppliers' incentives	**189.5**	206.7	(17.3)	-8.3%	**0.1%**	0.2%
Bank charges	**(165.3)**	(118.6)	(46.7)	39.4%	**-0.1%**	-0.1%
Marked-to-market gain (loss) on derivatives	**(129.4)**	3.3	(132.7)	-4021.2%	**-0.1%**	0.0%
Divestment of subsidiaries and interest in ajoint venture	**(116.2)**	66.7	(182.9)	-274.2%	**-0.1%**	0.1%
Penalties and charges	**69.6**	53.3	16.3	30.7%	**0.1%**	0.0%
Foreign exchange gain (loss) - net	**(63.5)**	41.5	(105.0)	-253.2%	**0.0%**	0.0%
Charges to franchisees	**19.0**	19.9	(0.9)	-4.4%	**0.0%**	0.0%
Other rentals	**17.5**	16.4	1.1	6.7%	**0.0%**	0.0%
Pre-termination of operating leases	**15.9**	9.5	6.4	67.4%	**0.0%**	0.0%
Insurance claims and others	**180.5**	172.4	8.1	4.7%	**0.1%**	0.1%
	2,098.8	1,582.9	515.9	32.6%	**1.6%**	1.4%

See Note 23 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated other income increased year-on-year, mainly due to the gain on re-measurement of previously held investment in SuperFoods and higher write-off of long-outstanding accruals and other liabilities. The increase was partly offset by the provisions of ₱794.6 million recognized by the Jollibee Group and the marked-to-market loss on derivatives in 2017.

Income Taxes

	Year Ended December		Change		Pct to Rev	
	2017	2016	Amount	Pct	**2017**	2016
Current	**2,310.6**	2,334.9	(24.3)	-1.0%	**1.7%**	2.0%
Deferred	**(643.7)**	(658.2)	14.5	2.2%	**-0.5%**	-0.6%
	1,666.9	1,676.5	(9.6)	-0.6%	**1.2%**	1.5%

See Note 24 to the accompanying Audited Consolidated Financial Statements for details.

Net Income

Consolidated net income for 2017 amounted to ₱6,672.6 million, 10.2% higher than last year's consolidated net income of ₱6,053.5 million. Net income margin (consolidated net income as a percentage of consolidated revenues) was slightly lower at 5.0% for 2017 compared to 5.2% for 2016. Net Income Attributable to the Equity Holders of the Parent Company amounted to ₱7,109.1 million, 15.3% higher versus ₱6,164.7 million in 2016. Earnings per Share amounted to ₱6.580, 14.5% higher than 2016.

Financial Condition

As at December 31, 2017 Vs. December 31, 2016

The Jollibee Group ended 2017 with consolidated total assets of ₱89,783.9 million, 23.5% higher than the ₱72,728.4 million balance at the end of 2016. The following explain the significant movements in the asset accounts:

- The Jollibee Group's consolidated cash and cash equivalents increased to ₱21,107.5 million, ₱4,374.2 million or 26.1% higher than the balance at year-end 2016, mainly due to the bank loans acquired by the Jollibee Group in December 2017. The movements in the Jollibee Group's cash will be explained further in the cash flow discussion.

- Short-term investments increased by ₱687.4 million or 94.7%. These pertain to deposits with maturities of more than three months, but less than a year.

- Consolidated receivables increased by ₱564.4 million or 16.7% to ₱3,941.1 million primarily due to higher receivables from franchisees for their commissary purchases and royalty billings, relative to the increase in sales. Average collection period was lower, from 14 days as at December 2016 to 10 days as at December 31, 2017.

- Consolidated inventories increased by ₱848.2 million or 14.2% due to commodity price increases, particularly for beef, pork, frozen potatoes and milk as well as the impact of the depreciation of the Philippine Peso and increase in average diesel price.

- Consolidated other assets increased mainly due to increase in prepaid taxes and deposits to suppliers and other third parties, partly offset by lower prepaid rent and lower receivable from the sale of business that pertains to the current portion of receivables from Guangxi Zong Kai Food Beverage Investment Company Limited (GZK) as a result of the Jollibee Group's divestment in SPW.

The Company has a current ratio of 1.39:1.00 as at December 31, 2017, higher than the current ratio of 1.27:1.00 as at December 31, 2016.

- Available-for-sale financial assets consist mainly of shares in golf and leisure clubs amounting to ₱29.9 million and ₱26.2 million as at December 31, 2017 and 2016, respectively.

- Interests in and advances to joint ventures, co-venturers and associates decreased by ₱2,380.5 million or 24.1% to ₱7,492.8 million mainly due to the conversion of the SuperFoods Group's advances to equity, from ₱3,257.4 million to ₱1,535.6 million as a result of JFC's acquisition of the additional 10% of the SuperFoods Group. As owner of 60% of the SuperFoods Group, JFC has included the SuperFoods Group in its financial consolidation. The decrease was offset by additional advances to co-venturers, investments in SJBF LLC and equity in net earnings of Golden Bee and Entrek, partly reduced by equity in net losses of other joint ventures and associates. See Note 11 to the accompanying Audited Consolidated Financial Statements for more information.

- Consolidated property, plant and equipment increased by ₱4,238.2 million or 25.4% to ₱20,893.8 million, net of accumulated depreciation, primarily due to investments in new stores, renovation of existing stores and investments in commissaries. See Note 12 to the accompanying Audited Consolidated Financial Statements for details.

- Consolidated investment properties declined by ₱134.4 million or 13.7% to ₱849.0. In 2017, the Parent Company sold its land located at Sta. Rosa Laguna and Luisita Industrial Park in Tarlac for a total consideration of ₱365.5 million. Net gain arising from the disposals of these investment properties amounted to ₱231.0 million.

- The increase in goodwill and other intangible assets pertains to the goodwill of ₱2,507.8 million and trademarks of ₱4,145.0 million arising from the acquisition of the SuperFoods Group, owner and operator of Highlands Coffee and Pho 24. The acquisition was completed on May 11, 2017. See Note 11 to the accompanying Audited Consolidated Financial Statements for details.

- Operating lease receivables increased by ₱2.0 million or 7.8% to ₱28.0 million, which is the cumulative difference of rent income recognized under the straight-line method and the rent amounts in accordance with the terms of the lease agreements.

- The consolidated derivative asset pertains to the unrealized gain position on the interest rate swap that amounted to ₱11.9 million. This is due to the lower fixed rate compared to the current floating rate, which is based on the 3 months USD LIBOR. See Note 18 to the accompanying Audited Consolidated Financial Statements for details.

- Deferred tax assets increased by ₱1,323.3 million or 51.2% to ₱3,908.8 million, substantially due to the recognition of deferred tax assets on vested and unexercised options amounting to ₱1,033.2 million. See Note 24 to the accompanying Audited Consolidated Financial Statements for details.

- Consolidated other noncurrent assets increased by ₱653.8 million or 21.5% primarily due to higher security and other deposits and other long-term prepayments.

Consolidated current liabilities amounted to ₱26,694.6 million, ₱2,863.2 million or 12.0% higher than the 2016 year-end balance of ₱23,831.4 million. The following explain the significant movements in current liabilities:

- Consolidated trade payables and other current liabilities increased by ₱3,294.0 million or 15.0% to ₱25,254.6 million due to increase in trade payables relative to the increase in inventories, higher employee-related accruals, higher accruals for local and other taxes, store operations, rent and advertising and promotions and increase in other current liabilities which consist of staled checks, amounts payable for mascots and various subscriptions in newspapers given to customers as a complimentary to their meals.

- Consolidated income tax payable decreased by ₱85.5 million or 27.6% to ₱223.8 million due to change in the tax positions of certain subsidiaries, from Regular Corporate Income Tax (RCIT) to Minimum Corporate Income Tax (MCIT) and utilization of prior year's Net Operating Loss Carryover (NOLCO).

- Current portion of long-term debt decreased, from ₱1,561.5 million to ₱1,216.2 million due to loan payments made during the year.

Consolidated noncurrent liabilities amounted to ₱20,507.3 million, 40.3% or ₱5,891.8 million higher than the December 31, 2016 audited balance of ₱14,615.5 million. The following explain the significant movements in noncurrent liabilities:

- Consolidated noncurrent portion of long-term debt increased by ₱4,307.2 million to ₱14,901.1 million due to bank loans with a total amount of ₱5,100.0 million, acquired from local banks in December 2017. See Notes 18, 30 and 31 to the accompanying Audited Consolidated Financial Statements for details.

- Consolidated pension liability decreased by ₱168.7 million to ₱1,489.5 million due to additional contributions to plan assets and actuarial changes arising from changes in financial assumptions. See Note 25 to the accompanying Audited Consolidated Financial Statements for details.

- Operating lease payables increased by ₱258.7 million or 14.4% to ₱2,051.6 million arising from increase in number of company-owned stores. Operating lease payable is the difference of rent expense recognized under the straight-line method and the rent amounts due in accordance with the terms of the lease agreements.

- The derivative liability pertains to Smashburger's put and call valuation. As a result of the first and second Put/Call Rights in the agreement, the Jollibee Group allocated ₱75.0 million of the purchase price to a derivative asset in 2015, representing the fair value of the First and Second Put/Call Rights on transaction date. The Jollibee Group recognized a derivative liability amounting to ₱51.0 million as at December 31, 2017 and a derivative assets amounting to ₱78.3 million as at December 31, 2016 related to Put/Call Rights. See Note 11 to the accompanying Audited Consolidated Financial Statements for details.

- Consolidated provisions increased by ₱794.6 million to ₱825.1 million mainly due to the recognition of additional provision for contingencies. See Notes 4, 17 and 29 to the accompanying Audited Consolidated Financial Statements for details.

- The deferred tax liabilities for 2017 increased by ₱682.4 million or 134.7% to ₱1,189.0 million compared to the 2016 year-end audited balance of Php506.6 million. The increase largely pertains to the ₱663.8-million excess of fair market value over book value of the net identifiable assets arising from the acquisition of additional interest in the SuperFoods Group, owner and operator of Highlands Coffee and Pho 24. See Note 24 to the accompanying Audited Consolidated Financial Statements for details.

Consolidated total equity increased by ₱8,300.6 million or 24.2% to ₱42,582.0 million primarily due to increase in retained earnings by ₱4,753.6 million, increase in capital stock and additional paid in capital by ₱1,870.7 million arising from issuance of new shares, increase in non-controlling interests by ₱1,120.2 million primarily due to the consolidation of the SuperFoods Group. The following explain the other movements in Equity:

- The change of ₱361.2 million (income) in cumulative translation adjustment was due to the depreciation of the Philippine Peso versus the RMB for 2017 (Peso to RMB: 7.64) compared to December 31, 2016 (Peso to RMB: 7.16) and the depreciation of the Philippine Peso versus the USD for 2017 (Peso to USD: 49.93) compared to December 31, 2016 (Peso to USD: 49.72) which resulted in the increase in value of the Jollibee Group's net assets.

- Remeasurement loss on net defined benefit plan (net of tax) declined as a result of actuarial valuations of the retirement plan.

- The improvement in consolidated other comprehensive income (loss) on derivative liability by ₱45.4 million was due to the recognition of derivative asset for the interest rate swap compared to a derivative liability last year.

- The increase in consolidated retained earnings by ₱4,753.6 million was due to the consolidated net income (attributable to equity holders of the Parent Company) of ₱7,109.1

million for 2017, partly offset by cash dividends declared and paid during the period which amounted to ₱2,355.5 million.

Liquidity and Capital Resources

Consolidated net cash provided by operating activities amounted to ₱12,843.6 million at end of December 31, 2017, ₱1,916.7 million or 13.0% lower compared to the consolidated net cash provided by operating activities of ₱14,760.3 million in 2016, mainly driven by increase in working capital.

Consolidated net cash used in investing activities amounted to ₱10,544.4 million at end of December 2017, 4.6% or ₱467.6 million higher compared to the consolidated net cash used for investing activities of ₱10,076.8 million in 2016. The increase was due to higher capital expenditures for store expansion and renovations and advances to the SuperFoods Group, increase in short term investments, offset by proceeds from the disposal of property, plant and equipment and investment properties.

Consolidated net cash provided by financing activities amounted to ₱2,077.3 million at the end of December 2017 mainly due to the proceeds from the bank loans availed in December 2017 and proceeds from issuances of and subscriptions to capital stock, partly offset by payments of cash dividends, long-term bank loans and interest on bank loans.

Cash and cash equivalents at the end of December 2017 stood at ₱21,107.5 million, ₱4,374.2 million or 26.1% higher than December 31, 2016 audited balance.

Discussion and Analysis of Material Events and Uncertainties

1. There were no events during the period that will trigger direct or contingent financial obligation that is material to the Jollibee Group.

2. There were no material off-balance sheet transactions, arrangements, obligations created during the reporting period.

3. Consolidated capital expenditures budget for 2018 amounted to ₱12,000.00 million, of which ₱6,500.0 million will be used for new stores and renovations and the rest will mostly be for commissary expansion.

4. Food service operations have both peak and lean seasons. Historically, sales in the second and fourth quarters are strong due to the summer and the Christmas seasons, respectively. Demand during the first and third quarters usually slackens. The material financial impact of this seasonality has been considered in the Jollibee Group's consolidated financial forecast.

5. All of the Jollibee Group's income arose from its continuing operations.

6. Events after the Reporting Period

   Dividend Declaration
   On April 6, 2018, the Board of Directors approved a regular cash dividend of ₱1.14 per of common stock to all stockholders of record as of April 24, 2018. Consequently, the cash dividend is expected to be paid out by May 9, 2018. The cash dividend is 14.0% higher than the ₱ 1.00 regular dividend per share declared on April 5, 2017.

Acquisition of Additional Shares in Smashburger

On February 13, 2018, the BOD approved the purchase of additional 45% of SJBF LLC (the parent company of the entities comprising the Smashburger business), through the Jollibee Group's wholly-owned subsidiary, Bee Good! Inc. (BGI), pursuant to the mechanism in the agreement with Smashburger Master LLC as previously disclosed. This will increase BGI's ownership in SJBF LLC to a total of 85%.

Discussion of the Jollibee Group's Top Five (5) Key Performance Indicators

System Wide Sales

System Wide Sales is a measure of all sales to consumers both from company-owned and franchised stores.

	As at end Dec 2017	As at end Dec 2016
System Wide Sales	**₱171,761.0 million**	₱149,142.1 million
% Growth vs LY	**15.2%**	14.1%

Revenues

Revenues is a measure of (1) all sales made by the Jollibee Group’s company-owned stores (both food and novelty sales); (2) Commissary sales to franchised stores; (3) fees from stores operated by franchisees; (4) rental revenues of the Jollibee Group’s investment properties; and (5) revenues from services rendered by the in-house Construction and Business Support Service Groups.

	As at end Dec 2017	As at end Dec 2016
Revenues	**₱133,613.1 million**	₱115,613.5 million
% Growth vs LY	**15.6%**	14.7%

Net Income Margin

Net Income Margin is the ratio of the Jollibee Group's earnings after interest and tax. This is computed by dividing consolidated net income by consolidated revenues. The quotient is expressed in percentage. This measures the Jollibee Group’s return for every peso of revenue earned, after deducting cost of sales, operating expenses, interests and taxes.

	As at end Dec 2017	As at end Dec 2016
Net Income	**₱6,672.6 million**	₱6,053.5 million
% to Revenues	**5.0%**	5.2%

Basic Earnings Per Share (EPS)

EPS is the portion of the Jollibee Group’s profit allocated to each outstanding share of common stock. This is computed by dividing the net income for the period attributable to the equity holders of the Parent Company by the weighted average outstanding shares during the same period. This serves as an indicator of the Jollibee Group’s profitability.

	As at end Dec 2017	As at end Dec 2016
EPS (Basic)	**₱6.580**	₱5.747
% Growth vs LY	**14.5%**	24.4%

Return on Equity (ROE)

ROE is the ratio of the JFC Group's net income attributable to equity holders of the Parent Company to equity. It is computed by dividing annualized net income attributable to equity holders of the Parent Company by average equity attributable to equity holders of the Parent Company. ROE is a measure of return for every peso of invested equity. The JFC Group also uses ROE for comparing its profitability with other firms in the same industry.

Annualized	**As at end Dec 2017**	As at end Dec 2016
Return on Equity	**19.1%**	19.2%

Financial Ratios

Jollibee Foods Corporation and Subsidiaries

	Formula	**Dec-17 Audited**	Dec-16 Audited
Liquidity Ratios			
Current Ratio	Current Assets / Current Liabilities	**1.39**	1.27
Financial Leverage Ratios			
Asset to Equity Ratio	Total Assets / Total Equity Attributable to Equity Holders of the Parent Company	**2.20**	2.16
Debt Ratio	Total Debt* / Total Debt + Equity Attributable to Equity Holders of the Parent Company	**53.6%**	53.4%
Net Debt Ratio	Total Debt* - Cash and Cash Equivalents - Short-term Investments / (Total Debt* - Cash and Cash Equivalents - Short-term Investments) + Equity Attributable to Equity Holders of the Parent Company	**37.7%**	38.4%
Interest Coverage Ratio	Earnings before Interest and Taxes** / Interest Expense**	**22.2**	32.3
Solvency Ratio	Net Income** + Depreciation and Amortization** / Total Liabilities	**0.24**	0.26
Debt Service Coverage Ratio	Net Income** / Total Liabilities	**0.14**	0.16

* *Including both total current and total noncurrent liabilities*

** *Annualized*

7. FINANCIAL STATEMENTS

Please see annexes pertaining to 2018 Audited Consolidated and Parent Financial Statements.

8. CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in and disagreements with accountants on accounting and financial disclosure.

[Part III starts on the following page.]

PART III. CONTROL AND COMPENSATION INFORMATION

9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

The following Directors of the Company were elected during the stockholders meeting on June 29, 2018 and shall continue to be such until their successors have been elected and have qualified:

Tony Tan Caktiong

Mr. Tan Caktiong, born in 1953, 66, Filipino, is the Chairman of the Board of Directors of the Company. He has been a member of the Board since 1978 and was President and Chief Executive Officer of the Company until July 1, 2014, after which he continued to serve as Chairman of the Board. Mr. Tan Caktiong is also a member of the Executive, Nomination, Corporate Governance and Compensation Committees of the Board of Directors.

Other directorships and trusteeships are:

Listed Companies

Non-Executive Director and Co-chairman	DoubleDragon Properties Corp.

Non-listed Companies

Director	Fresh N' Famous Foods, Inc.
Director	Mang Inasal Phils. Inc.
Director	BK Titans, Inc.
Director	PFN Holdings Corporation
Director	Perf Restaurants, Inc.
Director	Perf Trinoma, Inc.
Director	Perf MOA Pasay, Inc.
Director	RRB Holdings, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	Honeystar Holdings Corporation
Director	Chanceux, Inc.
Director	Bee Good! Inc.
Director	SJBF LLC
Director	Honeybee Foods (Canada) Corporation
Director	Honeybee Foods Corp.
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	Southsea Binaries Limited
Director	Belmont Enterprises Ventures Ltd.
Director	Jollibee International (BVI) Ltd.
Director	WJ Investments Limited
Director	Jollibee Worldwide Pte. Ltd.
Director	JSF Investments Pte. Ltd.

Director	Golden Cup Pte. Ltd.
Director	Golden Plate Pte. Ltd.
Director	Golden Beeworks Pte. Ltd.
Director	Golden Piatto Pte. Ltd.
Director	Happy Bee Foods Processing Pte. Ltd.
Director	SF Vung Tau Joint Stock Company
Director	Blue Sky Holdings Limited
Director	Jollibee (China) Food & Beverage Management Co. Ltd.
Director	Beijing Golden Coffee Cup Food & Beverage Management Co. Ltd.
Director	Beijing New Hongzhuangyuan Food & Beverage Management Co. Ltd.
Director	Hangzhou Yonghe Food and Beverage Co. Ltd.
Director	Hangzhou Yongtong Food and Beverage Co. Ltd.
Director	Tianjin Yong He King Food & Beverage Co. Ltd.
Director	Beijing Yong He King Food and Beverage Co. Ltd.
Director	Shenzhen Yong He King Food and Beverage Co. Ltd.
Director	Wuhan Yong He King Food and Beverage Co. Ltd.
Director	Happy Bee Foods Processing (Anhui) Co. Ltd.
Director	12 Sabu (Shanghai) Food & Beverage Management Co. Ltd.[1]
Director	Shanghai Belmont Enterprises Management & Adviser Co. Ltd.[2]
Director	Honeysea Corporation
Director	Hyper Dynamic Corporation
Director	Mainspring Resources Corporation
Director	Winall Holding Corporation
Director	Imperial Premium Treasures, Inc.
Director	Queenbee Resources Corporation
Director	Centregold Corporation
Trustee	Jollibee Group Foundation, Inc.
Director[3]	STI College Tanauan Inc.
Board Director	Temasek Foundation International CLG Limited
Member	International Advisory Board, The Philharmonic-Symphony Society of New York, Inc.

William Tan Untiong

Mr. Tan Untiong, born in 1953, 65, Filipino, has been the Corporate Secretary of the Company since 1994, and a member of the Board since 1993. He is a member of the Executive, Nomination and Audit Committees of the Board of Directors.

Mr. Tan Untiong has also been the Vice President for Real Estate since 1989. Effective January 1, 2014, Mr. Tan Untiong is the Chief Real Estate Officer of JFC.

Other directorships and trusteeships are:

Listed Companies

Executive Director	DoubleDragon Properties Corp.

Non-listed Companies

Director	Fresh N' Famous Foods Inc.
Director	Mang Inasal Phils. Inc.

[1] Pending liquidation and deregistration.
[2] Pending deregistration.
[3] Mr. Tan Caktiong is also the Chairman.

Director	BK Titans, Inc.
Director	Chanceux, Inc.
Director	RRB Holdings, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	Grandworth Resources Corporation
Director	Zenith Foods Corporation
Director	Belmont Enterprises Ventures Ltd. (BVI)
Director	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	Honeybee Foods (Canada) Corporation
Director	Honeybee Foods Corporation
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	WJ Investments Limited
Director	Golden Plate Pte. Ltd.
Director	Golden Cup Pte. Ltd.
Director	Entrek (B) SDN BHD
Director	Blue Sky Holdings Limited
Director	Jollibee (China) Food & Beverage Management Co. Ltd.
Director	Hangzhou Yong He Food and Beverage Co. Ltd.
Director	Tianjin Yong He King Food & Beverage Co. Ltd.
Director	Beijing Yong He King Food and Beverage Co. Ltd.
Director	Shenzhen Yong He King Food and Beverage Co. Ltd.
Director	Wuhan Yong He King Food and Beverage Co. Ltd.
Director	Beijing Golden Coffee Cup Food & Beverage Management Co. Ltd.
Director	12 Sabu (Shanghai) Food & Beverage Management Co. Ltd.[4]
Director	Adgraphix, Inc.
Director	JC Properties & Ventures Corporation
Director	Honeystar Holdings Corporation
Director	Centregold Corporation
Director	Winall Holding Corporation
Director	Iconnect Multimedia Network, Inc.
Director	Honeyworth Corporation
Director	Mainspring Resources Corporation
Director	Queenbee Resources Corporation
Director	Hyper Dynamic Corporation
Director	Kingsworth Corporation
Director	Honeysea Corporation
Trustee	Jollibee Group Foundation, Inc.

Ernesto Tanmantiong

Mr. Tanmantiong, born in 1958, 60, Filipino, is the President and Chief Executive Officer of the Corporation, effective January 1, 2014. He has been a member of the Board since 1987, and previously served as the Treasurer and Chief Operating Officer of the Company. He is also a member of the Executive and Nomination Committees of the Board of Directors.

[4] Pending liquidation and deregistration.

Other directorships and trusteeships are:

Director	Fresh N' Famous Foods, Inc.
Director	BK Titans, Inc.
Director	Chanceux, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	RRB Holdings, Inc.
Director	Grandworth Resources Corp.
Director	C-Joy Poultry Meats Production Inc.[5]
Director	Cargill Joy Poultry Realty Inc.
Director	Bee World UK Limited
Director	Cibo Felice S.R.L.
Director	Honeybee Foods (Canada) Corporation
Director	Honeybee Foods Corporation
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	SJBF LLC
Director	Jollibee Worldwide Pte. Ltd.
Director	Golden Plate Pte. Ltd.
Director	Golden Beeworks Pte. Ltd.
Director	Happy Bee Foods Processing Pte. Ltd.
Director	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	Belmont Enterprises Ventures Ltd.
Director	Jollibee International (BVI) Ltd.
Director	Jollibee Hong Kong Ltd.
Director	Hanover Holdings Ltd.
Commissioner	P.T. Jollibee Indonesia
Commissioner	P.T. Chowking Indonesia
Director	Jollibee Vietnam Co. Ltd.
Director	Golden Bee Foods Restaurant LLC
Director	Happy Bee Foods Processing (Anhui) Co. Ltd.
Director	Jollibee (China) Food & Beverage Management Co. Ltd.
Director	Hangzhou Yonghe Food and Beverage Co. Ltd.
Director	Tianjin Yong He King Food & Beverage Co. Ltd.
Director	Beijing Yong He King Food and Beverage Co. Ltd.
Director	Wuhan Yonghe King Food and Beverage Co. Ltd.
Director	Adgraphix, Inc.
Director	EST58 Corporation
Director	Kingsworth Corporation
Director	Imperial Premium Treasures, Inc.
Director	Honeystar Holdings Corporation
Director	Hyper Dynamic Corporation
Director	Centregold Corporation
Director	Honeysea Corporation
Director	Queenbee Resources Corporation
Director	Winall Holding Corporation
Director	Mainspring Resources Corporation
Trustee	Jollibee Group Foundation, Inc.

[5] Formerly Cargill Joy Poultry Meats Production Inc., amended on December 18, 2018.

Joseph C. Tanbuntiong

Mr. Tanbuntiong, born in 1963, 55, Filipino, was elected to the Board in 2013. He was elected as the Company's Treasurer on June 27, 2014. He is a member of the Executive and Compensation Committees of the Board of Directors.

Mr. Tanbuntiong joined the Company in 1993 and is the Head, Country Business Group – Philippines for the Jollibee Group of Companies. He was previously President of the Jollibee Business Unit (Philippines).

Other directorships are:

Listed Companies

Non- Executive Director	DoubleDragon Properties Corp.

Non-listed Companies

Director	Red Ribbon Bakeshop, Inc.
Director	RRB Holdings, Inc.
Director	BK Titans, Inc.
Director	Perf Restaurants, Inc.
Director	Perf MOA Pasay, Inc.
Director	Perf Trinoma, Inc.
Director	PFN Holdings Corporation
Director	JSF Investments Pte. Ltd.
Director	Golden Bee Foods Restaurant LLC
Director	Honeystar Holdings Corporation
Director	Jaysforjay, Inc.
Director	4Jays San Juan Holdings, Inc.
Trustee	Jollibee Group Foundation, Inc.

Ang Cho Sit

Mr. Ang, born in 1950, 68, Filipino, has been a member of the Board since 1978. He is a member of the Compensation Committee of the Board of Directors.

Other directorships are:

Director	Freemont Foods Corporation
Director	Grandworth Resources Corporation
Director	A-Star Holding Company
Director	Longshore Corporation
Director	Hyper Dynamic Corporation
Director	Venice Corporation

Antonio Chua Poe Eng

Mr. Chua Poe Eng, born in 1947, 71, Filipino, has been a member of the Board since 1978. He is a member of the Audit Committee of the Board of Directors.

Other directorships are:

Chairman, President	Honeyworth Corporation
Director	Albany Resources Corporation
Director	Hyper Dynamic Corporation

Ret. Chief Justice Artemio V. Panganiban

Mr. Panganiban, born in 1936, 82, was elected to the Board of Directors in 2012. Mr. Panganiban was the Chief Justice of the Philippine Supreme Court from 2005 to 2006. Concurrent with his position as Chief Justice, he was also the Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to his elevation as Chief Justice in 2005, Mr. Panganiban was a Justice of the Supreme Court in 1995 to 2005.

Mr. Panganiban is a member of the Executive and Compensation Committees and is the Chairman of the Nomination Committee.

Other directorships and affiliations are:

Listed Companies	
Independent Director	Asian Terminals, Inc.
Independent Director	First Philippine Holdings Corp.
Independent Director	GMA Network, Inc.
Independent Director	GMA Holdings, Inc.
Independent Director	MERALCO
Independent Director	Metro Pacific Investment Corp.
Independent Director	Petron Corporation
Independent Director	Philippine Long Distance Telephone Company
Independent Director	Robinsons Land Corp.
Senior Adviser	Metropolitan Bank and Trust Company
Member, Advisory Council	Bank of the Philippine Islands
Adviser	DoubleDragon Properties Corp.
Non-listed Companies	
Independent Director	Asian Hospital Inc.
Independent Director	Liberty Telecoms Holdings Inc.
Independent Director	Metro Pacific Tollways Corp.
Independent Director	Tollways Management Corporation
Director	TeaM Energy Corporation
Chairman, Board of Advisors	Metrobank Foundation
Chairman, Board of Directors	Pan Philippine Resources Corp.
Chairman, Board of Directors	Peecee Holdings Corporation
Chairman, Board of Trustees	Foundation for Liberty and Prosperity
Chairman, Board of Trustees	Philippine Judges Foundation
Chairman, Philippine Chapter	ASEAN Law Association
Chairman Emeritus	Philippine Dispute Resolution Center, Inc.
President	Manila Metropolitan Cathedral – Basilica Foundation
Trustee	Tan Yan Kee Foundation, Claudio Teehankee

	Foundation, Speaker Laurel Foundation and ASEAN Law Foundation
Adviser	Asian Institute of Management Corporate Governance Center, World Bank (Philippines) and Johann Strauss Society
Consultant	Judicial and Bar Council
Member	Permanent Court of Arbitration, The Hague, Netherlands

Monico V. Jacob

Mr. Jacob, born in 1945, 73, Filipino, has been a member of the Board since 2000. Mr. Jacob is an Independent Director and is a member of the Nomination Committee of the Board of Directors. He is also the chairman of the Audit Committee.

Other directorships are:

Listed Companies	
Independent Director	Lopez Holdings Corp.
Independent Director	Phoenix Petroleum Philippines, Inc.
Independent Director	Rockwell Land Corporation
Director	Asian Terminals, Inc.
Director	STI Education Systems Holdings, Inc.

Non-listed Companies	
Director	De Los Santos – STI College
Director	Eximious Holdings, Inc.
Director	GROW Vite, Inc.
Director	Global Resource for Outsourced Workers, Inc.
Director	Information and Communications Technology (i-Academy), Inc.
Director	Maestro Holdings, Inc.
Director	Philippines First Insurance Co., Inc.
Director	Philippine Life Financial Assurance Corp.
Director	Philhealthcare, Inc.
Director	PhilPlans First, Inc.
Director	Rosehills Memorial Management, Inc.
Director	STI Education Services Group, Inc.
Director	STI West Negros University
Director	Tantivy Holdings, Inc.
Director	TechZone Philippines, Inc.
Director	Total Consolidated Asset Management, Inc.

Cezar P. Consing

Mr. Consing, born in 1959, 59, Filipino, was elected as an Independent Director of the Company in 2010. He is a member of the Compensation and Audit Committees of the Board of Directors. He is also the chairman of the Corporate Governance Committee.

Mr. Consing is the President and Chief Executive Officer of the Bank of the Philippine Islands (BPI) and a Senior Managing Director of Ayala Corporation, BPI's controlling shareholder. From 2004 to 2013, Mr. Consing was a partner with The Rohatyn Group, a New York-based investment management company. From 1985 to 2004, he was an investment banker with J.P. Morgan & Co., and was head or co-head of Investment Banking in Asia Pacific (ex-Japan) from 1999 to 2004.

Other directorships are:

Listed Companies	
Director	Bank of the Philippine Islands
Director	National Reinsurance Corp. of the Philippines (PhilNare)
Non-listed Companies	
Chairman	BPI Family Savings Bank, Inc.
Director	BPI Direct BanKO, Inc.
Chairman	BPI/MS Insurance Corp.
Director	BPI-Philam Life Assurance Corp.
Chairman	BPI Capital Corp.
Chairman	BPI Europe PLC
Director	BPI Asset Management and Trust Corporation
Chairman	BPI Century Tokyo Lease & Finance Corp.
Chairman	BPI Century Tokyo Rental Corp.
Vice-Chairman	Board of Trustees, BPI Foundation, Inc.
Chairman	BPI Computer Systems Corp.
Director	BancNet, Inc.
Director	LGU Guarantee Corp.
Board Director & Non-Executive Chairman	Filgifts.com
Board Partner	TRG Management Principals LP
Director	Sqreem Technologies Private Ltd.
Director	Endeavor Philippines

Assistant Corporate Secretary

Valerie Feria Amante

Atty. Amante, born in 1974, 44, Filipino is the Assistant Corporate Secretary of the Company. She is also Vice-President, Head, Corporate Legal and Head, Corporate Ethics. She joined the Company in January 2007. She was previously connected with Ayala Land, Inc. and previous to that, SyCip Salazar Hernandez & Gatmaitan.

Corporate Officers

The Company's Corporate Officers are Messrs. Tony Tan Caktiong, Ernesto Tanmantiong, William Tan Untiong, Joseph Tanbuntiong, Ysmael V. Baysa, Daniel Rafael Ramon Z. Gomez III and Arsenio M. Sabado.

Ysmael V. Baysa

Mr. Baysa, born in 1956, 63, Filipino, is Chief Financial Officer and Compliance Officer. He joined the Company in 2003. Previously, Mr. Baysa was Senior Vice-President for Financial Comptrollership, Human Resources and Corporate Planning of Union Bank. He was also Finance Director of Procter & Gamble from 1993 to 2001.

Daniel Rafael Ramon Z. Gomez III

Mr. Gomez, born in 1972, 46, Filipino, is Chief Marketing Officer. He joined the Company in July 2008. He was previously Managing Director for Skin, Deodorants and Home Care of Unilever Philippines and prior to that, Category Director for Skin & Deodorants in the same company.

Arsenio M. Sabado

Mr. Sabado, born in 1966, 52, Filipino, is Chief Human Resources Officer. He joined the Company in December 2018. He was previously Head of Human Resources and Organization Development of ABS-CBN Group.

Heads of Local Units

The heads of the Company's local units are:

Justo S. Alano III

Mr. Alano, born in 1965, 53, Filipino, is the President of Jollibee Business Unit. He joined the Company in 2006 and was formerly the President of the Mang Inasal Business Unit. Prior to this, he was Head of the Metro Manila-North Regional Business Unit of the Jollibee Business Unit.

Rowel D. Vijandre

Mr. Vijandre, born in 1970, 48, Filipino, is the President of Chowking Business Unit. He joined the Company in October 2015. Prior to joining the Company, he was the President for L'Oreal Philippines and previous to that, he was the General Manager for Johnson and Johnson Consumer Vietnam.

Albert C. Cuadrante

Mr. Cuadrante, born in 1971, 47, Filipino, is the President of Greenwich Business Unit. He joined the Company in 2008 and was previously Vice President and Head of Marketing of the Jollibee Business Unit. Effective January 1, 2019, Mr. Joseph Michael V. Castro is the new General Manager of Greenwich Business Unit.

Zinnia Carmencita S. Rivera

Ms. Rivera, born in 1961, 57, Filipino, is the President of Red Ribbon Business Unit. She joined the Company in 2013 and was previously the President and Managing Director for Johnson & Johnson Philippines.

Jose Alexander P. Subido

Mr. Subido, born in 1964, 55, Filipino, is the President of Mang Inasal Business Unit. He joined the Company in January 2000 and was formerly the head of the National Business Unit of Jollibee Philippines.

Joan K. Aquino

Ms. Aquino, born in 1965, 53, Filipino, is the General Manager of Burger King Philippines. She brings with her over 30 years of experience in Food Service industry. She began her career with the Company as Area Manager, and later on was promoted as one of the regional business unit heads of the Jollibee Business Unit. With the transfer of Ms. Aquino to Jollibee Business Unit effective January 1, 2019, Mr. Joseph Tanbuntiong will be concurrent Head of the Burger King Business Unit.

Heads of International Units:

The heads of International Units are:

Carl Brian Tancaktiong

Mr. Tancaktiong, born in 1980, 38, is the Chairman of JFC China. He was previously president of Yong He King Business.

Shirley Chang

Ms. Chang, born in 1963, 54, joined the Company in January 2017 as President of JFC China and Yong He King business. She was previously Managing Director of TGI Friday's in Taiwan and prior to that, she was Managing Director of McDonalds in Hong Kong.

Carlson Choi

Mr. Choi, born in 1973, 44, is the Chief Digital Officer, International Business. He joined the Company in August 2016. Prior to joining the Company, he was the Vice President of Digital Initiatives Group and General Manager of Apps & Games of Mattel Inc.

Frank Yixing Sheng

Mr. Sheng, born in 1967, 51, is the Head of Internal Audit, International Business. He joined the Company in June 2018. Prior to joining the Company, he was head of internal audit and internal control in Schneider, Greater China, and Yum! China division.

Huang Tao

Mr. Tao, born in 1974, 43, is the General Manager of Happy Bee Foods Processing (Anhui) Co., Ltd. He joined the Company in March 2018. Prior to this, he was a Factory Director/General Manager of Supply Chain at Kunshan Qianfu Food Co., Ltd.

Sandy Sun

Ms. Sun, born in 1975, 43, joined the Company in November 2018 as the General Manager of Dunkin' Donuts China Business. Prior to this, Ms. Sun worked in many famous enterprises such as Hilding Anders Sweden (China), Hema Fresh, Shanghai Min, Heinz (China), Unilever and Garden (China).

Dennis M. Flores

Mr. Flores, born in 1963, 55, Filipino, is President, Head of International Business - EMEAA. He joined the Company in 2000 and was previously Vice President and International Business Head, Jollibee Asia and Middle East, and Chowking Middle East.

Jose Ma. A. Miñana, Jr.

Mr. Minana, born in 1964, 54, Filipino, is the Country Business Group Head, North America (US and Canada). He joined the Company in 2000. He was previously the Group President for Mang Inasal, Burger King Phils. and JFC USA; prior to that, he served as President of Jollibee Business Unit (Philippines).

Maribeth D. Dela Cruz

Ms. Dela Cruz, born in 1965, 54, Filipino, is the General Manager, Philippine Brands – North America. She was previously West Coast Region Head, US Operations.

Heads of Corporate Units

The heads of Corporate Units are:

Fernando S. Yu, Jr.

Mr. Yu, born in 1967, 51, Filipino, is the Chief Business Support Officer. Effective September 1, 2018, he became concurrent head of Jollibee Worldwide Services. He joined the Company in 2004 and was previously the President of Chowking Business Unit.

Susana K. Tanmantiong

Ms. Tanmantiong, born in 1958, 60, Filipino, is the Chief Procurement Officer. She joined the Company in 1984 and was previously Purchasing Vice President of the Company.

Anastacia S. Masancay

Ms. Masancay, born in 1954, 64, Filipino, is the Vice President - Special Projects. Prior to this, Ms. Masancay held the positions of Vice-President for Corporate Audit and Other Businesses, Comptrollership and Tax Management, Assistant Vice-President for Corporate Accounting, and Corporate Accounting Manager.

Lorna D. Atun

Ms. Atun, born in 1969, 49, Filipino, is the Assistant Vice President for Corporate Audit. She joined the Company's Corporate Audit team in 2006. Prior to this, she was the Comptroller for P.J. Lhuillier Group of Companies.

<u>President of the Jollibee Group Foundation, Inc.</u>

Grace A. Tan Caktiong

Ms. Tan Caktiong, born in 1949, 69, Filipino, is the President of the Jollibee Group Foundation, Inc. since 2004. She was previously connected with the Company as head of the Information Technology Division. Ms. Tan Caktiong brings to JGF her extensive experience in business management and leadership in socio-civil activities.

Certain Relationships and Related Transactions

Tony Tan Caktiong, Ernesto Tanmantiong, William Tan Untiong and Joseph Tanbuntiong are brothers. Ang Cho Sit is the brother-in-law of Tony Tan Caktiong. Susana K. Tanmantiong is the wife of Ernesto Tanmantiong and sister-in-law of Tony Tan Caktiong, William Tan Untiong and Joseph Tanbuntiong. Antonio Chua Poe Eng is the brother-in-law of Tony Tan Caktiong, Ernesto Tanmantiong, William Tan Untiong and Joseph Tanbuntiong. Grace A. Tan is the wife of Tony Tan Caktiong.

Some of the Company's directors own franchises or have minority interests in companies which own and operate franchised stores of the Company. All such franchises are subject to contracts which have been entered into in on an arms-length basis and on terms similar to those granted to other franchisees.

Involvement in Legal Proceedings

Neither the Company nor any of its directors or officers were involved in any bankruptcy petition or have been convicted by final judgment by any court, or have been subject to any order, judgment or decree or have violated a securities or commodities law within the past five (5) years.

10. EXECUTIVE COMPENSATION

Name and Position	Year	Salary (PhP)	Bonus (PhP)	Total (PhP)
Tony Tan Caktiong *Chairman* **Ernesto Tanmantiong** *President and Chief Executive Officer* **Joseph Tanbuntiong** *Treasurer, Head, Country Business Group – Philippines* **Ysmael V. Baysa** *Chief Financial Officer* **Daniel Rafael Gomez III** *Chief Marketing Officer, JFC Group*	2017	110,593,624.00	65,137,389.00	175,744,689.00
	2018	113,562,835.00	75,289,369.00	188,852,204.00
	2019*	120,181,244.00	90,135,933.00	210,317,177.00
All other officers and directors as a group unnamed	2017	469,305,159.00	239,320,286.00	708,611,789.00
	2018	502,976,282.00	267,298,511.00	770,274,793.00
*Estimates	2019*	568,378,446.00	322,999,881.00	891,378,327.00

Compensation of Directors

Standard Arrangements

Directors of the Company receive a per diem of PhP60,000.00 for attendance in a Board meeting. Board meetings are scheduled monthly. A director who attends all regular meetings earns a total of PhP720,000.00 annually. In addition, the Company instituted a performance-based incentive for its directors. The incentive shall be determined by the Compensation Committee.

Other Arrangements

The Company has no other arrangements pursuant to which a director is compensated or to be compensated, directly or indirectly.

Employment Contracts

The Company maintains standard employment contracts with executive officers. The contracts provide for annual salary increases and bonuses. Other than these employment contracts, there are no special compensatory plans or arrangements which result from the resignation, retirement or any other termination of employment of executive officers other than the Company's retirement plan which is made applicable to all of the Company's employees.

Senior Management Stock Option and Incentive Plan ***[Please see page 65]***

Outstanding Warrants

There are no outstanding warrants held by the Chief Executive Officer, other officers and directors as a group.

11. Security Ownership of Certain Beneficial Owners and Management[6]

(A) Security Ownership of Certain Record and Beneficial Owners

Title of Class	Name and Address of Record Owner	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	**Hyper Dynamic Corporation** 6th Floor Jollibee Center San Miguel Ave., Pasig City	*Majority of the shares in Hyper Dynamic Corporation are owned or controlled by Tony Tan Caktiong and certain relatives within the second degree of consanguinity or affinity.*	Filipino	273,218,750	25.11%
Common	**PCD Nominee Corporation** G/F Makati Stock Exchange 6767 Ayala Ave., Makati City	*Approximately 646,528 scripless shares lodged with Deutsche Regis Partners Inc. are owned by Queenbee Resources Corporation, a special purpose vehicle which is the issuer of warrants over such shares.*	Non-Filipino	300,501,028	27.62%
Common	**Honeysea Corporation** 6th Floor Jollibee Center San Miguel Ave., Pasig City	*Majority of the shares in Honeysea Corporation are owned or controlled by Tony Tan Caktiong and certain relatives within the second degree of consanguinity or affinity.*	Filipino	127,743,747	11.74%
Common	**PCD Nominee Corporation** G/F Makati Stock Exchange 6767 Ayala Ave., Makati City		Filipino	126,576,259	11.63%
Common	**Winall Holding Corporation** 6th Floor Jollibee Center San Miguel Ave., Pasig City	*Majority of the shares in Winall Holding Corporation are owned or controlled by certain relatives within the fourth degree of consanguinity or affinity.*	Filipino	54,140,736	4.98%

(B) Security Ownership of Management

The common shares of the Company owned by its directors are as follows:

Name and Position	Citizenship	Nature of Beneficial Ownership	Number of Shares	Percent of Class
Tony Tan Caktiong *Director, Chairman*	Filipino	Direct -	8,254,565	Total: 0.78%
		Indirect (through Deutsche)	240,000	
Ernesto Tanmantiong *Director, President and Chief Executive Officer*	Filipino	Direct	7,215,951	Total: 0.71%
		Indirect (through Deutsche)	457,019	

[6] As of December 31, 2018.

Name and Position	Citizenship	Nature of Beneficial Ownership	Number of Shares	Percent of Class
William Tan Untiong *Director, Corporate Secretary and Chief Real Estate Executive*	Filipino	Direct	8,270,055	Total: 0.79%
		Indirect (through Deutsche)	279,667	
Joseph C. Tanbuntiong *Director, Treasurer, and Head, Country Business Group – Philippines*	Filipino	Direct	64,630	Total: 0.01%
		Indirect (through Deutsche)	-	
Ang Cho Sit *Director*	Filipino	Direct	11	Total: 0.00%
		Indirect (through Deutsche)	-	
Antonio Chua Poe Eng *Director*	Filipino	Direct	1	Total: 3.72%
		Direct (through Honeyworth)	38,857,446	
		Indirect (through Honeyworth)	1,567,197	
C.J. Artemio V. Panganiban *Director*	Filipino	Direct	1	Total: 0.00%
		Indirect (through Deutsche)	18,500	
Monico V. Jacob *Independent Director*	Filipino	Direct	100	Total: 0.00%
		Indirect (through Deutsche)	-	
Cezar P. Consing *Independent Director*	Filipino	Direct	1	Total: 0.00%
		Indirect (through Deutsche)	-	

The common shares of the Company's corporate officers are:

Name and Position	Citizenship	Nature of Beneficial Ownership	Number of Shares	Percent of Class
Ysmael V. Baysa *Chief Financial Officer, Vice President for Corporate Finance*	Filipino	Direct	811,667	Total: 0.07%
		Indirect (through Deutsche)	-	
Daniel Rafael Ramon Gomez III *Chief Marketing Officer*	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Arsenio M. Sabado *Chief Human Resources Officer*	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Valerie F. Amante *Assistant Corporate Secretary; Vice President, Head Corporate Legal and Head, Corporate Ethics*	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	

The common shares of the Heads of the Local Units are:

Name and Position	Citizenship	Nature of Beneficial Ownership	Number of Shares	Percent of Class
Justo S. Alano III *President, Jollibee Business*	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Rowel D. Vijandre *President, Chowking Business*	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Albert C. Cuadrante *President, Greenwich Business*	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Zinnia Carmencita S. Rivera *President, Red Ribbon Business*	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	1,050	
Jose Alexander P. Subido *President, Mang Inasal Business*	Filipino	Direct	500	Total: 0.00%
		Indirect (through Deutsche)	-	
Joan K. Aquino *General Manager, Burger King Business*	Filipino	Direct	10,000	Total: 0.00%
		Indirect (through Deutsche)	7,000	

The common shares of the Heads of Corporate Units are:

Name and Position	Citizenship	Nature of Beneficial Ownership	Number of Shares	Percent of Class
Fernando S. Yu, Jr. *Chief Business Support Officer*	Filipino	Direct	62,000	Total: 0.01%
		Indirect (through Deutsche)	-	
Susana K. Tanmantiong *Chief Procurement Officer*	Filipino	Direct	1.093,857	Total: 0.11%
		Indirect (through Deutsche)	138,000	
Anastacia S. Masancay *Vice President – Special Projects*	Filipino	Direct	323,600	Total: 0.07%
		Indirect (through Deutsche)	446,000	
Lorna D. Atun *Assistant Vice President – Corporate Audit*	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	

(C) Voting Trust Agreements

There are no voting trust agreements granting any person the right to exercise the voting rights of a holder of 5% or more of a class of shares.

(D) Changes in Control

There are no arrangements which may result in a change in control of the Company.

12. Certain Relationships and Related Transactions

Some of the Company's directors own franchises or have minority interests in companies which own and operate franchised stores of the Company. All such franchises are subject to contracts which have been entered into on an arms-length basis and on terms similar to those granted to other franchisees.

The Company has no parent company.

The Company has no transaction with promoters.

PART IV. CORPORATE GOVERNANCE

13. Corporate Governance

The Company has adopted a Manual of Corporate Governance ("*Manual*") which was filed with and duly approved by the SEC. Under the terms of the Manual, the Company is required to measure compliance by the Board of Directors and management with the terms of the Manual. Pursuant to the Manual, the Compliance Officer is required annually to prepare a self-rating report on the extent of the Company's compliance with the Manual, explaining reasons for deviation, if any.

Pursuant to SEC Memorandum Circular No. 9, series of 2014, the Company filed its Amended Manual of Corporate Governance on July 24, 2014. Pursuant to SEC Memorandum Circular No. 19, series of 2016, the Company filed its New Manual on Corporate Governance on May 30, 2017.

Pursuant to SEC Memorandum Circular No. 15, series of 2017, companies shall no longer be required to file a Consolidated Changes in the ACGR within ten (10) days from the end of the year. The Integrated Annual Corporate Governance Report (I-ACGR) shall be submitted on May 30 of the following year.

On May 29, 2018, the Company filed its Integrated Annual Corporate Governance Report for the year ended December 31, 2017.

PART V. EXHIBITS AND SCHEDULES

The attachments to this Report are the following:

1. SEC Form 17-C filed for the year 2018
2. 2018 Audited Consolidated Financial Statements
3. 2018 Audited Parent Financial Statements

Note: The Statement of Management Responsibility is duly marked with blue-colored tab while the page showing the stamped received marking of both BIR and SEC is duly marked with a green-colored tab.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on the 8th day of April 2019.

By:

ERNESTO TANMANTIONG
Principal Executive Officer
Principal Operating Officer

WILLIAM TAN UNTIONG
Corporate Secretary

YSMAEL V. BAYSA
Principal Financial Officer

MARILOU N. SIBAYAN
Comptroller
Principal Accounting Officer

SUBSCRIBED AND SWORN TO before me this APR 08 2019, Affiants exhibiting to me their proofs of identification, as follows:

Name	Proof of Identification
Ernesto Tanmantiong	Passport No. P8719063A, issued on September 12, 2018 and expiring on September 11, 2028.
William Tan Untiong	Passport No. P1841468A, issued on February 2, 2017 and expiring on February 1, 2022.
Ysmael V. Baysa	Passport No. EC7589116, issued on April 30, 2016 and expiring on April 29, 2021.
Marilou N. Sibayan	SSS No. 03-9964176-9

Doc. No. 321;
Page No. 67;
Book No. 4;
Series of 2019.

Vera Marie H. Bautista
Notary Public Pasig City
Notarial Commission [illegible] expiring on December 31, 2019
[illegible] Pasig City
[illegible] Pasig City
[illegible] Pasig City
[illegible] March 15, 2016
[illegible] No. 63774

2018 17-C

102142018001431

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : February 14, 2018 12:56:59 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	102142018001431
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	February 13, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E F O O D S C O R P O R A T I O N

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING

10 F. ORTIGAS JR. AVENUE

ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong	(632) 634-1111 loc. 7817
Contact Person	Company Telephone Number

31-Dec	Any Day in June
Month Day Year	Month Day Year
Fiscal Year	Annual Meeting

17C Press Release
JFC to Increase Ownership of Smashburger to 85%

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
JFC to Increase Ownership of Smashburger to 85%
(Form Type)

____
Amendment Designation (If applicable)

____
(Secondary License Type and File Number)

____
Cashier

____
LCU

____
DTU

77487
S.E.C REG. No.

____
Central Receiving Unit

____
File Number

____
Document I.D.

Jollibee Foods Corporation
9/F Jollibee Plaza, F. Ortigas Jr. Ave., Ortigas Center, Pasig City 1605 Philippines Trunk Line: 63 2 634-1111

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **February 13, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code [ ] (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,085,534,067**
Treasury Shares:	
Common	**16,447,340**

Note: *Total common outstanding shares of 1,085,534,067 is inclusive of 1,255,999 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated February 9, 2018)	853,373
Shares applied for listing	(54,084)
Ending balance, as of February 13, 2018	799,289
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated February 9, 2018)	456,710
Shares applied for listing	-
Ending balance, as of February 13, 2018	456,710
TOTAL	1,255,999

JFC Group of Companies
JFC to Increase Ownership of Smashburger to 85%

Metro Manila, Philippines, February 13, 2018 – *Jollibee Foods Corporation* (PSE: JFC)

Jollibee Foods Corporation ("JFC"), the largest Asian food service company, disclosed today that JFC, through its wholly-owned subsidiary Bee Good! Inc. ("BGI"), will purchase from Smashburger Master LLC ("Master") an additional 45% of SJBF LLC, the parent company of the entities comprising the Smashburger® business. This will increase BGI's ownership in SJBF LLC from current 40% to 85%. Master will retain the balance 15% ownership. The transaction, valued at USD 100 million is expected to be completed in one to two months, subject to government approvals in the United States and meeting certain closing conditions. JFC will pay Master through BGI in cash.

JFC Chairman, Mr. Tony Tan Caktiong gave the following statement: "With this acquisition of more shares, JFC will have a more significant business in the United States. The US will increase its contribution to our worldwide system wide sales from 5% to 15%. We will be able to participate in the very large mainstream American consumer market in addition to serving Filipino-Americans there. We believe that we will be able to profitably provide the mainstream American consumer with superior tasting products with excellent services at very good value for money as we have demonstrated in the Philippines, China, Vietnam, Singapore, Hong Kong, Brunei and the Middle East. The proportion of our foreign business to worldwide system wide sales will increase from present 20% to 30%. We will eventually achieve our goal of 50/50 revenue split between the Philippines and foreign businesses even as our Philippine business continues to expand strongly since our foreign business is growing even faster. It will only be a matter of time."

The consolidation of Smashburger into JFC will increase its worldwide store network by 365 stores or +9.6% to 4,162. This will also expand JFC's geographical presence from 16 countries to 21 adding Costa Rica, Egypt, El Salvador, United Kingdom (England and Scotland), and Panama.

JFC Chief Executive Officer, Mr. Ernesto Tanmantiong gave the following statement: "The consolidation of Smashburger into JFC will increase JFC's store network in the US by 5-fold, from 83 to 417 and will expand its presence to 39 states in the US from current 10 states. It will also increase JFC's store network in Canada, from 2 to 8. To ensure that we have the organization that can effectively manage this expanded business, Mr. Thomas C. Ryan, who is one of the founders of the Smashburger brand and who has been its Chief Executive Officer for the past 15 months will continue to be its CEO, together with his management team. He and his team have done an excellent job of strengthening the business over the past year. We are confident that this team will be able to make the business even stronger and more profitable. We will introduce at Smashburger the JFC Business Systems that have proven to work successfully in its brands in several countries. JFC will also benefit in learning from Smashburger's marketing and in-store digital technology. Mr. Jose Maria A. Miñana, Jr., JFC's Country Head for North America business, will continue to have overall responsibility over JFC's entire North America Business which will consist of four

2/13/2018

brands: Jollibee, Chowking, and Red Ribbon serving mainly Filipino-American consumers and Smashburger serving the mainstream American consumer."

Based on the financial data of the past six months annualized, Smashburger has annual system wide sales of USD 333 million and net revenues of USD 200 million. It has positive and improving EBITDA.

One of JFC's priorities will be to change Smashburger's debt structure, to significantly reduce its financing cost and enable the business to make more investments for long term growth. It will focus on significantly growing sales per store and increasing profit which JFC has been able to achieve in practically all its acquired businesses in the Philippines and abroad.

Smashburger with headquarters in Denver, Colorado is a leading Fast Casual "better burger" restaurant known for its 100% Fresh, Never Frozen Ground Beef burgers that are smashed on the grill to sear in the juices, creating an upscale quality burger packed with flavor and served at a great value. In addition to premium beef and turkey burgers, Smashburger offers grilled or crispy chicken sandwiches, black bean burgers, fresh salads, signature side items and hand-spun Haagen-Dazs® shakes. The chain is recognized in various surveys and publications as one of the best tasting burgers in the US.

JFC operates the largest food service network in the Philippines. As at December 31, 2017, it was operating 2,875 restaurant outlets in the country: Jollibee brand 1,062, Chowking 526, Greenwich 272, Red Ribbon 427, Mang Inasal 495 and Burger King 93. Abroad, it was operating 922 stores: Yonghe King (China) 309, Hong Zhuang Yuan (China) 43, Dunkin' Donuts (China) 15, Jollibee 198 (US 37, Vietnam 98, Brunei 15, Saudi Arabia 12, UAE 9, Qatar 6, Singapore 5, Kuwait 4, Hong Kong 8, Bahrain 1, Canada 2 and Oman 1), Red Ribbon in the US 31, Chowking 45 (US 15, UAE 20, Qatar 3, Oman 3, Kuwait 3, and Saudi Arabia 1), Highlands Coffee 244 (Vietnam 212, Philippines 32), Pho 24 29 (Vietnam 12, Indonesia 15, Korea 1, and Australia 1), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, Macau 3). The JFC Group's worldwide store network reached 3,797 stores.

****

3/13/18

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

102142018001431

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : February 14, 2018 12:56:59 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	102142018001431
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	February 13, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E   F O O D S   C O R P O R A T I O N

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING

10 F. ORTIGAS JR. AVENUE

ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Press Release: 2017 4th Quarter Financial Results

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
2017 4th Quarter Financial Results
(Form Type)

____
Amendment Designation (If applicable)

____
(Secondary License Type and File Number)

____
Cashier

____
LCU

____
DTU

77487
S.E.C REG. No.

____
Central Receiving Unit

____
File Number

____
Document I.D.

Jollibee Foods Corporation
9/F Jollibee Plaza, F. Ortigas Jr. Ave., Ortigas Center, Pasig City 1605 Philippines Trunk Line: 63 2 634-1111

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **February 13, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code ☐ (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,085,534,067**
Treasury Shares:	
Common	**16,447,340**

Note: *Total common outstanding shares of 1,085,534,067 is inclusive of 1,255,999 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated February 9, 2018)	853,373
Shares applied for listing	(54,084)
Ending balance, as of February 13, 2018	799,289
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated February 9, 2018)	456,710
Shares applied for listing	-
Ending balance, as of February 13, 2018	456,710
TOTAL	1,255,999

11. Other Events
    Please see attached Press release re: 2017 4th Quarter Financial Results

THE JFC GROUP OF COMPANIES
JFC Accelerates Store Expansion, Opens 465 Stores in 2017
Sales and Profit Up 15%

Metro Manila, Philippines, February 13, 2018 – *Jollibee Foods Corporation* (PSE: JFC) – **Financial Results for the Quarter and Year ended December 31, 2017**

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the quarter and year ended December 31, 2017, based on its Unaudited Consolidated Financial Statements:

Financial Summary	Quarter 4			YTD December		
	2017	2016	% Change	2017	2016	% Change
System Wide Retail Sales	48,382	41,377	16.9%	171,770	149,142	15.2%
Revenues	37,060	31,620	17.2%	131,573	113,811	15.6%
Operating Income	1,477	1,549	-4.6%	7,075	6,465	9.4%
Net Income	1,821	1,681	8.3%	6,714	6,054	10.9%
Net Income Attributable to Equity Holders of the Parent Company	1,984	1,776	11.7%	7,089	6,165	15.0%
Earnings Per Common Share - Basic	1.830	1.652	10.8%	6.561	5.747	14.2%
Earnings Per Common Share - Diluted	1.809	1.633	10.8%	6.476	5.643	14.8%

In Php millions except Earnings Per Share data

Jollibee Foods Corporation (JFC), the largest Asian food service company opened a total of 465 new stores in 2017, the highest number of new stores opened in a year in JFC's 39-year history. JFC's system wide sales, a measure of all sales to consumers both from company-owned and franchised stores grew by 16.9% in the fourth quarter compared to sales in the same period of 2016 and by 15.2% for the entire year of 2017 driven by the expansion of store network and strong same store sales. For the entire year, sales of its restaurant chains in the Philippines grew by 13.2% while those abroad rose by 23.4%.

Sales of the Philippine business in the fourth quarter grew by 14.8% driven by the acceleration of store network expansion and continued strong same store sales growth. Sales of the foreign business grew by 21.3% (excluding divestments and acquisition) with Southeast Asia (ex-Philippines) growing by 41.0%, China 18.4%, North America 20.6% and the Middle East 17.7%. Including divestments and acquisition, sales of the foreign business grew by 26.3%. The strong worldwide sales growth of 16.9% for the quarter was driven by same store sales increase of 7.0%, store expansion of 9.0% and 1.0% impact of currency exchange rate changes.

2/15/18

JFC's net income attributable to equity holders of the Parent reached Php7.1 billion in 2017, 15.0% higher than the amount generated in 2016. For the quarter, JFC's net income attributable to equity holders of the Parent increased by 11.7% versus the same quarter last year. Basic earnings per share for 2017 amounted to Php6.561, 14.2% higher than the basic earnings per share for 2016. For the fourth quarter, basic earnings per share increased by 10.8% to Php1.830.

Operating income for the year grew by 9.4% while operating income for the fourth quarter declined by 4.6%. Operating income margins for the quarter and the entire year decreased by 0.9% and 0.3% points, respectively despite the strong growth in revenues (+17% in the fourth quarter and +15.6% in 2017) as the rapid increase in cost of raw materials and freight as well as store and manufacturing expenses reduced JFC's gross profit margins.

General and administrative expenses increased at a slower rate compared to revenues – by 14.0% for the year and by 13.3% for the quarter. Expenses for advertising and promotions which increased to 3.2% of revenues in the fourth quarter and to 2.5% in 2017 driven by higher advertising spending of the China business.

JFC Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: "Gross profit margins in the Philippines were below year ago level as our rate of price adjustments was behind cost increases, following JFC's practice of implementing gradual price adjustments in order to help consumers adapt to rising inflation. The gradual price adjustments help to continuously drive volume growth of consumer visits per store despite rising inflation rate in the country. We expect to eventually recover our profit margins in 2018. Meanwhile, all regions in JFC's foreign markets: China, the United States, Southeast Asia, and the Middle East were profitable in 2017, with profit of total foreign business rising by 2.4 times compared to 2016."

During the year, JFC made Php8.8 billion in capital investments mostly in new stores and supply chain facilities. The JFC Group opened 328 new stores in and Philippines and 137 new stores abroad. It ended 2017 with 3,797 stores, higher by 16.7% compared with 2016's 3,253 stores. JFC's Return on Equity for 2017 is 19.3%, compared with 19.2% for 2016.

For 2018, JFC has allotted Php12 billion in capital expenditures for new stores and renovation of existing stores both in the Philippines and abroad. This amount is higher by 36.5% compared with the actual capital expenditure spending in 2017.

JFC operates the largest food service network in the Philippines. As at December 31, 2017, it was operating 2,875 restaurant outlets in the country: Jollibee brand 1,062, Chowking 526, Greenwich 272, Red Ribbon 427, Mang Inasal 495 and Burger King 93. Abroad, it was operating 922 stores: Yonghe King (China) 309, Hong Zhuang Yuan (China) 43, Dunkin' Donuts (China) 15, Jollibee 198 (US 37, Vietnam 98, Brunei 15, Saudi Arabia 12, UAE 9, Qatar 6, Singapore 5, Kuwait 4, Hong Kong 8, Bahrain 1, Canada 2 and Oman 1), Red Ribbon in the US 31, Chowking 45 (US 15, UAE 20, Qatar 3, Oman 3, Kuwait 3, and Saudi Arabia 1), Highlands Coffee 244 (Vietnam 212, Philippines 32), Pho 24 29 (Vietnam 12, Indonesia 15, Korea 1, and Australia 1), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, Macau 3). The JFC Group's worldwide store network reached 3,797 stores.

On February 13, 2018, JFC disclosed, through its wholly-owned subsidiary Bee Good! Inc. (BGI) that it will purchase an additional 45% of SJBF LLC (the parent company of the entities comprising Smashburger® business) pursuant to the mechanism in the agreement with Smashburger Master LLC as previously disclosed. This will increase BGI's ownership in SJBF LLC to a total of 85%.

2/13/18

Smashburger, with headquarters in Denver, Colorado, has 365 restaurants (186 owned and 179 franchised) worldwide in 38 states in the US and in 10 foreign markets. Upon completion of the acquisition of the additional 45% of Smashburger, the JFC Group will have presence in 5 additional foreign countries: Costa Rica, Egypt, El Salvador, Panama and the United Kingdom (England and Scotland). The JFC Group will have presence in 21 countries outside the Philippines.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

103092018000048

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page
The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : March 09, 2018 09:00:22 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	103092018000048
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	March 08, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7	7	4	8	7

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING
10 F. ORTIGAS JR. AVENUE
ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong
Contact Person

(632) 634-1111 loc. 7817
Company Telephone Number

31-Dec
Month Day Year
Fiscal Year

Any Day in June
Month Day Year
Annual Meeting

17C Press Release

JFC Signs Agreement for Additional 45% Share in Smashburger

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use black ink for scanning purposes

Jollibee

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
JFC Signs Agreement for Additional 45% Share in Smashburger
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **March 8, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	1,086,584,067
Treasury Shares:	
Common	16,447,340

Note: Total common outstanding shares of 1,086,584,067 is inclusive of 2,174,561 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated March 7, 2018)	1,232,851
Shares applied for listing	(15,000)
Ending balance, as of March 8, 2018	1,217,851
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated March 7, 2018)	956,710
Shares applied for listing	-
Ending balance, as of March 8, 2018	956,710
TOTAL	2,174,561

11. Other Events

JFC Group of Companies
JFC Signs Agreement for Additional 45% Share in Smashburger

Metro Manila, Philippines, March 8, 2018 – *Jollibee Foods Corporation* (PSE: JFC)

Further to its February 13, 2018 disclosure, Jollibee Foods Corporation ("JFC") disclosed today that JFC's wholly owned subsidiary, Bee Good! Inc. ("BGI") has executed the Purchase Agreement with Smashburger Master LLC ("Master") for the acquisition of an additional 45% share of SJBF LLC, the parent company of the entities comprising the Smashburger® business. This will increase BGI's ownership in SJBF LLC from current 40% to 85%. The transaction, valued at USD 100 million, is expected to be completed in one to two months subject to government approvals in the United States and meeting certain closing conditions. JFC will pay Master through BGI in cash.

JFC's acquisition of more shares in Smashburger will allow it to have a more significant business in the United States increasing the sales contribution from that country to JFC's worldwide system wide sales from present 5% to 15% and the sales contribution from foreign business to worldwide system wide sales from present 20% to 30%. The consolidation of Smashburger into JFC will increase its worldwide store network by 365 stores or +9.6% to 4,162. This will also expand JFC's geographical presence from 16 countries to 21 adding Costa Rica, Egypt, El Salvador, United Kingdom (England and Scotland), and Panama.

One of JFC's priorities will be to change Smashburger's debt structure, to significantly reduce its financing cost for its USD 80 million loan and enable the business to make more investments for long term growth. Toward this objective, JFC also disclosed today that it executed a commitment letter to SJBF LLC, the parent company of the entities comprising the Smashburger business to provide financing to SJBF LLC in order to pay SJBF's loan obligation of approximately USD 80 million which will mature on May 15, 2018 and replace it with a much lower cost of long term financing at more lenient terms. JFC will borrow long term loans from banks or issue loan guarantees to banks on behalf of Smashburger in order to implement this plan.

JFC Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: "A much lower cost long term financing, made possible by JFC's strong balance sheet will significantly improve the net income of Smashburger immediately. It will also enable Smashburger to make more meaningful investments for healthier and faster growth. Smashburger has positive EBITDA. We look forward to the business making positive net income contribution to JFC's profit in the medium term and significant profit contribution in the long term."

JFC operates the largest food service network in the Philippines. As of January 31, 2018, it was operating 2,873 restaurant outlets in the country: Jollibee brand 1,065, Chowking 527, Greenwich 270, Red Ribbon 426, Mang Inasal 492 and Burger King 93. Abroad, it was operating 932 stores: Yonghe King (China) 310, Hong Zhuang Yuan (China) 44, Dunkin' Donuts (China) 16, Jollibee 200 (US 37, Vietnam 98, Brunei 15, Saudi Arabia 12, UAE 10, Qatar 7, Singapore 5, Kuwait 4, Hong Kong 8, Bahrain 1, Canada 2 and Oman 1), Red Ribbon in the US 31, Chowking 45 (US 15, UAE 20, Qatar 3, Oman 3, Kuwait 3, and Saudi Arabia 1), Highlands Coffee 248 (Vietnam 216, Philippines 32), Pho 24 30 (Vietnam 13, Indonesia 15, Korea 1, and Australia 1), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, Macau 3). The JFC Group's worldwide store network reached 3,805 stores.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E   F O O D S   C O R P O R A T I O N

(Company's Full Name)

10/F J O L L I B E E   P L A Z A   B U I L D I N G

10 F. O R T I G A S   J R .   A V E N U E

O R T I G A S   C E N T E R ,   P A S I G   C I T Y

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

Atty. Angeline L. Chong	(632) 634-1111 loc. 7817
Contact Person	Company Telephone Number

31-Dec	Any Day in June
Month Day Year	Month Day Year
Fiscal Year	Annual Meeting

Dividend Declaration

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

Dividend Declaration
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **April 6, 2018**
2. Commission identification number **77487**
3. BIR Tax Identification No. **000-388-771**
4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter
5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization
6. Industry classification code [ ] (SEC Use Only)
7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office

   1605
   Postal Code
8. **(632) 634-1111**
   Registrant's telephone number, including area code
9. **N/A**
   Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,086,614,467**
Treasury Shares:	
Common	**16,447,340**

Note: *Total common outstanding shares of 1,086,614,467 is inclusive of 1,980,061 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated April 5, 2018)	1,063,351
Shares applied for listing	-
Ending balance, as of April 6, 2018	1,063,351
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated April 5, 2018)	916,710
Shares applied for listing	-
Ending balance, as of April 6, 2018	916,710
TOTAL	1,980,061

11. Other Events

Jollibee Foods Corporation (JFC) announced that its Board of Directors approved today, April 6, 2018, a cash dividend of Php1.14 per share of common stock for all shareholders of record as of April 24, 2018 (ex-dividend date of April 19, 2018). This will be distributed on May 9, 2018. This cash dividend is 14% higher than the Php1.00 cash dividend per share declared on April 5, 2017.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

SECRETARY'S CERTIFICATE

I, **WILLIAM TAN UNTIONG**, Filipino, of legal age and with office address at the 10/F, Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City, being the elected and qualified Corporate Secretary of **JOLLIBEE FOODS CORPORATION** (the "Corporation"), a corporation duly organized and existing under Philippine laws, with business address at the 10/F, Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City, hereby certify on behalf of the Corporation that:

1. The following is a true and correct copy of the resolution adopted and approved by the Board of Directors of the Corporation on April 6, 2018:

   RESOLVED, that Jollibee Foods Corporation declares out of its unrestricted retained earnings as of 2016, a cash dividend of One Peso (PhP1.14) per common share, due to all stockholders of record as of April 24, 2018 (ex-dividend date of April 19, 2018) and payable on May 9, 2018.

2. The above-mentioned resolution has not been amended, modified or rescinded, and is in full force and effect as of the date hereof.

3. The foregoing statements are true and correct and in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this 06 APR 2018 at Pasig City.

WILLIAM TAN UNTIONG
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
CITY OF PASIG) S.S.

BEFORE ME, a Notary Public in and for the city named above, personally appeared:

Name	Competent Evidence of Identity	Place/Date of Issue
William Tan Untiong	Passport No. 1841468A issued on February 2, 2017 valid until February 1, 2022	

who is personally known to me to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this 06 APR 2018.

Doc. No. 484;
Page No. 98;
Book No. 1;
Series of 2018.

VALERIE F. AMANTE
Notary Public-Pasig, San Juan and Pateros, Metro Manila
Notarial Commission No. 118 expiring on December 31, 2018
14F/Jollibee Plaza 10 F. Ortigas Jr. Avenue, Ortigas Center Pasig City
PTR No. [illegible] issued on January 19, 2017/Pasig City
IBP No. [illegible] / Lifetime Member / Pasig City
MCLE Compliance No. V-0007125 issued on April 1, 2015
Roll of Attorney's No. 46166

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E F O O D S C O R P O R A T I O N

(Company's Full Name)

10/F J O L L I B E E P L A Z A B U I L D I N G

10 F. O R T I G A S J R . A V E N U E

O R T I G A S C E N T E R , P A S I G C I T Y

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

Atty. Angeline L. Chong	(632) 634-1111 loc. 7817
Contact Person	Company Telephone Number

31-Dec	Any Day in June
Month Day Year	Month Day Year
Fiscal Year	Annual Meeting

Press Release: 2017 Audited Financial Results

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use black ink for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
2017 Audited Financial Results
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **April 11, 2018**
2. Commission identification number **77487**
3. BIR Tax Identification No. **000-388-771**
4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter
5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization
6. Industry classification code [ ] (SEC Use Only)
7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office

   1605
   Postal Code
8. **(632) 634-1111**
   Registrant's telephone number, including area code
9. **N/A**
   Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	1,086,621,133
Treasury Shares:	
Common	16,447,340

Note: Total common outstanding shares of 1,086,621,133 is inclusive of 6,666 MSOP shares subject for listing and 1,978,561 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated April 6, 2018)	1,063,351
Shares applied for listing	(1,500)
Ending balance, as of April 10, 2018	1,061,851
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated April 6, 2018)	916,710
Shares applied for listing	-
Ending balance, as of April 10, 2018	916,710
TOTAL	1,978,561

11. Other Events

Please see attached Press release re: 2017 Audited Financial Results.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

THE JOLLIBEE GROUP OF COMPANIES
JFC 2017Audited Revenues Rise by 15.6%, Profit by 15.3%

Metro Manila, Philippines, April 11, 2018 – *Jollibee Foods Corporation* (PSE: JFC) – **Audited Financial Results for the year ended December 31, 2017**

Following are the results of operations in 2017 based on its Audited Consolidated Financial Statements compared with its 2016 Audited Consolidated Financial Statements:

(Note: All references versus same period last year.)

Financial Summary	YTD December		
	2017	2016	% Change
System Wide Retail Sales	171,770	149,142	15.2%
Revenues	131,577	113,811	15.6%
Operating Income	6,670	6,465	3.2%
Net Income	6,673	6,054	10.2%
Net Income Attributable to Equity Holders of the Parent Company	7,109	6,165	15.3%
Earnings Per Common Share - Basic	6.580	5.747	14.5%
Earnings Per Common Share - Diluted	6.494	5.643	15.1%

**Amounts in PhP Millions, except % change and Per Share data*

JFC's 2017 Audited Consolidated Financial Statements differed only slightly from its Unaudited Financial Statements disclosed on February 13, 2018. Net income increased only by Php19.7 million or 0.3% and total assets increased only by Php488.3 million or 0.5% versus the unaudited financial statements.

Jollibee Foods Corporation (JFC), the largest Asian food service company opened a total of 465 new stores in 2017, the highest number of new stores opened in a year in JFC's 39-year history. JFC's global system wide sales, a measure of all sales to consumers both from company-owned and franchised stores grew by 15.2% for the entire year of 2017 driven by same store sales growth of 6.1%, new store contribution of 7.9%, and impact from changes in currency exchange rates of 1.2%.

Sales of the Philippine business grew by 13.2% driven by the acceleration of store network expansion and continued strong same store sales growth. Sales of the foreign business grew by 23.3% (excluding divestments and acquisition) with the Southeast Asia (ex-Philippines) business growing by 39.1%, China business by 18.2%, North America business by 25.6%, and the Middle East business by 26.6%. Including divestments and acquisition, sales of the foreign business grew by 23.4%.

JFC's net income attributable to equity holders of the Parent reached Php7.1 billion in 2017, 15.3% higher than the amount generated in 2016. Basic earnings per share for 2017 amounted to Php6.580, 14.5% higher than the basic earnings per share for 2016.

JFC's total assets increased by 23.5% to Php89.8 billion in 2017 compared with 2016 mainly due to JFC's higher cash balance, investments related to new stores and increase in goodwill and trademarks from the acquisition of the additional shares in the SuperFoods Group. The higher cash balance was partly funded by increase in debt of Php5.1 billion borrowed in December 2017 in anticipation of investments to be made in 2018. JFC remained in net cash position as of December 31, 2017 with Php6.4 billion in net cash.

During the year, JFC made Php9.0 billion in capital investments mostly in new stores and supply chain facilities. The JFC Group opened 328 new stores in the Philippines and 137 new stores abroad. It ended 2017 with 3,797 stores, higher by 16.7% compared with 2016's 3,253 stores. JFC's Return on Equity for 2017 was 19.3%, compared with 19.2% for 2016.

For 2018, JFC has allotted Php12.0 billion in capital expenditures, of which Php7.0 billion is for new stores and renovation of existing stores both in the Philippines and abroad and Php5.0 billion for commissary capacity expansion and building of two new commissaries in the Philippines. This amount is higher by 33.3% compared with the actual capital expenditures in 2017.

On April 1, 2018, JFC opened Jollibee Scarborough store in Toronto, Ontario, its second store in Canada. It opened also Jollibee Milan store in Italy on March 18, 2018, the very first JFC store in Europe. Both stores are registering some of the highest sales per day in the entire JFC store network. JFC also plans to enter the United Kingdom, Malaysia and Indonesia in 2018.

On April 6, 2018, JFC also disclosed that it declared a regular cash dividend of Php1.14 per share of common stock for all shareholders of record as of April 24, 2018 (ex-dividend date of April 19, 2018). This will be paid on May 9, 2018. This represents a 14.0% increase over the regular cash dividend of Php1.00 per share declared on April 5, 2017.

JFC operates the largest food service network in the Philippines. As at February 28, 2018, it was operating 2,884 restaurant outlets in the country: Jollibee brand 1,071, Chowking 529, Greenwich 271, Red Ribbon 425, Mang Inasal 495 and Burger King 93. Abroad, it was operating 939 stores: Yonghe King (China) 311, Hong Zhuang Yuan (China) 44, Dunkin' Donuts (China) 16, Jollibee 201 (US 37, Vietnam 99, Brunei 15, Saudi Arabia 12, UAE 10, Qatar 7, Singapore 5, Kuwait 4, Hong Kong 8, Bahrain 1, Canada 2 and Oman 1), Red Ribbon in the US 31, Chowking 45 (US 15, UAE 20, Qatar 3, Oman 3, Kuwait 3, and Saudi Arabia 1), Highlands Coffee 254 (Vietnam 222, and Philippines 32), Pho 24 29 (Vietnam 13, Indonesia 15, and Korea 1), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3). The JFC Group's worldwide store network reached 3,823 stores.

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E F O O D S C O R P O R A T I O N

(Company's Full Name)

10/F J O L L I B E E P L A Z A B U I L D I N G

10 F. O R T I G A S J R . A V E N U E

O R T I G A S C E N T E R , P A S I G C I T Y

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

17C Press Release

JFC Completes Acquisition of Additional 45% Share in Smashburger

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
JFC Completes Acquisition of Additional 45% Share in Smashburger
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **April 17, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code [ ] (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	1,086,621,133
Treasury Shares:	
Common	16,447,340

***Note**: Total common outstanding shares of 1,086,621,133 is inclusive of 1,978,561 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated April 10, 2018)	1,061,851
Shares applied for listing	-
Ending balance, as of April 16, 2018	1,061,851
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated April 10, 2018)	916,710
Shares applied for listing	-
Ending balance, as of April 16, 2018	916,710
TOTAL	1,978,561

11. Other Events

JFC Group of Companies
JFC Completes Acquisition of Additional 45% Share in Smashburger

Denver, USA, April 16, 2018/Metro Manila, Philippines, April 17, 2018 - *Jollibee Foods Corporation* (PSE: JFC)

Further to its February 13 and March 8, 2018 disclosures, Jollibee Foods Corporation ("JFC") disclosed today that closing conditions, including required government approvals, have been obtained as provided under the Purchase Agreement executed by JFC's wholly-owned subsidiary Bee Good! Inc. ("BGI") with Smashburger Master LLC ("Master") for BGI's acquisition of an additional 45% share of SJBF LLC, the parent company of the entities comprising the Smashburger® business. JFC, through BGI, now owns 85% of Smashburger. With the completion of the acquisition, JFC shall include Smashburger in its financial consolidation starting April 17, 2018.

As stated in JFC's disclosure dated March 8, 2018, JFC's acquisition of more shares in Smashburger will allow it to have a more significant business in the United States increasing the sales contribution from that country to JFC's worldwide system wide sales from present 5% to 15% and the sales contribution from foreign business to worldwide system wide sales from present 20% to 30%. The consolidation of Smashburger into JFC will increase its worldwide store network by 365 stores or +9.6% to 4,162. This will also expand JFC's geographical presence from 16 countries to 21 adding Costa Rica, Egypt, El Salvador, United Kingdom (England and Scotland), and Panama.

Simultaneous with closing, SJBF's loan obligation of approximately USD 80 million was refinanced by BGI. JFC executed a long-term loan to implement this refinancing.

As included in JFC's disclosure dated March 8, 2018, JFC Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: "A much lower cost long term financing, made possible by JFC's strong balance sheet will significantly improve the net income of Smashburger immediately. It will also enable Smashburger to make more meaningful investments for healthier and faster growth. Smashburger has positive EBITDA. We look forward to the business making positive net income contribution to JFC's profit in the medium term and significant profit contribution in the long term."

JFC operates the largest food service network in the Philippines. As at February 28, 2018, it was operating 2,884 restaurant outlets in the country: Jollibee brand 1,071, Chowking 529, Greenwich 271, Red Ribbon 425, Mang Inasal 495 and Burger King 93. Abroad, it was operating 939 stores: Yonghe King (China) 311, Hong Zhuang Yuan (China) 44, Dunkin' Donuts (China) 16, Jollibee 201 (US 37, Vietnam 99, Brunei 15, Saudi Arabia 12, UAE 10, Qatar 7, Singapore 5, Kuwait 4, Hong Kong 8, Bahrain 1, Canada 2 and Oman 1), Red Ribbon in the US 31, Chowking 45 (US 15, UAE 20, Qatar 3, Oman 3, Kuwait 3, and Saudi Arabia 1), Highlands Coffee 254 (Vietnam 222, and Philippines 32), Pho 24 29 (Vietnam 13, Indonesia 15, and Korea 1), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3). The JFC Group's worldwide store network reached 3,823 stores.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer/&
Corporate Information Officer

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING
10 F. ORTIGAS JR. AVENUE
ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C
(Form Type)

____
Amendment Designation (If applicable)

____
(Secondary License Type and File Number)

____
Cashier

____
LCU

____
DTU

77487
S.E.C REG. No.

____
Central Receiving Unit

____
File Number

____
Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **April 17, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
Exact name of registrant as specified in its charter

5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

6. Industry classification code [ ] (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
Address of registrant's principal office

1605
Postal Code

8. **(632) 634-1111**
Registrant's telephone number, including area code

9. **N/A**
Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,086,621,133**
Treasury Shares:	
Common	**16,447,340**

Note: *Total common outstanding shares of 1,086,621,133 is inclusive of 1,978,561 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated April 10, 2018)	1,061,851
Shares applied for listing	-
Ending balance, as of April 16, 2018	1,061,851
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated April 10, 2018)	916,710
Shares applied for listing	-
Ending balance, as of April 16, 2018	916,710
TOTAL	1,978,561

11. Other Events

Under the Company's Senior Management Stock Option and Incentive Plan (Plan), the achievement of hurdle rates is a requirement for the Executive Long-Term Incentive Program (ELTIP) stock issuance. Under the Plan rules, the stock options allocated shall be granted if the following growth in annual earnings per share (EPS) for the 3-year program is achieved, as follows:

% growth in annual EPS for 3 years	% of allocated options to be granted
15% and above	150% of options
12% to less than 15%	100% of options
10% to less than 12%	50% of options
Below 10%	Zero options

For the ELTIP Cycle 4 covering the period 2015-2017, the Company achieved 92% of the minimum hurdle rate of 10% of annual growth of EPS. EPS declined by 9% in 2015 and grew by 24.5% in 2016 and 14.5% in 2017. The decline in EPS in 2015 was attributable to long-term investments in information technology, network development, acceleration of store network expansion and start-up of new businesses. While the EPS growth achievement for the 3 years was less than 10%, the Compensation Committee of the JFC Board of Directors, upon the recommendation of the Chief Executive Officer, Mr. Ernesto Tanmantiong, approved the granting of the 2015 ELTIP Cycle 4 at 40% (roughly 92% of 50%) of the total shares allocated, or 4.5 million shares out of the total 11,470,000 allocated shares. The Compensation Committee has the authority to grant exceptions to the Company's Plan rules, upon recommendation of the Chief Executive Officer.

The basis for this exception is that the causes of the 9% decline in 2015 EPS were expenses for long-term investments which have been benefitting JFC. For instance, on the acceleration of store network expansion, our new store opening in the Philippines increased from 169 in 2014 to 249 in 2015, to 243 in 2016 and to 328 in 2017.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Finance Officer &
Corporate Information Officer

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E   F O O D S   C O R P O R A T I O N

(Company's Full Name)

10/F J O L L I B E E   P L A Z A   B U I L D I N G
10 F. O R T I G A S   J R .   A V E N U E
O R T I G A S   C E N T E R ,   P A S I G   C I T Y

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

Atty. Angeline L. Chong
Contact Person

(632) 634-1111 loc. 7817
Company Telephone Number

31-Dec
Month Day Year
Fiscal Year

Any Day in June
Month Day Year
Annual Meeting

JFC to Bring PHO24 to the Philippines

17C
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
JFC to Bring PHO24 to the Philippines
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **April 25, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
Exact name of registrant as specified in its charter

5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
Address of registrant's principal office

1605
Postal Code

8. **(632) 634-1111**
Registrant's telephone number, including area code

9. **N/A**
Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,086,642,133**
Treasury Shares:	
Common	**16,447,340**

*Note: **Total common outstanding shares of 1,086,642,133 is inclusive of 1,977,061 shares entrusted with Deutsche Regis Partners, Inc. with the following details:***

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated April 16, 2018)	1,061,851
Shares applied for listing	(1,500)
Ending balance, as of April 24, 2018	1,060,351
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated April 16, 2018)	916,710
Shares applied for listing	-
Ending balance, as of April 24, 2018	916,710
TOTAL	1,977,061

11. Other Events

JFC Group of Companies
JFC to Bring PHO24 to the Philippines

Metro Manila, Philippines, April 25, 2018 - *Jollibee Foods Corporation* (PSE: JFC)

Further to its November 18, 2016 disclosure, Jollibee Foods Corporation ("JFC") disclosed today that JFC, through its wholly-owned subsidiary Fresh N' Famous Foods Inc., will bring PHO24 to the Philippines. One of JFC's joint ventures, the SuperFoods Group, owns and operates PHO24, which serves traditional Vietnamese dishes with rice noodles as its core products. In its November 2016 disclosure, JFC disclosed that the SuperFoods Group aims to serve consumers in Asia and key cities in the world high quality and healthy Vietnamese food at affordable prices through the PHO24 brand.

JFC operates the largest food service network in the Philippines. As at March 31, 2018, it was operating 2,895 restaurant outlets in the country: Jollibee brand 1,074, Chowking 531, Greenwich 273, Red Ribbon 426, Mang Inasal 497 and Burger King 94. Abroad, it was operating 943 stores: Yonghe King (China) 310, Hong Zhuang Yuan (China) 44, Dunkin' Donuts (China) 15, Jollibee 206 (US 37, Vietnam 100, Brunei 15, Saudi Arabia 13, UAE 11, Qatar 7, Singapore 5, Kuwait 5, Hong Kong 8, Bahrain 1, Canada 2, Oman 1 and Italy 1), Red Ribbon in the US 31, Chowking 46 (US 15, UAE 20, Qatar 3, Oman 3, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 253 (Vietnam 220, and Philippines 33), PHO24 30 (Vietnam 13, Indonesia 16, and Korea 1), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3). The JFC Group's worldwide store network reached 3,838 stores.

Smashburger ended the first quarter of 2018 with 352 stores. Starting April 17, 2018, Smashburger shall be included in the JFC groups consolidated store network, increasing the JFC Group's store network to over 4,000 stores.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

COVER SHEET

7	7	4	8	7

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING
10 F. ORTIGAS JR. AVENUE
ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong
Contact Person

(632) 634-1111 loc. 7817
Company Telephone Number

31-Dec
Month Day Year
Fiscal Year

Any Day in June
Month Day Year
Annual Meeting

JFC to Invest in Buyer of Tim Ho Wan Master Franchise Holder for Asia Pacific

17C
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
JFC to Invest in Buyer of Tim Ho Wan Master Franchise Holder for Asia Pacific
(Form Type)

____
Amendment Designation (If applicable)

____
(Secondary License Type and File Number)

____
Cashier

____
LCU

____
DTU

77487
S.E.C REG. No.

____
Central Receiving Unit

____
File Number

____
Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **May 8, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code [ ] (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,086,702,465**
Treasury Shares:	
Common	**16,447,340**

***Note**: Total common outstanding shares of 1,086,702,465 is inclusive of 1,977,061 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated May 7, 2018)	1,060,351
Shares applied for listing	
Ending balance, as of May 8, 2018	1,060,351
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated May 7, 2018)	916,710
Shares applied for listing	-
Ending balance, as of May 8, 2018	916,710
TOTAL	1,977,061

11. Other Events

JFC Group of Companies

JFC to Invest in Buyer of Tim Ho Wan Master Franchise Holder for Asia Pacific

Metro Manila, Philippines, May 8, 2018 - Jollibee Foods Corporation (PSE: JFC)

Jollibee Foods Corporation (JFC), the largest Asian food service company, disclosed today that JFC, through its wholly-owned subsidiary Jollibee Worldwide Pte. Ltd., shall invest up to 45 Million Singapore Dollars in Titan Dining LP ("Titan"), a private equity fund that has executed (through a wholly owned subsidiary) a binding agreement for the acquisition of 100% of the Asia Pacific master franchise holder of the "Tim Ho Wan" brand, Tim Ho Wan Pte. Ltd. (THWPL), and its affiliate Dim Sum Pte. Ltd. (DSPL), which owns and operates Tim Ho Wan stores in Singapore (the Companies).

THWPL holds the exclusive long-term master franchise to operate "Tim Ho Wan" food and beverage business within the Asia Pacific region (excluding Hong Kong). Aside from DSPL in Singapore, THWPL also has franchisees in Cambodia, Indonesia, Japan, Macau, Taiwan, Thailand, Vietnam, Australia, and the Philippines, with further development planned in the Asia Pacific region. There are 40 restaurant outlets under THWPL and DSPL, both company-owned and franchised stores.

Titan has a fund size of SGD 100 Million, with JFC's planned investment constituting 45% of the total committed investments in Titan, and the balance coming from other investors. Titan is managed by Titan Dining Partners Ltd., consisting of individuals with extensive experience in the food and beverage sector in the Asia Pacific region. JFC will sit in the Investment Committee of Titan. Titan may eventually add other brands in the food service sector to its portfolio, with the objective to grow strong Asia Pacific food service brands across multiple geographies and markets, and to bring strong global food service brands to Asia Pacific.

This agreement provides JFC the opportunity to acquire a substantial ownership in Tim Ho Wan's master franchise in the Asia Pacific region when the term of the fund ends in 7 years, through a purchase mechanism that is provided for in the agreement with Titan Dining LP. To prepare for this eventuality, JFC will operate as a franchisee of Tim Ho Wan in Shanghai, People's Republic of China (PRC).

JFC Chairman, Mr. Tony Tan Caktiong gave the following statement: "This investment gives JFC the opportunity to have a significant interest in the Tim Ho Wan franchise in the long term and will bring very healthy financial returns to JFC. Our long-term interest in Tim Ho Wan is in line with JFC's mission: to serve great tasting food and spread the joy of eating to everyone!"

Tim Ho Wan is a Michelin-star dim sum restaurant chain which originated in Hong Kong in 2009. It has been dubbed as the world's most affordable Michelin-star restaurant. Its restaurants are typically full-packed with long waiting line at lunch and dinner. In April, 2018, Tim Ho Wan was rated by CNN as offering the Best Value among Hong Kong's best dim sum restaurants.

JFC already has three brands serving Chinese cuisine: Chowking, a Chinese fast casual concept with presence mostly in the Philippines and JFC's second largest brand in terms of system wide sales (577 stores worldwide), Yonghe King, a Taiwanese food-inspired restaurant chain in China that is famous for its freshly prepared soya milk (310 stores), and Hong Zhuang Yuan, a full-service restaurant chain in Beijing, PRC with cuisine centered on congee (44 stores). The three brands combined account for 23% of JFC's systemwide sales in 2017.

JFC operates the largest food service network in the Philippines. As at March 31, 2018, it was operating 2,895 restaurant outlets in the country: Jollibee brand 1,074, Chowking 531, Greenwich 273, Red Ribbon 426, Mang Inasal 497 and Burger King 94. Abroad, it was operating 943 stores: Yonghe King (China) 310, Hong Zhuang Yuan (China) 44, Dunkin' Donuts (China) 15, Jollibee 206 (US 37, Vietnam 100, Brunei 15, Saudi Arabia 13, UAE 11, Qatar 7, Singapore 5, Kuwait 5, Hong Kong 8, Bahrain 1, Canada 2, Oman 1 and Italy 1), Red Ribbon in the US 31, Chowking 46 (US 15, UAE 20, Qatar 3, Oman 3, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 253 (Vietnam 220, and Philippines 33), PHO24 30 (Vietnam 13, Indonesia 16, and Korea 1), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3). The JFC Group's worldwide store network reached 3,838 stores.

Smashburger ended the first quarter of 2018 with 352 stores. Starting April 17, 2018, Smashburger shall be included in the JFC group's consolidated store network, increasing the JFC Group's store network to over 4,000 stores.

~~~~~~
~~~~~~

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E   F O O D S   C O R P O R A T I O N

(Company's Full Name)

10/F J O L L I B E E   P L A Z A   B U I L D I N G

10 F. O R T I G A S   J R .   A V E N U E

O R T I G A S   C E N T E R ,   P A S I G   C I T Y

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Press Release: 2018 1st Quarter Financial Results

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
2018 1st Quarter Financial Results
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **May 9, 2018**
2. Commission identification number **77487**
3. BIR Tax Identification No. **000-388-771**
4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter
5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization
6. Industry classification code (SEC Use Only)
7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code
8. **(632) 634-1111**
   Registrant's telephone number, including area code
9. **N/A**
   Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,086,702,465**
Treasury Shares:	
Common	**16,447,340**

Note: *Total common outstanding shares of 1,086,702,465 is inclusive of 1,973,061 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated May 7, 2018)	1,060,351
Shares applied for listing	(4,000)
Ending balance, as of May 9, 2018	1,056,351
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated May 7, 2018)	916,710
Shares applied for listing	-
Ending balance, as of May 9, 2018	916,710
TOTAL	1,973,061

11. Other Events

Please see attached Press release re: 2018 1st Quarter Financial Results

THE JFC GROUP OF COMPANIES
JFC Sales Up 19.3%, Profit Rises by 17.3% in Q1
Driven by Philippines

Metro Manila, Philippines, May 9, 2018 – *Jollibee Foods Corporation* (PSE: JFC) – **Financial Results for the First Quarter ended March 31, 2018**

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the first quarter ended March 31, 2018 based on its Unaudited Consolidated Financial Statements:

Financial Summary	YTD March		
	2018	2017	% Change
System Wide Retail Sales	**45,979**	38,537	19.3%
Revenues	**34,800**	29,289	18.8%
Operating Income	**1,969**	1,829	7.7%
Net Income Attributable to Equity Holders of the Parent Company	**1,799**	1,533	17.3%
Earnings Per Common Share - Basic	**1.656**	1.426	16.1%
Earnings Per Common Share - Diluted	**1.633**	1.406	16.1%

**Amounts in PhP Millions, except % change and Per Share data.*

Jollibee Foods Corporation (JFC), the largest Asian food service company reported today that its system wide sales, a measure of all sales to consumers both from company-owned and franchised stores grew by 19.3% to Php46.0 billion in the first quarter of 2018. Of this growth rate, global store network expansion accounted for 10.0%, same store sales contributed 7.6% and currency exchange rate changes added 1.7%. Same store sales growth pertains to restaurants that were already open for at least 15 months. It excludes sales growth from new store opening. The consolidation of the SuperFoods Group contributed 2.8% to the 19.3% sales growth.

Philippine brands reported a 16.5% growth in system wide sales compared to the first quarter of 2017 from continued strong same store sales growth, price adjustments implemented in 2017 and in January 2018 and more product purchase per customer. JFC also attributes the strong same store sales growth to its continuous product improvement, new product introductions, marketing campaigns and restaurant renovations.

The foreign business reported a 16.7% growth (+30.8%, with SuperFoods) in system wide sales, with China growing by 17.9%, EMEAA (Europe, Middle East and Asia ex-SuperFoods) by 22.6% and North America by 8.5%.

JFC Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: "Same store sales growth in the Philippines remained strong and better than forecast, reflecting the country's strong GDP growth rate. All key countries: Philippines, China and North America delivered slightly above 8% same store sales growth. Operating profit of businesses in the Philippines grew by 18% versus the same quarter last year. Gross profit margins in the Philippines were only slightly below year-ago level despite rising inflation rate and cost increases brought by the tax reform and the peso depreciation. JFC's gradual price adjustments which started in 2017 supported the profit margins. We expect Philippine gross profit margins to equal year-ago level by the 4th quarter of 2018. The peso depreciation while increasing costs in the Philippines provided gains in sales and profit from JFC's businesses abroad. Financial instruments generated slight foreign exchange gain. Increases in interest rates when they happen will most likely not change JFC's investment plans, both in the Philippines and abroad since its return on investments are well above its cost of capital. Bank loans denominated mostly in peso, have long term tenors with option to change to fixed interest rates if that becomes advantageous. The business had shown resilience in the past and we expect it to continue to do so. We expect revenues and profit to continue to at least sustain its historical growth rates in 2018 and in the years ahead."

JFC opened its very first Jollibee store in Europe, in Milan, Italy on March 18, 2018. JFC's foreign business (ex-Smashburger) accounts for 22.0% of its global system wide sales. Starting April 17, 2018, Smashburger will be included in JFC's financial consolidation and will increase the foreign business' contribution to almost 30% of global system wide sales.

On April 25, 2018, JFC disclosed that its wholly-owned subsidiary Fresh N' Famous Foods Inc., will bring PHO24 to the Philippines. PHO24, which is owned and operated by the SuperFoods Group serves traditional Vietnamese dishes with rice noodles as its core products. The SuperFoods Group aims to serve consumers in Asia and key cities in the world with high quality and healthy Vietnamese food at affordable prices through the PHO24 brand.

On May 8, 2018, JFC disclosed that it shall invest up to SGD45 million in Titan Dining Partners LP, a private equity that will acquire the master franchise of Tim Ho Wan in the Asia Pacific region.

JFC operates the largest food service network in the Philippines. As at March 31, 2018, it was operating 2,895 restaurant outlets in the country: Jollibee brand 1,074, Chowking 531, Greenwich 273, Red Ribbon 426, Mang Inasal 497 and Burger King 94. Abroad, it was operating 943 stores: Yonghe King (China) 310, Hong Zhuang Yuan (China) 44, Dunkin' Donuts (China) 15, Jollibee 206 (US 37, Vietnam 100, Brunei 15, Saudi Arabia 13, UAE 11, Qatar 7, Singapore 5, Kuwait 5, Hong Kong 8, Bahrain 1, Canada 2, Oman 1 and Italy 1), Red Ribbon in the US 31, Chowking 46 (US 15, UAE 20, Qatar 3, Oman 3, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 253 (Vietnam 220, and Philippines 33), Pho 24 30 (Vietnam 13, Indonesia 16, and Korea 1), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3). The JFC Group's worldwide store network reached 3,838 stores.

Smashburger ended the first quarter of 2018 with 352 stores and will increase the JFC Group's consolidated store network to over 4,000 starting April 2018.

~~~~~~
~~~~~~

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

107032018001130

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931to39Fax:(632)725-5293Email: mis@sec.gov.ph

Barcode Page
The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : July 03, 2018 11:04:57 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	107032018001130
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	June 29, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E F O O D S C O R P O R A T I O N

(Company's Full Name)

10/F J O L L I B E E P L A Z A B U I L D I N G

10 F. O R T I G A S J R . A V E N U E

O R T I G A S C E N T E R , P A S I G C I T Y

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

Atty. Angeline L. Chong	**(632) 634-1111 local 7817**
Contact Person	Company Telephone Number

31-Dec	**Any Day in June**
Month Day Year	Month Day Year
Fiscal Year	Annual Meeting

Results of the 2018 Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

17-C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

SEC Form 17-C

Results of the 2018 Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **29 June 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office

   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock & warrants outstanding
Common	**1,086,914,865**
Treasury Shares	**16,447,340**

Note: *Total common outstanding shares of 1,086,914,865 is inclusive of 198,400 MSOP shares subject for listing and 1,811,394 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated June 21, 2018)	894,684
Shares applied for listing	-
Ending balance, as of June 29, 2018	894,684
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated June 21, 2018)	916,710
Shares applied for listing	-
Ending balance, as of June 29, 2018	916,710
TOTAL	1,811,394

11. Other Events

a. During the Annual Stockholders' Meeting of the Company, the stockholders:

(i) Elected the following as the Company's Directors for the year 2018:

Tony Tan Caktiong (Chairman)
Ernesto Tanmantiong
William Tan Untiong
Joseph Tanbuntiong
Ang Cho Sit
Antonio Chua Poe Eng
Ret. Chief Justice Artemio V. Panganiban
Monico V. Jacob (Independent Director)
Cezar P. Consing (Independent Director)

(ii) Approved the following resolution on the amendment of the Company's Articles of Incorporation:

RESOLVED, That the stockholders of Jollibee Foods Corporation (the "Corporation") approve, as they hereby approve, the amendment to the Title and Article First of the Articles of Incorporation to include in the corporate name "Doing business under the name and style of 'Jollibee' and are hereby amended to read as follows:

Title: Jollibee Foods Corporation
Doing business under the name and style of 'Jollibee'

FIRST: That the name of the corporation shall be:
Jollibee Foods Corporation
Doing business under the name and style of 'Jollibee'
(as amended on June 29, 2018)

(iii) Approved the following resolution on the delegation of authority to the Board of Directors, in accordance with Article VIII of the Amended By-Laws, for the amendment of By-Laws to comply with SEC issuances and for other purposes:

RESOLVED, That the stockholders of Jollibee Foods Corporation (the "Corporation") approve, as they hereby approve, the delegation of authority to the Board of Directors, in accordance with Article VIII of the Amended By-Laws, for the amendment of the By-Laws of the Corporation to comply with Securities and Exchange Commission issuances.

b. At the Organizational Meeting of the Board of Directors that immediately followed the stockholders' meeting:

(i) The following were elected as officers of the Company:

Ernesto Tanmantiong: President and Chief Executive Officer
Joseph Tanbuntiong: Treasurer
William Tan Untiong: Corporate Secretary
Valerie Feria Amante: Assistant Corporate Secretary

(ii) The following were appointed as members of the Board Committees:

EXECUTIVE COMMITTEE
Tony Tan Caktiong
Ernesto Tanmantiong
William Tan Untiong
Joseph Tanbuntiong
Ret. Chief Justice Artemio V. Panganiban

NOMINATION COMMITTEE
Ret. Chief Justice Artemio V. Panganiban - Chairman
Tony Tan Caktiong
Ernesto Tanmantiong
William Tan Untiong
Monico V. Jacob

COMPENSATION COMMITTEE
Tony Tan Caktiong – Chairman
Ret. Chief Justice Artemio V. Panganiban
Joseph Tanbuntiong
Ang Cho Sit
Cezar P. Consing

AUDIT COMMITTEE
Monico V. Jacob – Chairman
Cezar P. Consing
Antonio Chua Poe Eng
William Tan Untiong

CORPORATE GOVERNANCE COMMITTEE
Cezar P. Consing - Chairman
Monico V. Jacob
Tony Tan Caktiong

(iii) Mr. Monico V. Jacob was designated as the lead independent director.

(iv) The Board of Directors approved the following resolution on the amendment of By-Law provisions:

RESOLVED, That the Board of Directors, pursuant to the authority delegated to it by the stockholders, approve, as it hereby approves, the amendments to the provisions of the By-Laws.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer

VALERIE F. AMANTE
Vice President and Head - Corporate Legal
Corporate Information Officer

107062018001084

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Ramon L. Legaspi
Receiving Branch : SEC Head Office
Receipt Date and Time : July 06, 2018 11:14:39 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	107062018001084
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	July 05, 2018
No. of Days Late	0
Department	CFD
Remarks	

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

Amended - SEC Form 17-C

Results of the 2018 Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **05 July 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
Exact name of registrant as specified in its charter

5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
Address of registrant's principal office

1605
Postal Code

8. **(632) 634-1111**
Registrant's telephone number, including area code

9. **N/A**
Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock & warrants outstanding
Common	**1,086,914,865**
Treasury Shares	**16,447,340**

***Note**: Total common outstanding shares of 1,086,914,865 is inclusive of 198,400 MSOP shares subject for listing and 1,752,394 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated July 3, 2018)	835,684
Shares applied for listing	-
Ending balance, as of July 5, 2018	835,684
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated July 3, 2018)	916,710
Shares applied for listing	-
Ending balance, as of July 5, 2018	916,710
TOTAL	1,752,394

11. Other Events

a. During the Annual Stockholders' Meeting of the Company, the stockholders:

(i) Elected the following as the Company's Directors for the year 2018:

Tony Tan Caktiong (Chairman)
Ernesto Tanmantiong
William Tan Untiong
Joseph Tanbuntiong
Ang Cho Sit
Antonio Chua Poe Eng
Ret. Chief Justice Artemio V. Panganiban
Monico V. Jacob (Independent Director)
Cezar P. Consing (Independent Director)

(ii) Approved the following resolution on the amendment of the Company's Articles of Incorporation:

RESOLVED, That the stockholders of Jollibee Foods Corporation (the "Corporation") approve, as they hereby approve, the amendment to the Title and Article First of the Amended Articles of Incorporation to include in the corporate name "Doing business under the name and style of 'Jollibee'" and are hereby amended to read as follows:

Title: Jollibee Foods Corporation
<u>Doing business under the name and style of 'Jollibee'</u>

FIRST: That the name of the corporation shall be:
Jollibee Foods Corporation
<u>Doing business under the name and style of 'Jollibee'</u>
<u>(as amended on June 29, 2018)</u>

(iii) Approved the following resolution on the delegation of authority to the Board of Directors, in accordance with Article VIII of the Amended By-Laws, for the amendment of By-Laws to comply with SEC issuances and for other purposes:

RESOLVED, That the stockholders of Jollibee Foods Corporation (the "Corporation") approve, as they hereby approve, the delegation of authority to the Board of Directors, in accordance with Article VIII of the Amended By-Laws, for the amendment of the By-Laws of the Corporation to comply with Securities and Exchange Commission issuances and for other purposes.

b. At the Organizational Meeting of the Board of Directors that immediately followed the stockholders' meeting:

(i) The following were elected as officers of the Company:

Ernesto Tanmantiong: President and Chief Executive Officer
Joseph Tanbuntiong: Treasurer
William Tan Untiong: Corporate Secretary
Valerie Feria Amante: Assistant Corporate Secretary

(ii) The following were appointed as members of the Board Committees:

EXECUTIVE COMMITTEE
Tony Tan Caktiong
Ernesto Tanmantiong
William Tan Untiong
Joseph Tanbuntiong
Ret. Chief Justice Artemio V. Panganiban

NOMINATION COMMITTEE
Ret. Chief Justice Artemio V. Panganiban - Chairman
Tony Tan Caktiong
Ernesto Tanmantiong
William Tan Untiong
Monico V. Jacob

COMPENSATION COMMITTEE
Tony Tan Caktiong – Chairman
Ret. Chief Justice Artemio V. Panganiban
Joseph Tanbuntiong
Ang Cho Sit
Cezar P. Consing

AUDIT COMMITTEE
Monico V. Jacob – Chairman
Cezar P. Consing
Antonio Chua Poe Eng
William Tan Untiong

CORPORATE GOVERNANCE COMMITTEE
Cezar P. Consing - Chairman
Monico V. Jacob
Tony Tan Caktiong

(iii) Mr. Monico V. Jacob was designated as the lead independent director.

(iv) The Board of Directors approved the following resolution on the amendment of By-Law provisions:

RESOLVED, That the Board of Directors, pursuant to the authority delegated to it by the stockholders, approve, as it hereby approves, the amendments to the provisions of the By-Laws.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer

VALERIE F. AMANTE
Vice President and Head - Corporate Legal
Corporate Information Officer

108142018001746

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931 to 39 Fax:(632)725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : August 14, 2018 11:45:29 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	108142018001746
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	August 14, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E   F O O D S   C O R P O R A T I O N

(Company's Full Name)

10/F J O L L I B E E   P L A Z A   B U I L D I N G

10 F. O R T I G A S   J R .   A V E N U E

O R T I G A S   C E N T E R ,   P A S I G   C I T Y

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

Atty. Angeline L. Chong	(632) 634-1111 loc. 7817
Contact Person	Company Telephone Number

31-Dec	Any Day in June
Month Day Year	Month Day Year
Fiscal Year	Annual Meeting

Press Release: 2018 2nd Quarter Financial Results

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
2018 2nd Quarter Financial Results
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **August 14, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,086,937,531**
Treasury Shares:	
Common	**16,447,340**

Note. *Total common outstanding shares of 1,086,937,531 is inclusive of 1,728,293 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

ESOP Shares	
Beginning balance (per SEC Form 17-C dated August 6, 2018)	[illegible]
Shares applied for listing	
Ending balance, as of August 13, 2018	[illegible]
ELIP Shares	
Beginning Balance (per SEC Form 17-C dated August 6, 2018)	[illegible]
Shares applied for listing	
Ending balance, as of August 13, 2018	[illegible]
TOTAL	[illegible]

11. Other Events

Please see attached Press release re: 2018 2nd Quarter Financial Results

THE JFC GROUP OF COMPANIES
JFC Sustains Strong Sales and Profit Growth

Metro Manila, Philippines, August 14, 2018 – *Jollibee Foods Corporation* (PSE: JFC) – **Financial Results for the Second Quarter and First Semester ended June 30, 2018**

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the second quarter and first semester ended June 30, 2018 based on its Unaudited Consolidated Financial Statements:

Financial Summary	Quarter 2			YTD June		
	2018	2017	% Change	**2018**	2017	% Change
System Wide Retail Sales	**53,931**	42,540	26.8%	**99,910**	81,078	23.2%
Revenues	**40,296**	32,553	23.8%	**75,096**	61,842	21.4%
Operating Income	**2,392**	1,998	19.7%	**4,361**	3,826	14.0%
Net Income Attributable to Equity Holders of the Parent Company	**2,251**	1,956	15.1%	**4,050**	3,489	16.1%
Earnings Per Common Share - Basic	**2.071**	1.811	14.4%	**3.728**	3.238	15.1%
Earnings Per Common Share - Diluted	**2.043**	1.791	14.1%	**3.676**	3.197	15.0%

In Php millions except Earnings Per Share data

Jollibee Foods Corporation (JFC), the largest Asian food service company reported today that its system wide sales, a measure of all sales to consumers both from company-owned and franchised stores grew by 26.8% in the second quarter compared to sales in the same period of 2017. For the first half of the year, JFC's system wide sales grew by 23.2%. Revenues grew by 23.8% and 21.4%, respectively.

Excluding the impact of the consolidation of Smashburger effective April 17, 2018, system wide sales grew by 18.1% for the second quarter of 2018 driven by 7.2% same store sales growth, 8.9% growth in store network and 2.0% impact of change in foreign exchange rates. System wide sales grew by 18.7% for the first half of 2018 without Smashburger.

System wide sales in all regions performed strongly in the second quarter of 2018 led by the North America business which grew by 195.6% due to the consolidation of Smashburger (23.6% ex-Smashburger). Europe, Middle East and Asia ex-Philippines (EMEAA) business rose by 46.1%, China business by 17.4% and the Philippine business by 15.8%. System wide sales of the foreign business accelerated to 71.0%. Excluding Smashburger, system wide sales of the foreign business for the second quarter of 2018 grew by 27.4%. Growth in the Philippine business which accounts for 70% of JFC's worldwide system wide sales was driven by 8.0% same store sales growth and 7.8% increase in store network.

Operating income for the quarter and the first half of the year increased by 19.7% and 14.0%, respectively, higher than the 7.7% operating income growth for the first quarter of 2018. General and administrative expenses grew at a slower rate than revenues due to the lower share-based compensation. Advertising and promotion expenses in the second quarter increased by 0.3% of revenues. These improved the expense ratio, from 12.9% to 12.2% of revenues for the second quarter and 12.3% to 12.1% of revenues in the first half of 2018.

Cost of products as a percent of revenues excluding Smashburger was flat at 47.9% in Q2 of 2018 and 2017. In the Philippines, with the rising inflation rate, the cost of products increased slightly from 52.8% in 2017 to 52.9% in 2018.

Net income attributable to equity holders of the parent company for the second quarter of 2018 increased by 15.1% to Php2.25 billion compared to the same quarter of 2017. Provision for income tax for the second quarter grew significantly on account of lower base arising from the recognition of deferred tax assets and higher tax deductible expenses in the second quarter of 2017. The utilization of deferred tax assets in the second quarter of 2018 also contributed to the increase in tax provision.

For the first six months of the year, net income attributable to equity holders of the Parent Company rose by 16.1% to Php 4.05 billion while earnings per share grew by 15.1% to Php3.728. JFC's net income included foreign exchange gains of Php69.1 million.

JFC's investments for future growth remained robust. Capital expenditures and acquisition for the first half of 2018 amounted to Php8.3 billion, more than double the Php4.0 billion spent during the same period in 2017. The JFC Group opened 192 stores in the first six months of 2018 (115 in the Philippines and 77 abroad), 22.3% higher than the 157 new stores opened in the same period in 2017. Smashburger added 349 stores or 8.9% to JFC's worldwide store network. On March 18, JFC opened its first store in Europe, in Milan, Italy.

JFC operates the largest food service network in the Philippines. As at June 30, 2018, it was operating 2,957 restaurant outlets in the country: Jollibee brand 1,094, Chowking 542, Greenwich 277, Red Ribbon 434, Mang Inasal 514 and Burger King 96. Abroad, it was operating 1,322 stores: Yonghe King (China) 315, Hong Zhuang Yuan (China) 42, Dunkin' Donuts (China) 15, Jollibee 213 (Vietnam 102, Brunei 16, Hong Kong 8, Singapore 5, Macau 1, United States 37, Canada 3, Saudi Arabia 13, UAE 12, Qatar 7, Kuwait 6, Bahrain 1, Oman 1, Italy 1), Red Ribbon in the US 32, Chowking 47 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 269 (Vietnam 234, and Philippines 35), PHO24 32 (Vietnam 16, Indonesia 16), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3); and, Smashburger 349. The JFC Group's worldwide store network reached 4,279 stores.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

109102018000798

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page
The following document has been received:

Receiving Officer/Encoder : Donna Encarnado - COS
Receiving Branch : SEC Head Office
Receipt Date and Time : September 10, 2018 10:27:15 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	109102018000798
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	September 07, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

77487

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING
10 F. ORTIGAS JR. AVENUE
ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

JFC Partners with Award-Winning Chef to Build Mexican Restaurant Business in U.S.

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release

JFC Partners with Award-Winning Chef
to Build Mexican Restaurant Business in U.S.
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **September 7, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
Exact name of registrant as specified in its charter

5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
Address of registrant's principal office
1605
Postal Code

8. **(632) 634-1111**
Registrant's telephone number, including area code

9. **N/A**
Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,087,010,531**
Treasury Shares:	
Common	**16,447,340**

***Note**: Total common outstanding shares of 1,087,010,531 is inclusive of 1,412,303 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated September 5, 2018)	728,413
Shares applied for listing	-
Ending balance, as of September 6, 2018	728,413
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated September 5, 2018)	683,890
Shares applied for listing	-
Ending balance, as of September 6, 2018	683,890
TOTAL	1,412,303

11. Other Events

JFC Group of Companies

JFC Partners with Award-Winning Chef to Build Mexican Restaurant Business in U.S.

Chicago, USA, September 6, 2018/Metro Manila, Philippines, September 7, 2018 - Jollibee Foods Corporation (PSE:JFC)

Jollibee Foods Corporation, Asia's largest food service company, disclosed today that it has entered into a business venture with award-winning Chef Rick Bayless to build a Mexican fast-casual restaurant business in the United States through its wholly-owned subsidiary Jollibee Foods Corporation (USA).

Chef Rick Bayless is the founder of Tortas Frontera restaurants, which feature hand-crafted tortas, fresh-made guacamoles, and hand-shaken margaritas. Most people who know Chef Rick Bayless know him from his award-winning Chicago restaurants, long-running Public Television series and for winning the title of Bravo's Top Chef Masters with his authentic Mexican cuisine. He has received numerous James Beard Awards, the most prestigious recognition in culinary art in the United States, including National Chef of the Year, Outstanding Restaurant of the Year (twice) and Humanitarian of the Year.

JFC Chairman, Mr. Tony Tan Caktiong gave the following statement: "We at Jollibee Foods Corporation are very excited about this new partnership. We have great admiration for Chef Rick Bayless for being a top chef, for being a successful restaurateur and for his philanthropic endeavors. Together with his organization and brand Tortas Frontera, we will build a significant business in the large and fast-growing Mexican food category in the United States. This venture is very much in line with JFC's mission: to serve great tasting food and spread the joy of eating to everyone!"

Mexican food is a rapidly-growing and very popular segment in the United States restaurant industry with estimated sales of US$ 40-45 billion in 2017.

This partnership shall be formalized through an investment by JFC of US$12.4 Million in Tortas Frontera LLC ("Tortas Frontera"), which owns the Tortas Frontera business founded by Chef Bayless, in consideration for 47% of the fully-diluted membership interests therein. The remaining 53% membership interests in Tortas Frontera shall be held by Chef Rick Bayless and other shareholders. The transaction is subject to the fulfillment of agreed closing conditions.

Tortas Frontera, with headquarters in Chicago, Illinois, currently has 4 restaurants in the United States – three in Chicago O'Hare International Airport and one at The Arc in the University of Pennsylvania. The Tortas Frontera restaurants use high-quality ingredients with recipes capturing the vibrant flavors of Mexico. It offers mainly tortas (griddle-baked Mexican sandwiches with a variety of fillings such as beer-braised beef short ribs, chipotle chicken, garlicky shrimp and goat cheese) and molletes (warm, open-faced sandwiches). They also feature a guacamole bar with freshly made guacamole and the customer's choice of toppings.

Chef Rick Bayless, aside from winning numerous James Beard Awards, is the author of nine cookbooks, which have earned recognition as the Julia Child IACP Cookbook of the Year Award, James Beard International Cookbook of the Year and a position on the New York Times Bestseller list. The Government of Mexico bestowed on Chef Bayless the Mexican Order of the Aztec Eagle–the highest decoration bestowed on foreigners whose work has benefitted Mexico and its people. In 2016, he was the second recipient of the prestigious Julia Child Foundation Award, an honor given to “an individual who has made a profound and significant impact on the way America cooks, eats and drinks.” His highly rated Public Television series, Mexico–One Plate at a Time, is broadcast coast-to-coast and has earned him multiple Daytime Emmy nominations.

Jollibee Foods Corporation, with 4,279 stores worldwide as of June 30, 2018, has been growing strongly with system-wide sales increase of 23.2% in the first half of 2018 and net income growth of 16.1% in the same period versus year ago. Excluding the impact of the consolidation of Smashburger (85% owned by JFC effective April 17, 2018) sales grew by 18.7%. JFC’s North America business accounted for 14.6% of its global system wide sales, growing organically (without the acquisition of Smashburger) by 23.6%. JFC had a total of 436 stores in North America as of June 30, 2018 comprised of 349 Smashburger, 37 Jollibee US, 3 Jollibee Canada, 32 Red Ribbon, and 15 Chowking.

JFC operates the largest food service network in the Philippines. As at June 30, 2018, it was operating 2,957 restaurant outlets in the country: Jollibee brand 1,094, Chowking 542, Greenwich 277, Red Ribbon 434, Mang Inasal 514 and Burger King 96. Abroad, it was operating 1,322 stores: Yonghe King (China) 315, Hong Zhuang Yuan (China) 42, Dunkin’ Donuts (China) 15, Jollibee 213 (Vietnam 102, Brunei 16, Hong Kong 8, Singapore 5, Macau 1, United States 37, Canada 3, Saudi Arabia 13, UAE 12, Qatar 7, Kuwait 6, Bahrain 1, Oman 1, Italy 1), Red Ribbon in the US 32, Chowking 47 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 269 (Vietnam 234, and Philippines 35), PHO24 32 (Vietnam 16, Indonesia 16), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3); and, Smashburger 349. The JFC Group’s worldwide store network reached 4,279 stores.

~~~~~~
~~~~~~

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

109272018000588

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Edmundo Guia
Receiving Branch : SEC Head Office
Receipt Date and Time : September 27, 2018 11:10:25 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	109272018000588
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	September 27, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7	7	4	8	7					

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING

10 F. ORTIGAS JR. AVENUE

ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

JFC and Panda Restaurant Group, Inc.
to bring PANDA EXPRESS to the Philippines

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release

JFC and Panda Restaurant Group, Inc.
to bring PANDA EXPRESS to the Philippines
(Form Type)

____
Amendment Designation (If applicable)

____
(Secondary License Type and File Number)

____
Cashier

____
LCU

____
DTU

77487
S.E.C REG. No.

____
Central Receiving Unit

____
File Number

____
Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **September 27, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,087,012,031**
Treasury Shares:	
Common	**16,447,340**

***Note**: Total common outstanding shares of 1,087,012,031 is inclusive of 1,342,175 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated September 25, 2018)	715,745
Shares applied for listing	-
Ending balance, as of September 27, 2018	715,745
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated September 25, 2018)	626,430
Shares applied for listing	-
Ending balance, as of September 27, 2018	626,430
TOTAL	1,342,175

11. Other Events

JFC GROUP OF COMPANIES

JFC and Panda Restaurant Group, Inc. to bring PANDA EXPRESS to the Philippines

Metro Manila, Philippines, September 27, 2018 - Jollibee Foods Corporation (PSE: JFC)

Jollibee Foods Corporation (JFC), the largest Asian food service company, and Panda Restaurant Group, Inc. ("Panda"), America's largest family-owned and operated Chinese American restaurant concept, announced the establishment of a 50/50 joint venture to bring Panda Express restaurants to the Philippines. In its initial phase, the two industry leaders intend to focus on developing five stores in Metro Manila.

With proven track records in providing great tasting food at a great value, JFC and Panda join hands to introduce American Chinese food, a globally-influenced cuisine inspired by authentic Chinese culinary principles, to the Philippines. The two restaurant giants aim to deliver exceptional dining experiences through their shared foundation and commitment to their dedicated employees, loyal guests, and great operations.

"We feel fortunate to be partnering with a company that has a history of growing and adding significant value to its new businesses," said Andrew Cherng, Co-founder and Co-CEO of Panda. "We look forward to tapping into JFC's market expertise to grow the Panda Express brand into a household name in the Philippines and, more importantly, actioning our shared value of inspiring people to better their lives."

JFC Chairman Mr. Tony Tan Caktiong stated, "We are thrilled about this relationship between Panda and JFC. Starting from a single restaurant in a California mall to becoming a restaurant chain of over 2,100 stores, Panda Express is a strong brand with a growing global footprint. Very much in line with JFC's brand portfolio, it has excellent tasting dishes at reasonable price points. Long-term, Panda Express has a high potential for broad acceptance across the country."

About Jollibee Foods Corporation

JFC operates the largest food service network in the Philippines. As of August 31, 2018, it was operating 2,988 restaurant outlets in the country: Jollibee brand 1,103, Chowking 547, Greenwich 279, Red Ribbon 443, Mang Inasal 517, Burger King 98 and PHO24 1. Abroad, JFC operates 1,336 stores: Yonghe King (China) 311, Hong Zhuang Yuan (China) 41, Dunkin' Donuts (China) 15, Jollibee 220 (Vietnam 105, Brunei 16, Hong Kong 8, Singapore 6, Macau 1, United States 37, Canada 4, Saudi Arabia 13, UAE 14, Qatar 7, Kuwait 6, Bahrain 1, Oman 1, Italy 1), Red Ribbon in the US 32, Chowking 47 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 282 (Vietnam 244, and Philippines 38), PHO24 32 (Vietnam 16, Indonesia 16), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3); and, Smashburger 348. The JFC Group's worldwide store network expands over more than 4,324 stores.

About Panda Express

Panda Express, America's favorite Chinese kitchen, is best known for its wide variety of original recipes including its Original Orange Chicken™, SweetFire Chicken Breast®, award-winning Honey Walnut Shrimp™ and Shanghai Angus Steak™. Founded in 1983 and now with more than 2,100 locations throughout the U.S., Puerto Rico, Guam, Guatemala, El Salvador, Aruba, Canada, Mexico, Dubai, Saudi Arabia, Korea, Japan, and Russia, Panda Express is part of the family owned and operated Panda Restaurant Group, the world leader in Asian dining experiences that also includes Panda Inn and Hibachi-San. For more information, visit pandaexpress.com, or follow them on Facebook, Twitter or Instagram.

~~~~~~
~~~~~~

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

110162018002958

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page
The following document has been received:

Receiving Officer/Encoder : Edmundo Guia
Receiving Branch : SEC Head Office
Receipt Date and Time : October 16, 2018 04:05:17 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	110162018002958
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 15, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E F O O D S C O R P O R A T I O N

D o i n g b u s i n e s s u n d e r t h e n a m e

a n d s t y l e o f J o l l i b e e

(Company's Full Name)

10/F J O L L I B E E P L A Z A B U I L D I N G

10 F. O R T I G A S J R . A V E N U E

O R T I G A S C E N T E R , P A S I G C I T Y

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Amendment to Amended Articles of Incorporation

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

Amendments to Amended Articles of Incorporation
(Form Type)

____
Amendment Designation (If applicable)

____
(Secondary License Type and File Number)

____
Cashier

____
LCU

____
DTU

77487
S.E.C REG. No.

____
Central Receiving Unit

____
File Number

____
Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **October 15, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   doing business under the name and style of Jollibee
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,088,019,181**
Treasury Shares:	
Common	**16,447,340**

***Note**: Total common outstanding shares of 1,088,019,181 is inclusive of 2,244,091 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated October 9, 2018)	1,134,328
Shares applied for listing	-
Ending balance, as of October 15, 2018	1,134,328
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated October 9, 2018)	1,109,763
Shares applied for listing	-
Ending balance, as of October 15, 2018	1,109,763
TOTAL	2,244,091

11. Other Events

Please see attached as Annex A, the Corporation's disclosure with the Philippine Stock Exchange dated October 15, 2018.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

C06884-2018

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. Date of Report (Date of earliest event reported)
   Oct 15, 2018
2. SEC Identification Number
   77487
3. BIR Tax Identification No.
   000-388-771
4. Exact name of issuer as specified in its charter
   JOLLIBEE FOODS CORPORATION
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue Ortigas Center, Pasig City
   Postal Code
   1605
8. Issuer's telephone number, including area code
   (632) 634-1111
9. Former name or former address, if changed since last report
   N/A
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	1,088,019,181
Treasury	16,447,340

11. Indicate the item numbers reported herein
    -

Jollibee Foods Corporation

JFC

PSE Disclosure Form 4-3 - Amendments to Articles of Incorporation
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Results of the 2018 Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

Background/Description of the Disclosure

Amendment to the Articles of Incorporation

Date of Approval by Board of Directors	Jun 29, 2018
Date of Approval by Stockholders	Jun 29, 2018
Other Relevant Regulatory Agency, if applicable	-
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Date of Approval by Securities and Exchange Commission	Oct 12, 2018
Date of Receipt of SEC approval	Oct 15, 2018

Amendment(s)

Article No.	From	To
Title	Jollibee Foods Corporation	Jollibee Foods Corporation Doing business under the name and style of 'Jollibee'
Article First	That the name of the said corporation shall be: JOLLIBEE FOODS CORPORATION	That the name of the said corporation shall be: JOLLIBEE FOODS CORPORATION Doing business under the name and style of 'Jollibee'

Rationale for the amendment(s)

Pursuant to SEC Memorandum Circular No. 21, Series of 2013 (Omnibus Guidelines and Procedures on the Use of Corporate and Partnership Names).

The timetable for the effectivity of the amendment(s)

Expected date of filing the amendments to the Articles of Incorporation with the SEC	Oct 4, 2018
Expected date of SEC approval of the Amended Articles of Incorporation	Oct 15, 2018

Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any

None.

Other Relevant Information

The Securities and Exchange Commission has approved the amendments to the Title and Article First of the Corporation's Amended Articles of Incorporation. Please see attached for the approved Amended Articles of Incorporation of the Corporation.

Filed on behalf by:

Name	VALERIE AMANTE
Designation	VICE-PRESIDENT

110162018002842

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931 to 39 Fax:(632)725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Edmundo Guia
Receiving Branch : SEC Head Office
Receipt Date and Time : October 16, 2018 03:58:14 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORP.
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	110162018002842
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 15, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION

Doing business under the name

and style of Jollibee

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING

10 F. ORTIGAS JR. AVENUE

ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Amendment to Amended By-Laws

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

Amendments to Amended By-Laws
(Form Type)

____
Amendment Designation (If applicable)

____
(Secondary License Type and File Number)

____
Cashier

____
LCU

____
DTU

77487
S.E.C REG. No.

____
Central Receiving Unit

____
File Number

____
Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **October 15, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   doing business under the name and style of Jollibee
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,088,019,181**
Treasury Shares:	
Common	**16,447,340**

***Note**: Total common outstanding shares of 1,088,019,181 is inclusive of 2,244,091 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated October 9, 2018)	1,134,328
Shares applied for listing	-
Ending balance, as of October 15, 2018	1,134,328
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated October 9, 2018)	1,109,763
Shares applied for listing	-
Ending balance, as of October 15, 2018	1,109,763
TOTAL	2,244,091

11. Other Events

Please see attached as Annex A, the Corporation's disclosure with the Philippine Stock Exchange dated October 15, 2018.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

C06885-2018

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. Date of Report (Date of earliest event reported)
   Oct 15, 2018
2. SEC Identification Number
   77487
3. BIR Tax Identification No.
   000-388-771
4. Exact name of issuer as specified in its charter
   JOLLIBEE FOODS CORPORATION
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue Ortigas Center, Pasig City
   Postal Code
   1605
8. Issuer's telephone number, including area code
   (632) 634-1111
9. Former name or former address, if changed since last report
   N/A
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	1,088,019,181
Treasury	16,447,340

11. Indicate the item numbers reported herein
   -

Jollibee Foods Corporation

JFC

PSE Disclosure Form 4-4 - Amendments to By-Laws

References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Results of the 2018 Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

Background/Description of the Disclosure

Amendment to By-laws.

Date of Approval by Board of Directors	Jun 29, 2018
Date of Approval by Stockholders	N/A
Other Relevant Regulatory Agency, if applicable	-
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Date of Approval by Securities and Exchange Commission	Oct 12, 2018
Date of Receipt of SEC approval	Oct 15, 2018

Amendment(s)

Article and Section Nos.	From	To
Title	Please see attachment.	Please see attachment.
Article I	Please see attachment.	Please see attachment.
Article III, Section 1	Please see attachment.	Please see attachment.
Article III, Section 4	Please see attachment.	Please see attachment.
Article IV, Section 5	Please see attachment.	Please see attachment.
Article IV, Section 6 (new section, renumbering of other sections)	Please see attachment.	Please see attachment.

Rationale for the amendment(s)

Amendment of the by-law provisions to update its provisions pursuant to various issuances of the Securities and Exchange Commission.

The timetable for the effectivity of the amendment(s)

Expected date of filing the amendments to the By-Laws with the SEC	Oct 4, 2018
Expected date of SEC approval of the Amended By-Laws	Oct 15, 2018

Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any

None.

Other Relevant Information

The Securities and Exchange Commission has approved the above mentioned amendments to the Corporation's By-Laws. Please see attached for the approved Amended By-Laws of the Corporation.

Filed on behalf by:

Name	VALERIE AMANTE
Designation	VICE-PRESIDENT

111132018000710

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931 to 39 Fax:(632)725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : November 13, 2018 11:16:52 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS C(RPORATION DOING BUSINESS UNDE-R THE NAME AND S YLE OF JOLLIBEE
Industry Classification	Miscellaneous Busine is Activities
Company Type	Stock Corporation

Document Information

Document ID	111132018000710
Document Type	17-C (FORM 11-C:CU RENT DISCL/RPT)
Document Code	17-C
Period Covered	November 12, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E F O O D S C O R P O R A T I O N
D O I N G B U S I N E S S U N D E R T H E N A M E
A N D S T Y L E O F J O L L I B E E

(Company's Full Name)

10/F J O L L I B E E P L A Z A B U I L D I N G
10 F. O R T I G A S J R . A V E N U E
O R T I G A S C E N T E R , P A S I G C I T Y

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 loc. 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Press Release: 2018 3rd Quarter Financial Results

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
2018 3rd Quarter Financial Results
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **November 12, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   doing business under the name and style of Jollibee
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock & warrants outstanding
Common	**1,088,036,681**
Treasury Shares:	
Common	**16,447,340**

***Note**: Total common outstanding shares of 1,088,036,681 is inclusive of 2,031,621 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated November 9, 2018)	975,191
Shares applied for listing	-
Ending balance, as of November 11, 2018	975,191
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated November 9, 2018)	1,056,430
Shares applied for listing	-
Ending balance, as of November 11, 2018	1,056,430
TOTAL	2,031,621

11. Other Events

Please see attached Press release re: 2018 3rd Quarter Financial Results

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

THE JFC GROUP OF COMPANIES
JFC Nine Month Sales Up 24%, Profit by 19%

Metro Manila, Philippines, November 12, 2018 – *Jollibee Foods Corporation* (PSE: JFC) – **Financial Results for the Third Quarter and Nine Months ended September 30, 2018**

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the third quarter and nine months ended September 30, 2018 based on its Unaudited Consolidated Financial Statements:

Financial Summary	Quarter 3			YTD September		
	2018	2017	% Change	2018	2017	% Change
System Wide Retail Sales	**53,270**	42,301	25.9%	**153,179**	123,379	24.2%
Revenues	**39,747**	32,671	21.7%	**114,843**	94,513	21.5%
Net Income Attributable to Equity Holders of the Parent Company	**2,035**	1,616	25.9%	**6,086**	5,106	19.2%
Earnings Per Common Share - Basic	**1.872**	1.494	25.3%	**5.600**	4.731	18.4%
Earnings Per Common Share - Diluted	**1.842**	1.477	24.7%	**5.510**	4.670	18.0%

In Php millions except Earnings Per Share data

The system wide sales of Jollibee Foods Corporation (JFC), the largest Asian food service company grew by 25.9% in the third quarter of 2018 compared to the third quarter of 2017 and by 24.2% in the first nine months of 2018 versus the same period last year driven by strong same store sales growth and expansion of its store network. System wide sales measure sales to consumers, both from company-owned and franchised stores. Revenues grew by 21.7% and 21.5% for the third quarter and for the first nine months of 2018, respectively.

Excluding the impact of the consolidation of Smashburger which took effect on April 17, 2018, system wide sales grew by 15.9% for the third quarter of 2018 driven by new stores which contributed 8.6%, 6.2% same store sales growth and 1.1% impact of change in foreign exchange rates. System wide sales grew by 17.7% for the nine months of 2018 without Smashburger.

System wide sales grew strongly in the third quarter of 2018 led by the North America business which grew by 218.0% due to the consolidation of Smashburger (30.3% ex-Smashburger). Europe, Middle East and Asia ex-Philippines (EMEAA) business rose by 32.3%, China business by 5.2% and the Philippine business by 15.0%. System wide sales growth of the foreign business accelerated to 61.5%. Excluding Smashburger, system wide sales of the foreign business for the third quarter of 2018 grew by 19.0%. Growth in the Philippine business which accounts for 70% of JFC's worldwide system wide sales was driven by 7.0% same store sales growth and 8.0% contribution from new stores.

11/12/2018

Operating income for the first nine months increased by 11.1%, less than the 21.5% growth in revenues as cost of sales rose faster than revenues mainly due to rising inflation rate in the Philippines and consolidation of losses from Smashburger. General and administrative expenses, advertising expenses and income taxes - current grew at a slower rate than revenues. Gains from foreign exchange rate changes on financial instruments also improved net income. Net income attributable to equity holders of the parent company for the third quarter of 2018 increased by 25.9% to Php2.04 billion compared to the same quarter of 2017 and by 19.2% for the first nine months compared to the same period a year ago. Earnings per share for the same period grew by 18.4%.

Jollibee Foods Corporation Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: "Sales grew strongly in most regions in the world including the Philippines. We are encouraged particularly by the strong performance of Jollibee and Highlands Coffee in the Socialist Republic of Vietnam which have been growing by 35% driven by high same store sales and the opening of 73 new stores in the first nine months of the year with strong return on investments. We look forward to the recovery of profit margins in the Philippines in 2019 and the significant improvement in the profit performance of our new businesses in the next one to two years - in line with JFC's system of management and historical performance in episodes of high inflation rate and in acquisitions of new businesses."

The JFC Group opened 302 stores in the nine months of 2018 (177 in the Philippines and 125 abroad). The rate of opening was 14.0% higher than the 265 new stores opened in the same period in 2017. The total store network of JFC as of September 30, 2018 was higher by 19.5% compared to a year ago, or 9.9% if the acquisition of Smashburger were excluded. The rate of 9.9% was the highest organic growth rate of JFC's store network in the past 10 years. In the Philippines, the organic growth of store network was 9.0%, also the highest in at least 10 years. Its global store network stood at 4,353 as of September 30, 2018.

JFC through its brand Jollibee has been entering new markets in 2018: Italy (Milan) in April, Macau in June and United Kingdom (London) in October. It plans to enter Malaysia and Guam in 2018 - 2019 with the Jollibee brand.

On November 9, 2018, Jollibee Foods Corporation declared a cash dividend of Php1.34 per share, 13.6% higher than the cash dividend declared in the same period in 2017. This brought the total cash dividend declared in 2018 to Php2.48 per share, 13.8% higher than in 2017. JFC declares regular cash dividends that translate to 33.3% of its net income attributable to equity holders of the parent, in line with its policy.

JFC operates the largest food service network in the Philippines. As at September 30, 2018, it was operating 3,003 restaurant outlets in the country: Jollibee brand 1,110, Chowking 551, Greenwich 279, Red Ribbon 446, Mang Inasal 518, Burger King 98 and PHO24 1. Abroad, it was operating 1,350 stores: Yonghe King (China) 314, Hong Zhuang Yuan (China) 42, Dunkin' Donuts (China) 14, Jollibee 222 (Vietnam 107, Brunei 16, Hong Kong 8, Singapore 6, Macau 1, United States 37, Canada 4, Saudi Arabia 13, UAE 14, Qatar 7, Kuwait 6, Bahrain 1, Oman 1, Italy 1), Red Ribbon in the US 32, Chowking 47 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 291 (Vietnam 253, and Philippines 38), PHO24 33 (Vietnam 17, Indonesia 16), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3); and, Smashburger 347. The JFC Group's worldwide store network reached 4,353 stores.

112052018000315

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page
The following document has been received:

Receiving Officer/Encoder : Ramon L. Legaspi
Receiving Branch : SEC Head Office
Receipt Date and Time : December 05, 2018 10:16:10 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORPORATION DOING BUSINESS UNDE-R THE NAME AND STYLE OF JOLLIBEE
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	112052018000315
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	December 03, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E F O O D S C O R P O R A T I O N
D O I N G B U S I N E S S U N D E R T H E N A M E
A N D S T Y L E O F 'J O L L I B E E'

(Company's Full Name)

10/F J O L L I B E E P L A Z A B U I L D I N G
10 F. O R T I G A S J R . A V E N U E
O R T I G A S C E N T E R , P A S I G C I T Y

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 local 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Appointment of Chief Human Resources Officer

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C
Appointment of Chief Human Resources Officer
(Form Type)

____
Amendment Designation (If applicable)

____
(Secondary License Type and File Number)

____
Cashier

____
LCU

____
DTU

77487
S.E.C REG. No.

____
Central Receiving Unit

____
File Number

____
Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **December 3, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   doing business under the name and style of Jollibee
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code [ ] (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,088,041,482**
Treasury Shares:	
Common	**16,447,340**

Note *Total common outstanding shares of 1,088,041,482 is inclusive of 1,937,754 shares entrusted with Deutsche Regis Partners, Inc. with the following details*

MSOP Shares	
Beginning balance (per SEC Form 17-C dated November 28, 2018)	961,690
Shares applied for listing	(80,366)
Ending balance, as of November 29, 2018	881,374
ELTIP Shares	
Beginning Balance (per SEC Form 17-C dated November 28, 2018)	1,056,430
Shares applied for listing	-
Ending balance, as of November 29, 2018	1,056,430
TOTAL	1,937,754

11. Item 4

Please see attached filed Philippine Stock Exchange ("PSE") Disclosure Form 4-8 - Change in Directors and/or Officers (Resignation/Removal or Appointment/Election) dated December 3, 2018 announcing the appointment of Mr. Arsenio Sabado as Jollibee Foods Corporation's new Chief Human Resources Officer, effective December 3, 2018.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

C08032-2018

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. Date of Report (Date of earliest event reported)
   Dec 3, 2018
2. SEC Identification Number
   77487
3. BIR Tax Identification No.
   000-388-771
4. Exact name of issuer as specified in its charter
   JOLLIBEE FOODS CORPORATION
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue Ortigas Center, Pasig City
   Postal Code
   1807
8. Issuer's telephone number, including area code
   (632) 634-1111
9. Former name or former address, if changed since last report
   N/A
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	1,088,041,482
Treasury	16,447,340

11. Indicate the item numbers reported herein
    Item 4

Jollibee Foods Corporation

JFC

PSE Disclosure Form 4-8 - Change in Directors and/or Officers (Resignation/Removal or Appointment/Election)
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Appointment of Chief Human Resources Officer

Background/Description of the Disclosure

The Board of Directors disclosed today the approval of the appointment of Mr. Arsenio Sabado as Chief Human Resources Officer of the Company, effective December 3, 2018.

Resignation/Removal or Replacement

Name of Person	Position/Designation	Effective Date of Resignation/Cessation of term (mmm/dd/yyyy)	Reason(s) for Resignation/Cessation
-	-	-	-

Election or Appointment

Name of Person	Position/Designation	Date of Appointment/Election (mmm/dd/yyyy)	Effective Date of Appointment Election (mmm/dd/yyyy)	Shareholdings in the Listed Company		Nature of Indirect Ownership
				Direct	Indirect	
Mr. Arsenio Sabado	Chief Human Resources Officer	12/03/2018	12/03/18	-	-	-

Promotion or Change in Designation

Name of Person	Position/Designation		Date of Approval (mmm/dd/yyyy)	Effective Date of Change (mmm/dd/yyyy)	Shareholdings in the Listed Company		Nature of Indirect Ownership
	From	To			Direct	Indirect	
-	-	-	-	-	-	-	-

Other Relevant Information

Mr. Sabado is hired from outside of the Company and spent 25 years in the human resources function of multinational companies here and abroad.

Mr. Sabado is a graduate of the University of the Philippines with a bachelor's degree in Industrial Engineering.

Filed on behalf by:

Name	VALERIE AMANTE
Designation	VICE-PRESIDENT

112172018001148

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931 to 39 Fax:(632)725-5293 Email: mis@sec.gov.ph

Barcode Page
The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : December 17, 2018 03:09:05 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORPORATION DOING BUSINESS UNDE-R THE NAME AND STYLE OF JOLLIBEE
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	112172018001148
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	December 14, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF 'JOLLIBEE'

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING 10 F. ORTIGAS JR. AVENUE ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong

Contact Person

(632) 634-1111 local 7817

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

JFC Takes 100% Ownership of Smashburger, Sees Expansion of US Business

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

17C Press Release
JFC Takes 100% Ownership of Smashburger, Sees Expansion of US Business
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **December 14, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   doing business under the name and style of Jollibee
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code [ ] (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock & warrants outstanding
Common	**1,088,041,482**
Treasury Shares:	**16,447,340**

Note: *Total common outstanding shares of 1,088,041,482 is inclusive of 1,782,817 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated December 13, 2018)	769,441
Shares applied for listing	-
Ending balance, as of December 14, 2018	769,441
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated December 13, 2018)	1,013,376
Shares applied for listing	-
Ending balance, as of December 14, 2018	1,013,376
TOTAL	1,782,817

11. Other Events

JFC Group of Companies
JFC Takes 100% Ownership of Smashburger, Sees Expansion of US Business

Denver, USA, December 13, 2018/ Metro Manila, Philippines, December 14, 2018 – Jollibee Foods Corporation (PSE: JFC)

Jollibee Foods Corporation ("JFC"), the largest Asian food service company, disclosed today that JFC, through its wholly-owned subsidiary Bee Good! Inc. ("BGI"), has acquired Smashburger Master LLC's ("Master") 15% stake in SJBF LLC, the parent company of the entities comprising the Smashburger® business for USD 10 million. JFC paid Master through BGI in cash. JFC is now the sole owner of the Smashburger® business.

Jollibee Foods Corporation also disclosed that it will inject more capital into the Smashburger business by converting USD 80 million loan held by Bee Good!, Inc. on Smashburger into equity before the end of 2018 in order to strongly support its growth in 2019 and in the years ahead.

In a related development, Mr. Thomas C. Ryan, the creator of the Smashburger brand, one of the founders of the Smashburger business and its current Chief Executive Officer assumes greater responsibility by being appointed as JFC Group's Chief Product Development Advisor effective immediately. He remains as Smashburger's Chief Executive Officer. Mr. Ryan is a food scientist by training with Bachelor, Masters and Doctoral degrees in Flavors and Fragrance Chemistry from the Michigan State University. He has extensive experience in food product, concept and marketing development in various food and food service companies that included Procter & Gamble, Pillsbury and Pizza Hut. He worked with McDonalds in various capacities in Menu Development and as its Worldwide Chief Concept Officer and Chief Marketing Officer. He joined Quiznos in 2005 and together with partners, founded Smashburger in 2007.

JFC Chairman, Mr. Tony Tan Caktiong gave the following statement: "We look forward to the development of Smashburger into a very strong brand and business in the United States. It has excellent products created mostly by Mr. Tom Ryan. We also look forward to his helping JFC in his role as Chief Product Development Advisor make our products even better and more exciting! Our consumers including those in the Philippines and other parts of Asia and the world will surely be delighted!"

Jollibee Foods Corporation also disclosed that Mr. Jose A. Minana, currently JFC Country Head for North America will assume additional responsibility as President of Smashburger. Among his key objectives will be to introduce JFC's business management systems into Smashburger and prepare it for a strong sustained growth in the United States. Mr. Minana, prior to assuming the responsibility for JFC's business in North America which included Jollibee, Red Ribbon and Chowking held various leadership positions in JFC. He was head of Jollibee Philippines, group president for Mang Inasal, Burger King, and Jollibee Vietnam and group head for JFC's Network Development, among other responsibilities. He has a Bachelor of Science Degree in Industrial Engineering from De La Salle University, Master of Business Administration Degree from the Asian Institute of Management and attended the Advanced Management Program at Harvard Business School.

JFC Chief Executive Officer, Mr. Ernesto Tanmantiong gave the following statement: "We look forward to replicating in Smashburger the significant brand and business development that JFC achieved in practically all its new and acquired businesses in the Philippines, China, Vietnam and other countries through the introduction of JFC's business methods. We are preparing for even stronger growth in the United States with higher rate of store expansion led first by Jollibee starting in 2019 and by other brands in succeeding years. We are building the organization structure and systems to make this happen. Most of all, we are confident that our people in Smashburger, Jollibee, Red Ribbon and Chowking in North America have the talent, passion and dedication to build a significant business there that truly brings the joy of eating to our consumers!"

Smashburger has 351 stores, mostly in the United States and has presence in Canada, Costa Rica, Egypt, El Salvador, Kuwait, Panama, Saudi Arabia and the United Kingdom. It accounts for 7% of JFC's consolidated system wide sales. JFC's North America business has 435 stores in total accounting for 12% of JFC's worldwide system wide sales.

The JFC Group's worldwide system-wide sales for the first nine months of 2018 grew by 17.7% organically (24.2% including the acquisition of Smashburger) driven by 7% same store sales growth and 9% store network expansion.

JFC operates the largest food service network in the Philippines. As at November 30, 2018, it was operating 3,079 restaurant outlets in the country: Jollibee brand 1,134, Chowking 566, Greenwich 282, Red Ribbon 457, Mang Inasal 539, Burger King 100 and PHO24 1. Abroad, it was operating 1,378 stores: Yonghe King (China) 315, Hong Zhuang Yuan (China) 43, Dunkin' Donuts (China) 14, Jollibee 229 (Vietnam 113, Brunei 16, Hong Kong 8, Singapore 6, Macau 1, United States 37, Canada 4, Saudi Arabia 13, UAE 14, Qatar 7, Kuwait 6, Bahrain 1, Oman 1, Italy 1, United Kingdom 1), Red Ribbon in the US 31, Chowking 47 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 306 (Vietnam 265, and Philippines 41), PHO24 34 (Vietnam 18, Indonesia 16), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3); and, Smashburger 351. The JFC Group's worldwide store network reached 4,457 stores.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer

VALERIE F. AMANTE
Vice President and Head - Corporate Legal
Corporate Information Officer

112272018000356

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Buen Jose Mose - COS
Receiving Branch : SEC Head Office
Receipt Date and Time : December 27, 2018 09:12:15 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000077487
Company Name	JOLLIBEE FOODS CORPORATION DOING BUSINESS UNDE-R THE NAME AND STYLE OF JOLLIBEE
Industry Classification	Miscellaneous Business Activities
Company Type	Stock Corporation

Document Information

Document ID	112272018000356
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	December 21, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

77487

S.E.C. Registration Number

JOLLIBEE FOODS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF 'JOLLIBEE'

(Company's Full Name)

10/F JOLLIBEE PLAZA BUILDING 10 F. ORTIGAS JR. AVENUE ORTIGAS CENTER, PASIG CITY

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

Atty. Angeline L. Chong	(632) 634-1111 local 7817
Contact Person	Company Telephone Number

31-Dec	Any Day in June
Month Day Year	Month Day Year
Fiscal Year	Annual Meeting

JFC Partners with Award-Winning Chef to Build Mexican Restaurant Business in U.S.

Amended - 17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Jollibee Foods
CORPORATION

COVER SHEET

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Company's Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company's Address)

(632) 634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Any day in the month of June
(Annual Meeting)

Amended 17C:
JFC Partners with Award-Winning Chef
to Build Mexican Restaurant Business in U.S.
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **December 21, 2018**

2. Commission identification number **77487**

3. BIR Tax Identification No. **000-388-771**

4. **JOLLIBEE FOODS CORPORATION**
   doing business under the name and style of Jollibee
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant's principal office
   1605
   Postal Code

8. **(632) 634-1111**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	**1,088,041,482**
Treasury Shares:	
Common	**16,447,340**

Note: *Total common outstanding shares of 1,088,041,482 is inclusive of 1,321,863 shares entrusted with Deutsche Regis Partners, Inc. with the following details:*

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated December 14, 2018)	769,441
Shares applied for listing	(240,954)
Ending balance, as of December 21, 2018	528,487
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated December 14, 2018)	1,013,376
Shares applied for listing	(220,000)
Ending balance, as of December 21, 2018	793,376
TOTAL	1,321,863

11. Other Events

Please see attached amended Philippine Stock Exchange ("PSE") Form 4-2 (Acquisition/Disposition of Another Corporation) as disclosed on December 21, 2018. The disclosure to the PSE was made to update the public that the Tortas Frontera transaction has closed.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

VALERIE F. AMANTE
Vice-President and Head, Corporate Legal
& Corporate Information Officer

C08535-2018

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. Date of Report (Date of earliest event reported)
   Dec 21, 2018
2. SEC Identification Number
   77487
3. BIR Tax Identification No.
   000-388-771
4. Exact name of issuer as specified in its charter
   JOLLIBEE FOODS CORPORATION
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue Ortigas Center, Pasig City
   Postal Code
   1807
8. Issuer's telephone number, including area code
   (632) 634-1111
9. Former name or former address, if changed since last report
   N/A
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	1,088,041,482
TREASURY	16,447,340

11. Indicate the item numbers reported herein
    Item 9. Other Events

Jollibee

Jollibee Foods Corporation

JFC

PSE Disclosure Form 4-2 - Acquisition/Disposition of Shares of Another Corporation

References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

JFC Partners with Award-Winning Chef to Build Mexican Restaurant Business in U.S.

Background/Description of the Disclosure

The Company, through its wholly-owned subsidiary Jollibee Foods Corporation (USA), entered into a business venture with award-winning Chef Rick Bayless to build a Mexican fast-casual restaurant business in the United States.

On December 21, 2018, the Company closed this transaction.

Date of Approval by Board of Directors	Sep 7, 2018

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

This partnership is in line with the JFC group's strategy to continue building its business abroad and expanding its presence in North America.

Together with the organization built by Chef Rick Bayless and the brand Tortas Frontera, JFC will build a significant business in the large and fast-growing Mexican food category in the United States. This venture is very much in line with JFC's mission: to serve great tasting food and spread the joy of eating to everyone!

Mexican food is a rapidly-growing and very popular segment in the United States restaurant industry with estimated sales of US$ 40-45 billion in 2017.

Details of the acquisition or disposition

Date	Sep 7, 2018

Manner

This partnership shall be formalized through an investment by JFC of US$12.4 Million in Tortas Frontera LLC ("Tortas Frontera"), which owns the Tortas Frontera business founded by Chef Bayless, in consideration for 47% of the fully-diluted membership interests therein. The remaining 53% membership interests in Tortas Frontera shall be held by Chef Rick Bayless and other shareholders.

Description of the company to be acquired or sold

Tortas Frontera serves Mexican food in the USA and was founded by award-winning Chef Rick Bayless.

Tortas Frontera, with headquarters in Chicago, Illinois, currently has 4 restaurants in the United States – three in Chicago O'Hare International Airport and one at The Arc in the University of Pennsylvania. The Tortas Frontera restaurants use high-quality ingredients with recipes capturing the vibrant flavors of Mexico. It offers mainly tortas (griddle-baked Mexican sandwiches with a variety of fillings such as beer-braised beef short ribs, chipotle chicken, garlicky shrimp and goat cheese) and molletes (warm, open-faced sandwiches). They also feature a guacamole bar with freshly made guacamole and the customer's choice of toppings.

The terms and conditions of the transaction

Number of shares to be acquired or disposed	7,650,666
Percentage to the total outstanding shares of the company subject of the transaction	47
Price per share	US$1.62/share

Nature and amount of consideration given or received

JFC shall pay a total consideration of US$12.4 Million for 47% of the fully-diluted membership interests in Tortas Frontera.

Principle followed in determining the amount of consideration

This is a negotiated price mutually agreed upon by the parties.

Terms of payment

JFC will fund the total consideration through available cash.

Conditions precedent to closing of the transaction, if any

The transaction has closed.

Any other salient terms

None.

Identity of the person(s) from whom the shares were acquired or to whom they were sold

Name	Nature of any material relationship with the Issuer, their directors/ officers, or any of their affiliates
Tortas Frontera LLC and some of its shareholders	None

Effect(s) on the business, financial condition and operations of the Issuer, if any

This partnership is in line with the JFC group's strategy to continue building its business abroad and expanding its presence in North America. This partnership will build a significant business in the large and fast-growing Mexican food category in the United States.

Other Relevant Information

This disclosure is amended to update the public that on December 21, 2018, the transaction has closed.

Filed on behalf by:

Name	VALERIE AMANTE
Designation	VICE-PRESIDENT

CONSOLIDATED AFS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES** (the Jollibee Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2018, 2017 and 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2018, 2017 and 2016, has audited the consolidated financial statements of the Jollibee Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:

TONY TAN CAKTIONG
Chairman of the Board

ERNESTO TANMANTIONG
President and Chief Executive Officer

YSMAEL V. BAYSA
Chief Financial Officer

MARILOU N. SIBAYAN
Vice President and Comptroller - Worldwide

REPUBLIC OF THE PHILIPPINES)
CITY OF PASIG)S.S

Before me, a notary public in and for the city named above, personally appeared the following:

Name	Competent Evidence of Identity
~~Tony Tan Caktiong~~	~~SSS Number: 03-5003942-0~~
Ernesto Tanmantiong	SSS Number: 03-6292699-0
Ysmael V. Baysa	SSS Number: 03-4228219-1
Marilou N. Sibayan	SSS Number: 03-9964176-9

Who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took on oath before me as to such instrument.

Witness my hand and seal this APR 03 2019.

Doc. No. 318
Page No. 66
Book No. 4
Series of 2019

Vera Marie H. Bautista
Notary Public Pasig City

REPUBLIC OF THE PHILIPPINES)
PASIG CITY)S.S

Before me, a notary public in and for the city named above, personally appeared the following:

Name	Competent Evidence of Identity
Tony Tan Caktiong	Passport ID No. P3540198A, expiring on June 29, 2022

Who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took on oath before me as to such instrument.

Witness my hand and seal this APR 0 8 2019.

Doc. No. 188
Page No. 39
Book No. 20
Series of 2019

ATTY. JOHN EVAN BARON
NOTARY PUBLIC
UNTIL DECEMBER 31, 2019
ATTORNEY ROLL NO. 60622
PTR No. 3846305 PASIG CITY 2018
IBP No. 017272 RSM 2018
APPOINTMENT No. 22 (2018-2019)

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						7	7	4	8	7

COMPANY NAME

JOLLIBEE FOODS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF JOLLIBEE (FORMERLY JOLLIBEE FOODS CORPORATION) AND SUBSIDIARIES

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

10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
www.jollibee.com.ph	(02) 634 – 1111	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
3,023	Any day in the month of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Ysmael V. Baysa	yvb@jollibee.com.ph	688-7104	–

CONTACT PERSON's ADDRESS

10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

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

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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Jollibee Foods Corporation
Doing business under the name and style of Jollibee
(formerly Jollibee Foods Corporation) and Subsidiaries
10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue, Ortigas Center
Pasig City

Opinion

We have audited the consolidated financial statements of Jollibee Foods Corporation Doing business under the name and style of Jollibee (formerly Jollibee Foods Corporation) (the Parent Company) and its subsidiaries (the Jollibee Group), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Jollibee Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2018 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Accounting for Business Combination – Acquisition of SJBF LLC

On April 17, 2018, the Jollibee Group, through its wholly owned subsidiary, Bee Good! Inc., obtained 45% additional interest over SJBF LLC resulting in 85% controlling interest. The Jollibee Group recognized goodwill of ₱5,345.5 million and trademark and favourable leases of ₱10,782.4 million based on the purchase price allocation performed. We considered the accounting for this acquisition to be a key audit matter because it required significant amount of management judgment and estimation in identifying the underlying acquired assets and liabilities and in determining their fair values, specifically the acquired property and equipment, trademark and favourable leases.

The disclosures in relation to the acquisition of SJBF LLC are included in Notes 4 and 11 to the consolidated financial statements.

Audit Response

We evaluated the competence, capabilities and objectivity of the external appraiser who prepared the appraisal report for the property and equipment and the external valuation specialist who valued the trademark and favourable leases by considering their qualifications, relevant experience and reporting responsibilities. We involved our internal specialist in the review of the methodologies and assumptions used in arriving at the fair values of the property and equipment, trademark and favourable leases. We compared the key assumptions used such as the list prices and adjustment factors by reference to relevant market data for the valuation of property and equipment and favourable leases. We also compared the key assumptions in the valuation of trademark such as revenue growth rate, long-term growth rate and royalty rate by reference to existing contractual terms, historical trends and relevant external information. We tested the parameters used in determining the discount rate against market data. We reviewed the presentation and disclosures in the consolidated financial statements.

Recoverability of Goodwill and Trademarks with Indefinite Life

Goodwill and trademarks with indefinite life account for 27.2% of the Jollibee Group's consolidated total assets as at December 31, 2018. Goodwill relate to several cash generating units (CGUs) mainly from Jollibee Group's acquisitions in the Philippines, the People's Republic of China, Vietnam and the United States of America. Under Philippine Accounting Standard (PAS) 36, Impairment of Assets, the Jollibee Group is required to perform an annual impairment test on the amount of goodwill and trademarks with indefinite life. These annual impairment tests are significant to our audit because the amounts are material to the consolidated financial statements. In addition, the determination of the recoverable amount of the CGUs to which the goodwill belongs and the trademarks with indefinite life involves significant assumptions about the future results of business such as discount rates which are applied to the cash flow or net sales forecasts, long-term revenue growth rates, and earnings before interest, taxes, depreciation and amortization (EBITDA).

Refer to Notes 4 and 14 to the consolidated financial statements for the details on trademarks and goodwill and the assumptions used in the forecasts.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the recoverable amounts of the CGUs for goodwill and the trademarks with indefinite life. These assumptions include the discount rates, long-term revenue growth rates and EBITDA. We compared the forecasted long-term revenue growth rates, forecasted net sales and EBITDA against the historical data of the CGUs and inquired from management and operations personnel about the plans to support the forecast.

Furthermore, we tested the parameters used in the determination of discount rate against market data. We reviewed the weighted average cost of capital (WACC) used in the impairment test by comparing it with the WACC of comparable companies where the CGUs operate. We also reviewed the Jollibee Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and trademarks with indefinite life.

Provisions and Contingencies

The Jollibee Group is involved in litigations, claims and disputes which are normal to its business. This matter is significant to our audit because the estimation of the potential liability resulting from these litigations, claims and disputes requires significant management judgment. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and application of laws and rulings.

Refer to Notes 4 and 17 for the disclosures about provisions and Note 29 for the disclosures about contingencies of the Jollibee Group.

Audit Response

We involved our internal specialist in evaluating management's assessment on whether provisions on the contingencies should be recognized, and the estimation of such amount. We also discussed the status of the litigations, claims and disputes with management. In addition, we read correspondences with the relevant government agencies, obtained replies from third party legal counsels, and any relevant laws and rulings on similar matters. We evaluated the position of the Jollibee Group by considering the relevant laws, rulings and jurisprudence.

Recoverability of Deferred Income Tax Assets

The Parent Company and certain subsidiaries (foreign and local) have recognized deferred tax assets amounting to ₱4,842.8 million as at December 31, 2018. Of that amount, around 24.0% relates to net operating loss carryover and excess minimum corporate income tax over regular corporate income tax. Management estimated the recoverability of these deferred tax assets based on the forecasted taxable income taking into account the period in which they can be claimed in the Philippines, the People's Republic of China and the United States of America. The analysis of the recoverability of deferred tax assets is significant to our audit because the assessment process requires use of management judgment. It is also based on assumptions of future revenues and expenses as well as management's plans and strategies of the relevant taxable entities, including the Parent Company and certain subsidiaries.

Refer to Note 24 to the consolidated financial statements for the details of the deferred tax assets and Note 4 for the discussion of management's judgments and estimates.

Audit Response

We obtained an understanding of the Parent Company and its subsidiaries' deferred income tax calculation process and, together with our internal specialist, the applicable tax rules and regulations. We reviewed management's assessment on the availability of future taxable income in reference to financial forecasts and tax strategies. We evaluated management's forecast by comparing forecasts of future taxable income against approved budgets, historical performance of the relevant entities like past growth rates and with relevant external market information such as inflation. We also reviewed the timing of the reversal of future taxable and deductible temporary differences.

Adoption of PFRS 15, Revenue from Contracts with Customers

Effective January 1, 2018, the Jollibee Group adopted the new revenue recognition standard, PFRS 15, Revenue from Contracts with Customers, using the full retrospective method of adoption. The adoption of PFRS 15 resulted in significant changes in the Group's revenue recognition policies, process, and procedures. The adoption of PFRS 15 is significant to our audit because this involves application of significant management judgment and estimation in the following areas: (1) assessment whether all promises in the franchise agreement meet the definition of distinct performance obligations; (2) determination of the transaction price of the franchise agreement; (3) assessment of the timing of revenue recognition; and (4) presentation of the Jollibee Group's share in advertising expense arising from the franchise agreement.

The disclosures related to the adoption of PFRS 15 are included in Note 2 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Jollibee Group's process in implementing the new revenue recognition standard, including revenue streams identification and scoping. We reviewed the PFRS 15 adoption papers and accounting policies prepared by management. For significant revenue streams, we obtained sample contracts and reviewed whether the accounting policies considered the five-step model and cost requirements of PFRS 15.

In relation to franchise fees, we reviewed sample franchise contracts focusing on the identification of the performance obligations, determination of the transaction price, and the timing of revenue recognition. We reviewed management's assessment on whether the activities being performed prior to opening of franchise store are distinct performance obligations.

In relation to reimbursements of system-wide advertising fees arising from franchise agreements, we reviewed and checked management's assessment on whether the promises within these agreements meet the definition of distinct performance obligations. We also reviewed management's assessment in determining that the Jollibee Group is acting as a principal for the system-wide advertising fees stated in the franchise agreements and the presentation of these share in the system-wide advertising fees in the consolidated statement of comprehensive income. We test computed the transition adjustments and reviewed the disclosures on the adoption of PFRS 15 in notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2018, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2018 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jollibee Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Jollibee Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Jollibee Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Jollibee Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mariecris N. Barbaso.

SYCIP GORRES VELAYO & CO.

Mariecris N. Barbaso

Mariecris N. Barbaso
Partner
CPA Certificate No. 97101
SEC Accreditation No. 1513-AR-1 (Group A),
November 16, 2018, valid until November 15, 2021
Tax Identification No. 202-065-716
BIR Accreditation No. 08-001998-108-2018,
February 14, 2018, valid until February 13, 2021
PTR No. 7332526, January 3, 2019, Makati City

April 8, 2019

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
LARGE TAXPAYERS ASSISTANCE DIVISION
Date APR 10 2019
RECEIVED
KA ARON D. GAC TAN

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousand Pesos)

	December 31 2018	December 31 2017
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 30 and 31)	**₱23,285,915**	₱21,107,474
Short-term investments (Notes 6, 30 and 31)	**883,200**	1,413,400
Receivables and contract assets (Notes 7, 30 and 31)	**4,862,744**	3,941,073
Inventories (Note 8)	**8,812,174**	6,835,514
Other current assets (Notes 9 and 32)	**4,894,168**	4,031,459
Total Current Assets	**42,738,201**	37,328,920
Noncurrent Assets		
Financial assets at fair value through profit or loss (Notes 10, 30 and 31)	**39,842**	–
Available-for-sale financial assets (Notes 10, 30 and 31)	**–**	29,862
Interests in and advances to joint ventures, co-venturers and associates (Note 11)	**3,512,230**	7,492,771
Property, plant and equipment (Note 12)	**26,693,991**	20,893,814
Investment properties (Note 13)	**848,974**	848,974
Trademarks, goodwill and other intangible assets (Note 14)	**31,830,057**	15,730,239
Operating lease receivables (Notes 29, 30 and 31)	**31,635**	28,035
Derivative asset (Notes 18, 30 and 31)	**82,852**	11,949
Deferred tax assets - net (Note 24)	**4,322,996**	3,908,813
Other noncurrent assets (Notes 15, 30, 31 and 32)	**3,751,044**	3,510,518
Total Noncurrent Assets	**71,113,621**	52,454,975
	₱113,851,822	₱89,783,895
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities and contract liabilities (Notes 16, 30 and 31)	**₱28,716,769**	₱25,254,613
Income tax payable	**263,473**	223,773
Current portion of:		
Long-term debt (Notes 18, 30 and 31)	**4,892,102**	1,216,219
Operating lease payables (Notes 29, 30, 31 and 32)	**300,945**	252,235
Liability for acquisition of a business (Notes 11, 30 and 31)	**11,238**	–
Total Current Liabilities	**34,184,527**	26,946,840
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt (Notes 18, 30 and 31)	**21,372,251**	14,901,052
Liability for acquisition of a business (Notes 11, 30 and 31)	**2,907**	–
Pension liability (Note 25)	**1,320,646**	1,489,546
Operating lease payables - net of current portion (Notes 29, 30, 31 and 32)	**2,715,978**	1,799,332
Derivative liability (Notes 11, 30 and 31)	**–**	51,042
Provisions (Note 17)	**825,109**	825,109
Deferred tax liabilities - net (Note 24)	**3,512,253**	1,188,995
Total Noncurrent Liabilities	**29,749,144**	20,255,076
Total Liabilities	**63,933,671**	47,201,916
Equity Attributable to Equity Holders of the Parent Company (Note 30)		
Capital stock - net of subscription receivable (Note 19)	**1,088,036**	1,084,478
Additional paid-in capital (Note 19)	**8,638,438**	7,520,383
Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates (Note 11)	**589,501**	340,368
Remeasurement loss on net defined benefit plan - net of tax (Note 25)	**(307,995)**	(461,769)
Unrealized gain on change in fair value of available-for-sale financial assets (Note 10)	**–**	6,758
Comprehensive income on derivative liability (Note 18)	**82,852**	11,949
Excess of cost over the carrying value of non-controlling interests acquired (Notes 11 and 19)	**(1,804,766)**	(2,152,161)
Retained earnings (Note 19):		
Appropriated for future expansion	**20,000,000**	18,200,000
Unappropriated	**20,257,995**	16,413,140
	48,544,061	40,963,146
Less cost of common stock held in treasury (Note 19)	**180,511**	180,511
	48,363,550	40,782,635
Non-controlling Interests (Note 11)	**1,554,601**	1,799,344
Total Equity	**49,918,151**	42,581,979
	₱113,851,822	₱89,783,895

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousand Pesos, Except Per Share Data)

	Years Ended December 31		
	2018	2017 (As Restated)	2016 (As Restated)
REVENUES			
Gross sales	**₱153,068,666**	₱126,229,530	₱108,992,341
Sales discount	**(2,867,840)**	(1,565,982)	(1,067,887)
Net sales	**150,200,826**	124,663,548	107,924,454
Royalty, set-up fees and others (Note 20)	**8,475,070**	6,913,003	5,887,016
	158,675,896	131,576,551	113,811,470
PFRS 15 impact on system-wide advertising fees	**2,523,492**	2,036,535	1,802,072
	161,199,388	133,613,086	115,613,542
DIRECT COSTS (Note 21)	**133,894,709**	109,694,675	94,617,560
GROSS PROFIT	**27,304,679**	23,918,411	20,995,982
EXPENSES			
General and administrative expenses (Note 22)	**15,461,474**	13,905,845	11,861,440
Advertising and promotions	**4,027,609**	3,342,911	2,669,495
	19,489,083	17,248,756	14,530,935
INTEREST INCOME (EXPENSE) (Note 23)			
Interest income	**415,385**	259,567	286,913
Interest expense	**(888,843)**	(405,820)	(267,618)
	(473,458)	(146,253)	19,295
EQUITY IN NET LOSSES OF JOINT VENTURES AND ASSOCIATES - Net (Note 11)	**(86,750)**	(282,645)	(337,145)
OTHER INCOME (Note 23)	**3,235,196**	2,098,753	1,582,923
INCOME BEFORE INCOME TAX	**10,490,584**	8,339,510	7,730,120
PROVISION FOR INCOME TAX (Note 24)			
Current	**2,822,092**	2,310,630	2,334,855
Deferred	**(102,843)**	(643,702)	(658,244)
	2,719,249	1,666,928	1,676,611
NET INCOME	**7,771,335**	6,672,582	6,053,509
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Translation adjustments of foreign subsidiaries	**667,473**	97,735	(137,728)
Translation adjustments of foreign joint ventures and associates (Note 11)	**(382,259)**	269,119	12,316
Comprehensive income on derivative liability (Note 18)	**70,903**	45,479	2,368
Net unrealized gain on change in fair value of available-for-sale financial assets - net of tax (Note 10)	**–**	2,467	4,291
	356,117	414,800	(118,753)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on pension - net of tax (Note 25)	**153,774**	147,032	(72,221)
	509,891	561,832	(190,974)
TOTAL COMPREHENSIVE INCOME	**₱8,281,226**	₱7,234,414	₱5,862,535
Net Income Attributable to:			
Equity holders of the Parent Company (Note 28)	**₱8,329,884**	₱7,109,120	₱6,164,735
Non-controlling interests	**(558,549)**	(436,538)	(111,226)
	₱7,771,335	₱6,672,582	₱6,053,509
Total Comprehensive Income Attributable to:			
Equity holders of the Parent Company	**₱8,803,694**	₱7,665,277	₱5,970,688
Non-controlling interests	**(522,468)**	(430,863)	(108,153)
	₱8,281,226	₱7,234,414	₱5,862,535
Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 28)			
Basic	**₱7.663**	₱6.580	₱5.747
Diluted	**7.550**	6.494	5.643

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018, 2017 and 2016

(Amounts in Thousand Pesos)

	Equity Attributable to Equity Holders of the Parent Company (Note 30)												
								Retained Earnings (Note 19)					
	Capital Stock - Net of Subscription Receivable (Note 19)	Additional Paid-in Capital (Note 19)	Cumulative Translation Adjustments of Foreign Subsidiaries and Interests in Joint Ventures and Associates (Note 11)	Remeasurement Gain (Loss) on Net Defined Benefit Plan - Net of tax (Note 25)	Unrealized Gain on Change in Fair Value of Available-for-Sale Financial Assets (Note 10)	Comprehensive Income (Loss) on Derivative Liability (Note 18)	Excess of Cost Over the Carrying Value of Non-controlling Interests Acquired (Notes 11 and 19)	Appropriated for Future Expansion	Unappropriated	Cost of Common Stock Held in Treasury (Note 19)	Total	Non-controlling Interests (Note 11)	Total Equity
Balance at January 1, 2018, as previously reported	₱1,084,478	₱7,520,383	₱340,368	(₱461,769)	₱6,758	₱11,949	(₱2,152,161)	₱18,200,000	₱16,413,140	(₱180,511)	₱40,782,635	₱1,799,344	₱42,581,979
Effect of adoption of new accounting standards (Notes 2 and 10)	–	–	–	–	(6,758)	–	–	–	6,758	–	–	–	–
Balance at January 1, 2018, as adjusted	1,084,478	7,520,383	340,368	(461,769)	–	11,949	(2,152,161))	18,200,000	16,419,898	(180,511)	40,782,635	1,799,344	42,581,979
Net income (loss)	–	–	–	–	–	–	–	–	8,329,884	–	8,329,884	(558,549)	7,771,335
Other comprehensive income	–	–	249,133	153,774	–	70,903	–	–	–	–	473,810	36,081	509,891
Total comprehensive income (loss)	–	–	249,133	153,774	–	70,903	–	–	8,329,884	–	8,803,694	(522,468)	8,281,226
Movements in other equity accounts													
Issuances of and subscriptions to capital stock (Note 19)	3,558	471,979	–	–	–	–	–	–	–	–	475,537	–	475,537
Cost of stock options granted (Note 26)	–	646,076	–	–	–	–	–	–	–	–	646,076	–	646,076
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	(2,691,787)	–	(2,691,787)	–	(2,691,787)
Appropriation during the year (Note 19)	–	–	–	–	–	–	–	20,000,000	(20,000,000)	–	–	–	–
Reversal during the year (Note 19)	–	–	–	–	–	–	–	(18,200,000)	18,200,000	–	–	–	–
Acquisition of minority interests (Note 11)	–	–	–	–	–	–	347,395	–	–	–	347,395	266,308	613,703
Arising from incorporation of a subsidiary (Note 11)	–	–	–	–	–	–	–	–	–	–	–	11,417	11,417
	3,558	1,118,055	–	–	–	–	347,395	1,800,000	(4,491,787)	–	(1,222,779)	277,725	(945,054)
Balances at December 31, 2018	₱1,088,036	₱8,638,438	₱589,501	(₱307,995)	₱–	₱82,852	(₱1,804,766)	₱20,000,000	₱20,257,995	(₱180,511)	₱48,363,550	₱1,554,601	₱49,918,151
Balance at January 1, 2017	₱1,074,123	₱5,660,085	(₱20,811)	(₱608,801)	₱4,291	(₱33,530)	(₱2,152,161)	₱18,200,000	₱11,659,531	(₱180,511)	₱33,602,216	₱679,188	₱34,281,404
Net income (loss)	–	–	–	–	–	–	–	–	7,109,120	–	7,109,120	(436,538)	6,672,582
Other comprehensive income	–	–	361,179	147,032	2,467	45,479	–	–	–	–	556,157	5,675	561,832
Total comprehensive income (loss)	–	–	361,179	147,032	2,467	45,479	–	–	7,109,120	–	7,665,277	(430,863)	7,234,414
Movements in other equity accounts													
Issuances of and subscriptions to capital stock (Note 19)	10,355	850,770	–	–	–	–	–	–	–	–	861,125	–	861,125
Cost of stock options granted (Note 26)	–	1,009,528	–	–	–	–	–	–	–	–	1,009,528	–	1,009,528
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	(2,355,511)	–	(2,355,511)	–	(2,355,511)
Acquisition of minority interests (Note 11)	–	–	–	–	–	–	–	–	–	–	–	1,536,441	1,536,441
Arising from incorporation of a subsidiary (Note 11)	–	–	–	–	–	–	–	–	–	–	–	14,578	14,578
	10,355	1,860,298	–	–	–	–	–	–	(2,355,511)	–	(484,858)	1,551,019	1,066,161
Balances at December 31, 2017	₱1,084,478	₱7,520,383	₱340,368	(₱461,769)	₱6,758	₱11,949	(₱2,152,161)	₱18,200,000	₱16,413,140	(₱180,511)	₱40,782,635	₱1,799,344	₱42,581,979

	Equity Attributable to Equity Holders of the Parent Company (Note 30)												
	Capital Stock - Net of Subscription Receivable (Note 19)	Additional Paid-in Capital (Note 19)	Cumulative Translation Adjustments of Foreign Subsidiaries and Interests in Joint Ventures and Associates (Note 11)	Remeasurement Loss on Net Defined Benefit Plan - Net of tax (Note 25)	Unrealized Gain on Change in Fair Value of Available-for-Sale Financial Assets (Note 10)	Comprehensive Income (Loss) on Derivative Liability (Note 18)	Excess of Cost Over the Carrying Value of Non-controlling Interests Acquired (Notes 11 and 19)	Retained Earnings (Note 19)		Cost of Common Stock Held in Treasury (Note 19)			
								Appropriated for Future Expansion	Unappropriated		Total	Non-controlling Interests (Note 11)	Total Equity
Balance at January 1, 2016	₱1,068,971	₱5,055,293	₱107,225	(₱536,580)	₱–	(₱35,449)	(₱542,764)	₱10,200,000	₱15,487,039	(₱180,511)	₱30,623,224	₱1,133,366	₱31,756,590
Net income (loss)	–	–	–	–	–	–	–	–	6,164,735	–	6,164,735	(111,226)	6,053,509
Other comprehensive income (loss)	–	–	(128,036)	(72,221)	4,291	1,919	–	–	–	–	(194,047)	3,073	(190,974)
Total comprehensive income (loss)	–	–	(128,036)	(72,221)	4,291	1,919	–	–	6,164,735	–	5,970,688	(108,153)	5,862,535
Movements in other equity accounts:													
Issuances of and subscriptions to capital stock (Note 19)	5,152	363,468	–	–	–	–	–	–	–	–	368,620	–	368,620
Cost of stock options granted (Note 26)	–	241,324	–	–	–	–	–	–	–	–	241,324	–	241,324
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	(1,992,243)	–	(1,992,243)	–	(1,992,243)
Acquisition of minority interests (Note 11)	–	–	–	–	–	–	(1,609,397)	–	–	–	(1,609,397)	(905,536)	(2,514,933)
Appropriation during the period (Note 19)	–	–	–	–	–	–	–	8,000,000	(8,000,000)	–	–	–	–
Arising from incorporation of a subsidiary (Note 11)	–	–	–	–	–	–	–	–	–	–	–	715,608	715,608
Arising from divestment of subsidiaries (Note 11)	–	–	–	–	–	–	–	–	–	–	–	(156,097)	(156,097)
	5,152	604,792	–	–	–	–	(1,609,397)	8,000,000	(9,992,243)	–	(2,991,696)	(346,025)	(3,337,721)
Balances at December 31, 2016	₱1,074,123	₱5,660,085	(₱20,811)	(₱608,801)	₱4,291	(₱33,530)	(₱2,152,161)	₱18,200,000	₱11,659,531	(₱180,511)	₱33,602,216	₱679,188	₱34,281,404

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousand Pesos)

	Years Ended December 31		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱10,490,584**	₱8,339,510	₱7,730,120
Adjustments for:			
Depreciation and amortization (Notes 12, 13, 14, 15, 21 and 22)	**5,909,760**	4,745,166	3,995,868
Deferred rent amortization - net (Note 29)	**961,756**	256,630	193,237
Interest expense (Note 23)	**888,843**	405,820	267,618
Gain from the re-measurement of the previously held interest (Notes 11 and 23)	**(754,804)**	(1,328,733)	–
Reversals of impairment losses on:			
Property, plant and equipment (Notes 12 and 22)	**(408,184)**	(2,111)	(2,000)
Receivables (Notes 7 and 22)	**(23,675)**	(20,705)	(3,188)
Inventories (Notes 8 and 22)	**(6,148)**	(53,819)	(18,129)
Interest income (Note 23)	**(415,385)**	(259,567)	(286,913)
Stock options expense (Notes 22 and 26)	**311,964**	227,483	241,324
Equity in net losses of joint ventures and an associate (Note 11)	**86,750**	282,645	337,145
Loss (gain) on movement in derivative liability (Note 11)	**49,791**	129,371	(3,298)
Loss (gain) on disposals and retirements of:			
Property and equipment (Notes 12 and 22)	**45,540**	174,510	236,809
Investment properties (Notes 13 and 22)	–	(231,036)	–
Movement in pension liability (Notes 21, 22 and 25)	**39,705**	37,840	89,781
Accretion of debt issue cost (Note 18)	**14,945**	3,274	–
Impairment losses on:			
Receivables (Notes 7 and 22)	**10,188**	143,772	91,415
Inventories (Notes 8 and 22)	**8,278**	7,443	78,621
Other assets (Note 15)	–	122,759	–
Property, plant and equipment (Note 22)	–	431,939	42,731
Net unrealized foreign exchange gain	**(5,007)**	(6,913)	(79,314)
Provisions (Notes 17 and 23)	–	794,609	–
Loss (gain) on divestment of subsidiaries and interest in joint venture (Notes 11 and 23)	–	116,207	(66,695)
Income before working capital changes	**17,204,901**	14,316,094	12,845,132
Decreases (increases) in:			
Receivables	**(740,070)**	(532,690)	2,299,070
Inventories	**(1,919,312)**	(715,127)	(593,238)
Other current assets	**(540,941)**	(229,836)	327,544
Increases in trade payables and other current liabilities	**1,910,083**	2,176,062	1,865,217
Net cash generated from operations	**15,914,661**	15,014,503	16,743,725
Income taxes paid	**(2,782,392)**	(2,396,189)	(2,261,503)
Interest received	**361,394**	225,314	278,099
Net cash provided by operating activities	**13,493,663**	12,843,628	14,760,321
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment (Note 12)	**(9,520,681)**	(8,904,796)	(6,694,133)
Interest in joint ventures (Note 11)	**(1,410,885)**	(531,147)	(1,617,092)
Minority interests (Note 11)	**(528,800)**	–	(2,070,159)
Intangible assets (Note 14)	**(111,216)**	(69,634)	(23,706)
Available-for-sale financial assets (Note 10)	–	(450)	–
Proceeds from disposals of:			
Property, plant and equipment (Note 12)	**932,283**	362,288	92,730
Investment properties (Note 13)	–	365,490	–
Subsidiaries - net (Note 11)	–	–	96,486
Decreases (increases) in:			
Short term-investments	**530,200**	(687,398)	196,315
Other noncurrent assets	**(102,327)**	(482,215)	(170,598)
Interests in and advances to joint ventures, co-venturers and associates	–	337,960	–
Cash (paid) received from acquisition of business - net of cash received (paid) (Note 11)	**(3,798,118)**	105,251	113,358
Dividends received from non-controlling interests (Note 11)	**34,637**	20,037	–
Advances to a joint venture (Note 11)	–	(1,059,786)	–
Net cash used in investing activities	**(13,974,907)**	(10,544,400)	(10,076,799)

(Forward)

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
LARGE TAXPAYERS ASSISTANCE DIVISION
Date APR 10 2019
RECEIVED
KARL ... GACUTAN

	Years Ended December 31		
	2018	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-term debt (Note 18)	**₱11,126,459**	₱5,517,281	₱2,993,810
Issuances of and subscriptions to capital stock (Note 19)	**475,537**	861,125	368,620
Payments of:			
Long-term debt (Note 18)	**(5,524,746)**	(1,607,623)	(929,558)
Cash dividends (Note 19)	**(2,667,060)**	(2,347,164)	(1,988,082)
Short-term debt (Note 18)	**–**	–	(282,360)
Liability for acquisition of businesses (Note 11)	**–**	–	(94,852)
Interest paid	**(731,670)**	(360,856)	(232,646)
Contributions from non-controlling interests	**11,417**	14,578	715,608
Net cash provided by financing activities	**2,689,937**	2,077,341	550,540
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,208,693**	4,376,569	5,234,062
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(30,252)**	(2,441)	1,724
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**21,107,474**	16,733,346	11,497,560
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱23,285,915**	₱21,107,474	₱16,733,346

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Jollibee Foods Corporation Doing business under the name and style of Jollibee (formerly Jollibee Foods Corporation) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 1978. The Parent Company and its subsidiaries (collectively referred to as "the Jollibee Group") and affiliates are involved primarily in the development, operations and franchising of quick service restaurants (QSRs) under the trade names "Jollibee", "Chowking", "Greenwich", "Red Ribbon", "Yong He King", "Hong Zhuang Yuan", "Mang Inasal", "Burger King", "Highlands Coffee", "Pho24", "Hard Rock Cafe", "Dunkin' Donuts", "Smashburger", "Tim Ho Wan" and "Tortas Frontera". The other activities of the Jollibee Group include manufacturing and property leasing in support of the quick service restaurant systems and other business activities (see Notes 2 and 5). The corporate life of the Parent Company is fifty (50) years from the date of incorporation or until 2028.

The common shares of the Parent Company are listed and traded in the Philippine Stock Exchange (PSE) beginning July 14, 1993.

The registered office address of the Parent Company is 10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Ave., Ortigas Center, Pasig City.

The consolidated financial statements as at December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018 were reviewed and recommended for approval by the Audit Committee as well as approved and authorized for issuance by the Board of Directors (BOD) on April 8, 2019.

2. Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Basis of Consolidation

Basis of Preparation
The consolidated financial statements of the Jollibee Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and derivative financial instruments in 2018 and available-for-sale (AFS) investments and derivative financial instruments in 2017, which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousand pesos, except par values, per share amounts, number of shares and when otherwise indicated.

Statement of Compliance
The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements starting January 1, 2018. Adoption of these pronouncements did not have any significant impact on the consolidated statement of financial position and performance unless otherwise indicated.

- Amendments to PFRS 2, *Share-based Payment*, *Classification and Measurement of Share-based Payment Transactions*

  The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. Entities are required to apply the amendments to: (1) share-based payment transactions that are unvested or vested but unexercised as at January 1, 2018, (2) share-based payment transactions granted on or after January 1, 2018 and to (3) modifications of share-based payments that occurred on or after January 1, 2018. Retrospective application is permitted if elected for all three amendments and if it is possible to do so without hindsight.

  The Jollibee Group's accounting policy for cash-settled share-based payments is consistent with the approach clarified in the amendments. In addition, the Jollibee Group has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Jollibee Group's consolidated financial statements.

- PFRS 9, *Financial Instruments*

  PFRS 9, replaces Philippine Accounting Standards (PAS) 39, *Financial Instruments: Recognition and Measurement*, for annual periods beginning on or January 1, 2018, bringing together all these aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

  The Jollibee Group applied PFRS 9 using modified retrospective approach, with an initial application date of January 1, 2018. The Jollibee Group has not restated the comparative information, which continues to be reported under PAS 39. Differences arising from the adoption of PFRS 9 have been recognized directly in retained earnings and net unrealized gain on AFS financial assets.

  The effect of adopting PFRS 9 follows:

  (a) Classification and Measurement

  Under PFRS 9, debt instruments are subsequently measured at FVTPL, amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Jollibee Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

  The assessment of the Jollibee Group's business model was made as of the date of initial application, January 1, 2018, and then applied prospectively to those financial assets that were not derecognized before January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PFRS 9 did not have a significant impact on Jollibee Group. The Jollibee Group continued measuring at fair value all financial assets previously held at fair value under PAS 39. The following are the changes in the classification of the Jollibee Group's financial assets:

- Cash in banks, short-term deposits, short-term investments, receivables (excluding receivables from government agencies), receivable from sale of business, security and other deposits and operating lease receivables previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortized cost beginning January 1, 2018.

- Investments in golf and leisure club shares previously classified as AFS financial assets are now classified and measured as financial assets at FVTPL beginning January 1, 2018. As a result of the change in classification of Jollibee Group's investments in golf and leisure club shares, the net unrealized gain on AFS financial assets related to those investments that were previously presented under other comprehensive income (OCI), was reclassified to retained earnings as at January 1, 2018, resulting in a decrease in other components of equity and an increase in retained earnings of ₱6.8 million.

There are no changes in classification and measurement for the Jollibee Group's financial liabilities.

In summary, upon adoption of PFRS 9, the Jollibee Group had the following required or elected reclassifications as at January 1, 2018:

	Original Measurement Category under PAS 39	New Measurement Category under PFRS 9	Original Carrying Amount under PAS 39	New Carrying Amount under PFRS 9
			(In Millions)	
Financial Assets				
Cash in banks and short-term deposits	Loans and receivables	Financial assets at amortized cost	₱20,762.5	₱20,762.5
Short-term investments	Loans and receivables	Financial assets at amortized cost	1,413.4	1,413.4
Receivables*	Loans and receivables	Financial assets at amortized cost	4,028.8	4,028.8
Security and other deposits*	Loans and receivables	Financial assets at amortized cost	2,465.0	2,465.0
Other noncurrent assets - Operating lease receivables	Loans and receivables	Financial assets at amortized cost	28.0	28.0
Investments in golf and leisure club shares	AFS financial assets	Financial assets at FVTPL	29.9	29.9
			₱28,727.6	₱28,727.6

**Including noncurrent portion.*

(b) Impairment

The adoption of PFRS 9 has fundamentally changed the Jollibee Group's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PFRS 9 requires the Jollibee Group to record ECL for all debt instruments not held at FVTPL and contract assets.

Incurred Loss versus Expected Credit Loss Methodology. The application of ECL significantly changes the Jollibee Group's credit loss methodology and models. ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The objective is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events over the expected life of a financial instrument. In comparison, the previous incurred loss model recognizes lifetime credit losses only when there is objective evidence of impairment while ECL model eliminated the threshold or trigger event required under incurred loss model, and lifetime ECL are recognized earlier.

Staging Assessment

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a SICR since initial recognition. The Jollibee Group recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Jollibee Group recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires a lifetime ECL for impaired financial instruments.

For cash in banks, short-term deposits, short-term investments, and security and other deposits, the Jollibee Group has applied the General Approach and has calculated ECL based on 12-month ECL. For receivables and contract assets, and operating lease receivables, the Jollibee Group applied the simplified approach permitted by PFRS 9, which requires lifetime ECL to be recognized from initial recognition of the receivables. As at January 1, 2018, the Jollibee Group assessed that there was no SICR related to its financial assets at amortized cost.

The adoption of ECL approach has no significant impact on the allowance for impairment losses recognized in the consolidated financial statements.

- Amendments to PFRS 4, *Applying PFRS 9 with PFRS 4, Insurance Contracts*

  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard.
  The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

  The amendments are not applicable to the Jollibee Group since none of the entities within the Jollibee Group have activities that are predominantly connected with insurance or issue insurance contracts.

- PFRS 15, *Revenue from Contracts with Customers*

  PFRS 15 supersedes PAS 11, *Construction Contracts*, PAS 18, *Revenue*, and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

  PFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

  The Jollibee Group adopted PFRS 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Jollibee Group did not apply any of the other available optional practical expedients.

  The adoption of PFRS 15 did not have a material impact to the consolidated statement of financial position, consolidated statement of changes in equity, on OCI or the Jollibee Group's operating, investing and financing cash flows.

  The effect of adopting PFRS 15 on the consolidated statements of comprehensive income for the years ended December 31, 2017 and 2016 resulted to an increase in:

	2017	2016
	(in Millions)	
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from contracts with customers	₱2,036.5	₱1,802.1
DIRECT COSTS		
Share on system-wide advertising fees	2,036.5	1,802.1
NET INCOME	₱–	₱–

  The reason for the above changes in the consolidated statement of comprehensive income for the years ended December 31, 2017 and 2016 is described below:

  - *Principal versus Agent Consideration.* The Jollibee Group's agreement with the franchisee includes the right to charge the franchisee its share in the Jollibee Group's nationwide advertising and marketing efforts as well as fees for the Jollibee Group's administration of various advertisements, network and media placements. Upon adoption of PFRS 15, the Jollibee Group determined that it is acting as principal for the nationwide advertising because it is the Jollibee Group who retains the right to direct the service provider of the advertisements, network and media placements, and has the discretion on how to price the advertising fee charges.

  Before the adoption of PFRS 15, contract asset is not presented separately from receivables while contract liabilities are presented as other liabilities. Under PFRS 15, the timing of revenue recognition, schedule of payment and cash collections results in billed accounts receivable (trade receivables), accrued receivables (contract assets) and deferred revenue and unearned revenue from gift certificates (contract liabilities). Upon adoption of PFRS 15, the Jollibee Group reclassified “Trade receivables” to “Contract assets” amounting to ₱407.4 million and “Other liabilities” to “Contract liabilities” amounting to ₱2.7 million as at December 31, 2017.

- Amendments to PAS 28, *Investments in Associates and Joint Ventures*, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. Retrospective application is required. The Jollibee Group elected to retain the fair value measurement applied by the investment entity joint venture in accounting for its investment.

- Amendments to PAS 40, *Investment Property*, *Transfers of Investment Property*

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Retrospective application of the amendments is not required and is only permitted if this is possible without the use of hindsight.

  Since the Jollibee Group's current practice is in line with the clarifications issued, the Jollibee Group does not expect any effect on its consolidated financial statements upon adoption of these amendments.

- Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC)-22, *Foreign Currency Transactions and Advance Consideration*

  The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transaction for each payment or receipt of advance consideration. Retrospective application of this interpretation is not required.

  Since the Jollibee Group's current practice is in line with the clarifications issued, the Jollibee Group does not expect any effect on its consolidated financial statements upon adoption of this interpretation.

Future Changes in Accounting Policies

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

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

  Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

  The Jollibee Group has assessed that the adoption of these amendments will not have any impact on the consolidated financial statements.

- PFRS 16, *Leases*

  PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

  Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

  PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

  A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

  The Jollibee Group is currently assessing the impact of adopting PFRS 16.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

  The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

  - Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

  The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

  The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Jollibee Group.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

  The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

  The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28.

  The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted. Since the Jollibee Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes*, and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Jollibee Group is currently assessing the impact of adopting this interpretation.

- *Annual Improvements to PFRSs* 2015-2017 Cycle

  - Amendments to PFRS 3, *Business Combinations,* and PFRS 11, *Joint Arrangements*, *Previously Held Interest in a Joint Operation*

    The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

    A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

    An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments are currently not applicable to the Jollibee Group but may apply to future transactions.

  - Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

    The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

    An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments are not expected to have significant impact to the Jollibee Group.

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

  Since the Jollibee Group's current practice is in line with these amendments, the Jollibee Group does not expect any effect on its consolidated financial statements upon adoption.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  These amendments will apply on future business combinations of the Jollibee Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, *Definition of Material*

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted. The Jollibee Group is currently assessing the impact of these amendments.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted. Adoption of this standard is not expected to have any impact to the Jollibee Group.

Deferred Effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2018 and for each of the three years in the period ended December 31, 2018.

Control is achieved when the Jollibee Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Jollibee Group controls an investee if, and only if, the Jollibee Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

There is a general presumption that a majority of voting rights results in control. To support this presumption when the Jollibee Group has less than a majority of the voting or similar rights of an investee, the Jollibee Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Jollibee Group's voting rights and potential voting rights.

The Jollibee Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Jollibee Group obtains control over the subsidiary and ceases when the Jollibee Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Jollibee Group gains control until the date the Jollibee Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Jollibee Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Jollibee Group are eliminated in full on consolidation.

The reporting dates of the Parent Company and the associates or joint ventures are identical and the latter's accounting policies conform to those used by the Parent Company for like transactions and events in similar circumstances.

If the Jollibee Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and,
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Jollibee Group had directly disposed of the related assets or liabilities.

Non-controlling interests represent the interests in the subsidiaries not held by the Parent Company, and are presented separately in the consolidated statement of comprehensive income and consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

A change in ownership interest in a subsidiary that does not result in a loss of control is accounted for as an equity transaction. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in the Jollibee Group's relative interests in the subsidiary. The Jollibee Group recognizes directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the equity holders of the Parent Company. These include acquisitions of non-controlling interests of Greenwich, Yong He King, Mang Inasal, Happy Bee Foods Processing Pte. Ltd. and Smashburger. In particular cases where the Jollibee Group acquires non-controlling interest in a subsidiary at a consideration in excess of its carrying amount, the excess is charged to the "Excess of cost over the carrying value of non-controlling interests acquired" account under equity. These changes in the ownership interest in a subsidiary do not result in the recognition of a gain or loss in profit or loss.

The consolidated financial statements include the accounts of the Parent Company and the following wholly-owned and majority-owned subsidiaries as at December 31, 2018 and 2017:

			2018		2017	
	Country of Incorporation	Principal Activities	**Direct Ownership**	**Indirect Ownership**	Direct Ownership	Indirect Ownership
Fresh N' Famous Foods Inc. (Fresh N' Famous) -	Philippines	Food service	**100**	**–**	100	–
Chowking Food Corporation USA	United States of America (USA)	Holding company	**–**	**100**	–	100
Zenith Foods Corporation (Zenith)	Philippines	Food service	**100**	**–**	100	–
Freemont Foods Corporation (Freemont)	Philippines	Food service	**100**	**–**	100	–
RRB Holdings, Inc. (RRBH):	Philippines	Holding company	**100**	**–**	100	–
Red Ribbon Bakeshop, Inc. (RRBI)	Philippines	Food service	**–**	**100**	–	100
Red Ribbon Bakeshop, Inc. USA (RRBI USA)	USA	Food service	**–**	**100**	–	100
Mang Inasal Philippines Inc. (Mang Inasal)	Philippines	Food service	**100**	**–**	100	–
Grandworth Resources Corporation (Grandworth):	Philippines	Leasing	**100**	**–**	100	–
Adgraphix, Inc. (Adgraphix)	Philippines	Digital printing	**–**	**100**	–	100
IConnect Multi Media Network, Inc. (IConnect)	Philippines	Advertising	**–**	**60**	–	60
JC Properties & Ventures Co.	Philippines	Dormant	**–**	**50**	–	50
Honeybee Foods Corporation (HFC):	USA	Food service	**100**	**–**	100	–
Tokyo Teriyaki Corporation (TTC)	USA	Food service	**–**	**100**	–	100
Honeybee Foods (Canada) Corporation (HFCC)	Canada	Food service	**–**	**100**	–	100
Jollibee Worldwide Pte. Ltd. (JWPL):	Singapore	Holding company	**100**	**–**	100	–
Regional Operating Headquarters of JWPL (JWS)	Philippines	Financial accounting, human resources and logistics services	**–**	**100**	–	100
Golden Plate Pte., Ltd. (GPPL):	Singapore	Holding company	**–**	**100**	–	100
- Golden Beeworks Pte. Ltd.	Singapore	Food service	**–**	**60**	–	60
- Golden Piatto Pte. Ltd. [(e)]	Singapore	Holding company	**–**	**75**	–	75
• Cibo Felice S.R.L. [(c)]	Italy	Food service	**–**	**100**	–	100
Golden Cup Pte.Ltd.	Singapore	Holding company	**–**	**60**	–	60
- Beijing Golden Coffee Cup Food & Beverage Management Co., Ltd.	People's Republic of China (PRC)	Food service	**–**	**100**	–	100
Beijing New Hongzhuangyuan Food and Beverage Management Co., Ltd. (Hong Zhuang Yuan)	PRC	Food service	**–**	**100**	–	100
Southsea Binaries Ltd. (Southsea)	British Virgin Island (BVI)	Holding company	**–**	**100**	–	100
Beijing Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Shenzhen Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Hangzhou Yongtong Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Hangzhou Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Wuhan Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Tianjin Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Happy Bee Foods Processing Pte. Ltd. (HBFPPL)	Singapore	Holding company	**–**	**100**	–	100
- Happy Bee Foods Processing (Anhui) Co. Ltd.	PRC	Food service	**–**	**100**	–	100
JSF Investments Pte. Ltd. (JSF):	Singapore	Holding company	**–**	**99**	–	99
- SF Vung Tau Joint Stock Company [(d)]	Vietnam	Holding company	**–**	**60**	–	60
• Highland Coffee Service Joint-stock Company	Vietnam	Food service	**–**	**100**	–	100
• Quantum Corporation	Vietnam	Food service	**–**	**100**	–	100
· Pho Viet Joint Stock Company	Vietnam	Food service	**–**	**100**	–	100
· Pho 24 Service Trade Manufacture Corporation	Vietnam	Food service	**–**	**100**	–	100
- Blue Sky Holdings Limited [(d)]	Hong Kong	Holding company	**–**	**60**	–	60
• Sino Ocean Limited	Hong Kong	Food service	**–**	**100**	–	100
• Blue Sky Holdings (Macau) Limited	Macau	Food service	**–**	**100**	–	100
Jollibee (China) Food & Beverage Management Co. Ltd.	PRC	Management company	**–**	**100**	–	100
Jollibee International (BVI) Ltd. (JIBL):	BVI	Holding company	**–**	**100**	–	100
- Jollibee Vietnam Corporation Ltd.	Vietnam	Food service	**–**	**100**	–	100
• Goldstar Food Trade and Service Company Ltd (GSC)	Vietnam	Food service	**–**	**100**	–	100
- PT Chowking Indonesia	Indonesia	Food service	**–**	**100**	–	100
- PT Jollibee Indonesia	Indonesia	Dormant	**–**	**100**	–	100
- Jollibee (Hong Kong) Limited and Subsidiaries	Hong Kong	Dormant	**–**	**85**	–	85
- Belmont Enterprises Ventures Limited (Belmont):	BVI	Holding company	**–**	**100**	–	100
• Shanghai Belmont Enterprises Management and Adviser Co., Ltd. (SBEMAC)	PRC	Business management service	**–**	**100**	–	100
• Yong He Holdings Co., Ltd.	BVI	Holding company	**–**	**100**	–	100
· Centenary Ventures Ltd.	BVI	Holding company	**–**	**100**	–	100
Bee Good! Inc. (BGI)	USA	Holding company	**–**	**100**	–	100
- SJBF LLC (SJBF)[(a)]	USA	Food service	**–**	**100**	–	40
Bee World UK Limited (UK) [(b)]	UK	Holding company	**–**	**100**	–	–
Chanceux, Inc.	Philippines	Holding company	**100**	**–**	100	–
BKTitans Inc. (BKTitans)	Philippines	Holding company	**–**	**54**	–	54
- PFN Holdings Corporation	Philippines	Holding company	**–**	**99**	–	99
• PERF Restaurants, Inc.	Philippines	Food service	**–**	**100**	–	100
· PERF Trinoma	Philippines	Food service	**–**	**100**	–	100
· PERF MOA	Philippines	Food service	**–**	**100**	–	100
Jollibee Foods Corporation (USA)	USA	Holding company	**100**	**–**	100	–
Donut Magic Phils., Inc. (Donut Magic)[(f)]	Philippines	Dormant	**100**	**–**	100	–
Ice Cream Copenhagen Phils., Inc. (ICCP)[(f)]	Philippines	Dormant	**100**	**–**	100	–
Mary's Foods Corporation (Mary's)[(f)]	Philippines	Dormant	**100**	**–**	100	–
QSR Builders, Inc.	Philippines	Dormant	**100**	**–**	100	–

(a) On April 17, 2018, the Jollibee Group, through BGI completed the acquisition of additional 45% share of SJBF, increasing its ownership from 40% to 85%. Subsequently, on December 14, 2018, the Jollibee Group, through BGI acquired the remaining 15% share resulting to 100% share in SJBF.
(b) On April 16, 2018, Bee World UK Limited (UK) was incorporated.
(c) On July 31, 2017, the Jollibee Group, through Golden Piatto Pte. Ltd. incorporated Cibo Felice in Italy.
(d) On May 10, 2017, the Jollibee Group, through JSF increased its shareholding in SF Vung Tau Joint Stock Company (SFVT) and Blue Sky Holdings Limited (Blue Sky) to 60%.
(e) On April 12, 2017, the Jollibee Group, through GPPL, incorporated Golden Piatto Pte. Ltd. to own and operate Jollibee restaurants in Italy.
(f) On June 18, 2004, the stockholders of the Jollibee Group approved the Plan of Merger of the three (3) dormant companies. The application is pending approval from the SEC as at December 31, 2018.

3. **Summary of Significant Accounting Policies**

Current versus Noncurrent Classification
The Jollibee Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Jollibee Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Jollibee Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs. Where the Jollibee Group has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities), the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible) and the cost approach (i.e., based on the amount required to replace the service capacity of an asset).

The Jollibee Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Jollibee Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Jollibee Group's management determines the policies and procedures for both recurring fair value measurement and non-recurring measurement. At each reporting date, the management analyzes the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Jollibee Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Jollibee Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and are subject to an insignificant risk of change in value.

Short-term Investments
Short-term investments are deposits with original maturities of more than three months to one year from acquisition date.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Jollibee Group recognizes a financial asset or a financial liability in the consolidated statement of financial position, when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Jollibee Group commits to purchase or sell the asset.

Financial Instruments - Initial Recognition and Subsequent Measurement

Financial Assets

Effective beginning January 1, 2018 (Upon Adoption of PFRS 9)

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Jollibee Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Jollibee Group has applied the practical expedient, the Jollibee Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Jollibee Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Jollibee Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Jollibee Group has no financial assets at FVOCI as at December 31, 2018.

Financial Assets at Amortized Cost (Debt Instruments). This category is the most relevant to the Jollibee Group. The Jollibee Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Jollibee Group's cash in banks, short-term deposits, short-term investments, receivables (excluding receivables from government agencies), receivable from sale of business, security and other deposits and operating lease receivables are classified under this category as at December 31, 2018.

Financial Assets at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

The Jollibee Group elected to classify irrevocably its investments in golf and leisure club shares under this category as at December 31, 2018.

Impairment of Financial Assets. The Jollibee Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Jollibee Group expects to receive discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables and contract assets, and operating lease receivables, the Jollibee Group applies a simplified approach in calculating ECLs. Therefore, the Jollibee Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Jollibee Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For security and other deposits, the Jollibee Group applies the general approach and calculates ECL based on the 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instruments since initial recognition.

For cash in banks, short-term deposits and short-term investments, the Jollibee Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Jollibee Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Jollibee Group assesses that there is a significant increase in credit risk of a financial asset when default occurs. The Jollibee Group uses the ratings from Moody's to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Jollibee Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Jollibee Group may also consider a financial asset to be in default when internal or external information indicates that the Jollibee Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Jollibee Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Jollibee Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, the Jollibee Group has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

Based on the Jollibee Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Jollibee Group considers two or more economic scenarios and the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Jollibee Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Group considers macro-economic factors such as gross domestic product growth rates and inflation rates in its analysis.

Effective before January 1, 2018 (Prior to Adoption of PFRS 9)

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as financial assets at FVTPL, loans and receivables, held-to-maturity (HTM) investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, except for financial assets at FVTPL, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Jollibee Group commits to purchase or sell the asset.

The Jollibee Group's financial assets consist of financial assets at FVTPL, loans and receivables, and AFS financial assets as at December 31, 2017. The Jollibee Group has no financial assets classified under the HTM investments category as at December 31, 2017.

Subsequent Measurement

Financial Assets at FVTPL. Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by PAS 39. The Jollibee Group has not designated any financial assets at FVTPL. Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL.

This category generally applies to the Jollibee Group's derivative assets as at December 31, 2017.

Loans and Receivables. This category is the most relevant to the Jollibee Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, except for short-term loans and receivables with no stated interest which are measured at undiscounted amounts less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is recognized in profit or loss. The losses arising from impairment are recognized also in profit or loss.

This category includes the Jollibee Group's cash in banks, short-term deposits, short-term investments, receivables, receivable from sale of business, security and other deposits, and operating lease receivables as at December 31, 2017.

AFS Financial Assets. AFS financial assets include equity investments. Equity investments classified as AFS financial assets are those that are neither classified as held for trading nor designated at FVTPL.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income and credited directly in equity until the investment is derecognized, at which time, the cumulative gain or loss is recognized in profit or loss, or the investment is determined to be impaired, when the cumulative loss is reclassified from equity to profit or loss. Dividends earned while holding AFS financial assets is recognized in profit or loss.

This category includes investments in golf and leisure club shares as at December 31, 2017.

Impairment of Financial Assets. The Jollibee Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

- *Financial Assets Carried at Amortized Cost.* For financial assets carried at amortized cost, the Jollibee Group first assesses whether impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Jollibee Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment. The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Jollibee Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is recognized in profit and loss to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed.

- *AFS Financial Assets*. For AFS financial assets, the Jollibee Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

  In the case of equity investments classified as AFS financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss is removed from OCI and recognized in profit or loss. For unquoted equity investments that are not carried at fair value because such cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such unquoted equity instruments, the amount of loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

  Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized in OCI.

  The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Jollibee Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial Liabilities (Applies before and after January 1, 2018)

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Jollibee Group's financial liabilities include loans and borrowings, payables and derivative financial liabilities as at December 31, 2018 and 2017.

Subsequent Measurement

- *Financial Liabilities at FVTPL.* Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Jollibee Group that are not designated as hedging instruments in hedge relationships as defined by PAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognized in profit or loss.

  Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PAS 39 are satisfied. The Jollibee Group has not designated any financial liability as at FVTPL.

- *Loans and Borrowings, and Other Payables.* This is the category most relevant to the Jollibee Group. After initial recognition, interest-bearing loans and borrowings, and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs, including debt issue costs for the Jollibee Group's debts that are an integral part of the effective interest rate. The effective interest rate amortization is included as interest expense in the consolidated statement of comprehensive income.

  This category includes the Jollibee Group's trade payables and other current liabilities (excluding local and other taxes payable and unearned revenue from gift certificates), long-term debts and operating lease payables as at December 31, 2018 and 2017.

- *Debt Issue Costs.* Debt issue costs are specific incremental costs, other than those paid to the lender, that are directly related to issuing a debt instrument. These are presented in the consolidated statement of financial position as a reduction from the related debt instrument and are amortized through the EIR amortization process.

Derecognition of Financial Assets and Liabilities (Applies to Financial Instruments before and after January 1, 2018)

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

- The rights to receive cash flows from the asset have expired, or,

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

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

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

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

'Day 1 Difference'

Where the transaction price in a non-active market is different from the fair value based on other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Jollibee Group recognizes the difference between the transaction price and fair value (a 'Day 1 difference') in the profit or loss unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is recognized in the profit or loss only when the inputs become observable or when the instrument is derecognized. For each transaction, the Jollibee Group determines the appropriate method of recognizing the 'Day 1 difference' amount.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Jollibee Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Jollibee Group and all of the counterparties.

Derivative Financial Instruments and Hedge Accounting

Initial Recognition and Subsequent Measurement. The Jollibee Group uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

The Jollibee Group's interest rate swap is cash flow hedge. The Jollibee Group has no fair value hedge and hedge of a net investment in a foreign operation as at December 31, 2018 and 2017.

At the inception of a hedge relationship, the Jollibee Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Before January 1, 2018, the documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Beginning January 1, 2018, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Jollibee Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument
- The effect of credit risk does not 'dominate the value changes' that result that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Jollibee Group actually hedges and the quantity of the hedging instrument that the Jollibee Group actually uses to hedge that quantity of hedged item

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges. Cash flow hedges are hedges of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset, liability or a highly probable forecast transaction and could affect the consolidated statements of comprehensive income. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized as "Comprehensive income (loss) on derivative liability" in the consolidated statement of comprehensive income, whereas any hedge ineffectiveness is immediately recognized in profit or loss.

The Jollibee Group has an interest rate swap for its exposure to volatility in interest rates.

Amounts recognized as other comprehensive are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in other comprehensive income remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Contract Balances

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Jollibee Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade Receivables. A receivable represents the Jollibee Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Jollibee Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Jollibee Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Jollibee Group performs under the contract.

Inventories
Inventories are valued at the lower of cost and net realizable value. Costs are accounted for as follows:

Processed inventories	-	Standard costing, which is reviewed on a quarterly basis and revised as necessary to approximate current costs determined using first in, first out (FIFO). Cost includes direct materials, labor and a proportion of manufacturing overhead costs based on normal operating capacity.
Food supplies, packaging, store and other supplies, and novelty items	-	Standard costing which is reviewed on a quarterly basis and revised as necessary to approximate current costs determined using FIFO.

Net realizable value of processed inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Net realizable value of food supplies, packaging, store and other supplies is the current replacement cost. Food and other supplies are held for use in the production of processed inventories.

Net realizable value of novelty items is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Other Current Assets
Other current assets include prepaid expenses which are paid in advance and recorded as asset before these are utilized, deposits which pertain to advance payments to suppliers to be applied for future purchases, and creditable withholding taxes, which will be applied in the following year against corporate income tax or be claimed for refund with the Bureau of Internal Revenue. Prepaid expenses are amortized over time and recognized as expense as the benefit is derived from the asset.

Interests in and Advances to Joint Ventures, Co-venturers and Associates
An associate is an entity over which the Jollibee Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Jollibee Group's investments in its associates and joint ventures are accounted for using the equity method based on the percentage share of ownership and capitalization. Interests in joint ventures are accounted for under the equity method from the date the joint control is obtained.

Under the equity method, the Jollibee Group's investments in joint ventures and associates are carried in the consolidated statement of financial position at cost plus the Jollibee Group's share in post-acquisition changes in the net assets of associates or joint ventures, less any impairment in value. Goodwill relating to the joint ventures or associates is included in the carrying amount of the investment and is not amortized. The consolidated statement of comprehensive income includes the Jollibee Group's share in the financial performance of the associates or joint ventures. The Jollibee Group's share in profit or loss of the associates is shown on the face of the consolidated statement of comprehensive income as "Equity in net losses of joint ventures and associates - net", which is the profit or loss attributable to equity holders of the joint ventures and associates.

When the Jollibee Group's share of losses in the joint ventures or associates equals or exceeds its interest, including any other unsecured receivables, the Jollibee Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associates or joint ventures. Where there has been a change recognized directly in the equity of the associate or joint venture, the Jollibee Group recognizes its share in any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

Unrealized gains arising from transactions with the associates or joint ventures are eliminated to the extent of the Jollibee Group's interests in the associates or joint ventures against the related investments. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment in the asset transferred.

The Jollibee Group ceases to use the equity method of accounting on the date from which it no longer has joint control in the joint ventures, no longer has significant influence over the associates, or when the interest becomes held for sale.

Upon loss of significant influence over the associate or joint control over the joint ventures, the Jollibee Group measures and recognizes its remaining investment at its fair value. Any difference between the carrying amount of the former associate or former jointly controlled entities upon loss of significant influence or joint control, and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. When the remaining interest in the former jointly controlled entity constitutes significant influence, it is accounted for as interest in an associate.

Property, Plant and Equipment

Property, plant and equipment, except land and construction in progress, are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of property, plant and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less any impairment in value.

The initial cost of property, plant and equipment consists of its purchase price, including import duties and nonrefundable taxes and any other costs directly attributable in bringing the asset to its working condition and location for its intended use. Cost also includes any related asset retirement obligation and interest incurred during the construction period on funds borrowed to finance the construction of the asset. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets:

Land improvements	5 years
Plant, buildings, commercial condominium units and improvements	5 - 40 years
Leasehold rights and improvements	2 - 10 years or term of the lease, whichever is shorter
Office, store and food processing equipment	1 - 15 years
Furniture and fixtures	3 - 5 years
Transportation equipment	3 - 5 years

The residual values, if any, useful lives and depreciation and amortization method of the assets are reviewed at the end of each financial period and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are disposed or retired.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Construction in progress represents assets under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Cost also includes interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for use.

Investment Properties

Investment properties consist of land and buildings and building improvements held by the Jollibee Group for capital appreciation and rental purposes. Investment properties, except land, are carried at cost, including transaction costs, less accumulated depreciation and amortization and any impairment in value. Cost also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Land is carried at cost less any impairment in value.

The depreciation of buildings and building improvements are calculated on a straight-line basis over the estimated useful lives of the assets which are five (5) to twenty (20) years.

The residual values, if any, useful lives and method of depreciation and amortization of the assets are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Investment property is derecognized when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Transfers to investment property are made only when there is a change in use, evidenced by ending of ownership-occupation, or commencement of an operating lease to another party. Transfers from investment property are made only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property, the cost of property for subsequent accounting is its carrying value at the date of change in use. If the property occupied by the Jollibee Group as an owner-occupied property becomes an investment property, the Jollibee Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

Business Combinations
Business combinations are accounted for using the acquisition method. Applying the acquisition method requires the (a) determination whether the Jollibee Group will be identified as the acquirer; (b) determination of the acquisition date; (c) recognition and measurement of the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree; and (d) recognition and measurement of goodwill or a gain from a bargain purchase.

When the Jollibee Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date.

The cost of an acquisition is measured as the aggregate of the (a) consideration transferred by the Jollibee Group, measured at acquisition-date fair value, (b) amount of any non-controlling interest in the acquiree and (c) acquisition-date fair value of the Jollibee Group's previously held equity interest in the acquiree in a business combination achieved in stages. Acquisition costs incurred are expensed and included in "General and administrative expenses" account in the consolidated statement of comprehensive income.

Initial Measurement of Non-controlling Interest. For each business combination, the Jollibee Group measures the non-controlling interest in the acquiree using the proportionate share of the acquiree's fair value of identifiable net assets.

Business Combination Achieved in Stages. In a business combination achieved in stages, the Jollibee Group remeasures its previously held equity interests in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in profit or loss.

Measurement Period. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Jollibee Group reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. The measurement period ends as soon as the Jollibee Group receives the information it was seeking about facts and circumstances that existed as at the acquisition date or learns that more information is not obtainable. The measurement period does not exceed one year from the acquisition date.

Contingent Consideration or Earn-out. Any contingent consideration or earn-out in relation to a business combination is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognized in profit or loss.

Initial Measurement of Goodwill or Gain on a Bargain Purchase. Goodwill is initially measured by the Jollibee Group at cost being the excess of the total consideration transferred over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on a bargain purchase. Before recognizing a gain on a bargain purchase, the Jollibee Group determines whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognize any additional assets or liabilities that are identified in that review.

Subsequent Measurement of Goodwill. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment Testing of Goodwill. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Jollibee Group's CGU, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Jollibee Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment as defined in PFRS 8, *Operating Segments*, before aggregation.

Frequency of Impairment Testing. Irrespective of whether there is any indication of impairment, the Jollibee Group tests goodwill acquired in a business combination for impairment annually as at December 31 and more frequently when circumstances indicate that the carrying amount is impaired.

Allocation of Impairment Loss. An impairment loss is recognized for a CGU if the recoverable amount of the unit or group of units is less than the carrying amount of the unit or group of units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit or group of units first to reduce the carrying amount of goodwill allocated to the CGU or group of units and then to the other assets of the unit or group of units pro rata on the basis of the carrying amount of each asset in the unit or group of units. In allocating the impairment loss, the Jollibee Group cannot reduce the carrying amount of an asset below the highest of its fair value less costs of disposal if measurable, its value in use if determinable and zero.

Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment loss. The useful lives of intangible assets are assessed at the individual asset level as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At a minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Amortization of computer software, trademarks and other intangible assets are calculated on a straight-line basis over the following estimated useful lives of the assets:

Computer software	10 years
Trademarks	5 years
Other intangible assets	5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of Nonfinancial Assets

The carrying values of interests in and advances to joint ventures, co-venturers and associates, property, plant and equipment, investment properties, trademarks, goodwill and other intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or CGU are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

For nonfinancial assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value on a systematic basis over its remaining useful life.

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Additional paid-in capital is also credited for the cost of the Jollibee Group's equity settled share-based payments to its employees.

Subscription Receivable. Subscription receivable represents the unpaid balance of the subscription price for subscribed common stock of the Parent Company.

Retained Earnings. Retained earnings represent the Jollibee Group's accumulated earnings, net of dividends declared. The balance includes accumulated earnings of subsidiaries, joint ventures and associates, which are not available for dividend declaration.

Dividends. The Jollibee Group recognizes a liability to make cash distribution to its equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Jollibee Group. A corresponding amount is recognized directly in the equity. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the reporting period.

Other Comprehensive Income. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss. These include cumulative translation adjustments, gains or losses on derivatives designated as hedging instruments in an effective hedge, unrealized gains or losses on AFS financial assets, remeasurement gains or losses on pension and their income tax effects.

Treasury Shares. Acquisitions of treasury shares are recorded at cost. The total cost of treasury shares is shown in the consolidated statement of financial position as a deduction from the total equity. Upon re-issuance or resale of the treasury shares, cost of common stock held in treasury account is credited for the cost of the treasury shares determined using the simple average method. Gain on sale is credited to additional paid-in capital. Losses are charged against additional paid-in capital but only to the extent of previous gain from original issuance, sale or retirement for the same class of stock. Otherwise, losses are charged to retained earnings.

Revenue from Contracts with Customers
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Jollibee Group expects to be entitled in exchange for those goods or services. The Jollibee Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Jollibee Group has concluded that it is acting as principal in majority of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods. Revenue from sale of goods is recognized at the point in time when control is transferred to the customer, which is normally upon delivery. Sales returns and discounts are deducted from sales to arrive at net sales shown in the consolidated statement of comprehensive income.

Royalty Fees. Revenue from royalty fees is recognized as the royalty accrues based on certain percentages of the franchisees' net sales.

Set-up Fees. Revenue from set-up fees is recognized on a straight-basis over the term of the franchise agreement and when performance obligations relating to the payment of set-up fees have been satisfied.

System-wide Advertising Fees. Revenues consisting of reimbursements of network advertising and promotional costs from franchisees are recognized upon performance of service.

Service Fees. Revenue is recognized in the period in which the service has been rendered.

Management Fees. Revenue is recognized in the period in which the administration services has been rendered based on a certain percentage of the total costs incurred.

<u>Other Revenues</u>
The following specific recognition criteria must also be met before other revenue is recognized:

Rent Income. Rent income from operating leases is recognized on a straight-line basis over the lease terms.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Jollibee Group through an increase in asset or reduction in liability and that can be measured reliably.

<u>Cost and Expenses</u>
Cost and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost and expenses are recognized as incurred.

Advertising and promotions expenses include costs incurred for advertising schemes and promotional activities for new products.

<u>Pension Benefits</u>
The pension liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Pension expense comprises the following:
- Service cost
- Net interest on the net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as part of pension expense. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the pension liability or asset is the change during the period in the liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the pension liability or asset. Net interest on the pension liability or asset is recognized under "Direct costs" and "General and administrative expenses" in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan liability or assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Jollibee Group, nor can they be paid directly to the Jollibee Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Jollibee Group also participates in various government-defined contribution schemes for the PRC-based and USA-based subsidiaries. Under these schemes, pension benefits of existing and retired employees are guaranteed by the local pension benefit plan, and each subsidiary has no further obligations beyond the annual contribution.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. Jollibee Group recognizes undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period.

Share-based Payments

The Jollibee Group has stock option plans granting its management and employees an option to purchase a fixed number of shares of stock at a stated price during a specified period ("equity-settled transactions").

The cost of the options granted to the Jollibee Group's management and employees that becomes vested is recognized in profit or loss over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant management and employees become fully entitled to the award ("vesting date").

The fair value is determined using the Black-Scholes Option Pricing Model. The cumulative expense recognized for the share-based transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Jollibee Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit in profit or loss or the investment account for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest.

Where the terms of a share-based award are modified, at a minimum, an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification, which increases the total fair value of the share-based payment agreement, or is otherwise beneficial to the management and employees as measured at the date of modification.

Where a share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if there were a modification of the original award.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the agreement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Jollibee Group as Lessee. Leases which do not transfer to the Jollibee Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Contingent rent is recognized as expense in the period in which they are incurred.

Jollibee Group as Lessor. Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the operating lease receivable and recognized over the lease term on the same basis as rent income. Rent income from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

Foreign Currency Transactions and Translations

The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency. Each entity in the Jollibee Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of subsidiaries domiciled and operating in the Philippines are also determined to be the Philippine Peso. Where the functional currency is the Philippine Peso, transactions in foreign currencies are recorded in Philippine Peso using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate of exchange at reporting date. All differences are recognized in profit or loss. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The functional currencies of the Jollibee Group's foreign operations are US dollar (USD), PRC, Renminbi (RMB), Indonesia rupiah, Vietnam dong, Singapore dollar, Hong Kong dollar, Canadian dollar, Macau pataca and Euro. As of the reporting date, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Parent Company at the rate of exchange ruling at the reporting date while the income and expense accounts are translated at the weighted average exchange rates for the year. The resulting translation differences are included in equity under the account "Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates". On disposal of a foreign subsidiary, the accumulated exchange differences are recognized in profit or loss.

Taxes

Current Tax. Current tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity (not in the profit or loss). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using balance sheet liability method, on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward benefits of excess of MCIT over RCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interest in joint ventures and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transactions, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in another equity account.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as reduction in goodwill, as long as it does not exceed goodwill, if it was incurred during the measurement period or recognize in profit or loss.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of "Trade payables and other current liabilities" account in the consolidated statement of financial position. When VAT passed on from purchases of gods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as part of "Other current assets" account in the consolidated statement of financial position.

Earnings per Share (EPS) Attributable to Equity Holders of the Parent Company

Basic EPS is calculated by dividing the net income for the year attributable to the equity holders of the Parent Company by the weighted average number of common shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any.

Diluted EPS is computed by dividing the net income for the year attributable to the equity holders of the Parent Company by the weighted average number of common shares outstanding during the period, adjusted for any potential common shares resulting from the assumed exercise of outstanding stock options. Outstanding stock options will have dilutive effect under the treasury stock method only when the average market price of the underlying common share during the period exceeds the exercise price of the option.

Where the EPS effect of the shares to be issued to management and employees under the stock option plan would be anti-dilutive, the basic and diluted EPS would be stated at the same amount.

Provisions

Provisions are recognized when the Jollibee Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Business Segments
The Jollibee Group is organized and managed separately according to the nature of operations and geographical locations of businesses. The three major operating businesses of the Jollibee Group are food service, franchising and leasing while geographical segments are segregated to Philippine businesses and international businesses. These operating and geographical businesses are the basis upon which the Jollibee Group reports its primary segment information presented in Note 5.

Events after the Reporting Period
Post year-end events that provide additional information about the Jollibee Group's financial position at reporting date (adjusting events) are reflected in the Jollibee Group's consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

4. **Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

The Jollibee Group believes the following represents a summary of these significant judgments, estimates and assumptions and the related impact and associated risks on the Jollibee Group's consolidated financial statements.

Judgments
In the process of applying the Jollibee Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Functional Currency. Management has determined that the functional and presentation currency of the Parent Company and its Philippine-based subsidiaries is the Philippine Peso, being the currency of the primary environment in which the Parent Company and its major subsidiaries operate. The functional currencies of its foreign operations are determined as the currency in the country where the subsidiary operates. For consolidation purposes, the foreign subsidiaries' balances are translated to Philippine Peso which is the Parent Company's functional and presentation currency.

Revenue Contracts with Customers - Determining the Timing of Satisfaction of Set-up Fees. The Jollibee Group undertakes activities prior to store opening (e.g., initial training, site development, systems set-up, etc.) as indicated in the franchise agreement. The Jollibee Group determines whether these activities are capable of being distinct (i.e., whether the franchisee can benefit on each of these activities on a standalone basis) and whether these activities are distinct within the context of the franchise agreement (i.e., whether these activities can be separated from the franchise license granted to the franchisee).

The Jollibee Group determined that revenue from set-up fees should be recognized on a straight-basis over the term of the franchise agreement and when performance obligations relating to the payment of set-up fees have been satisfied.

Principal versus Agent Consideration. The Jollibee Group's agreement with the franchisee includes the right to charge the franchisee its share in the Jollibee Group's nationwide advertising and marketing efforts as well as fees for the Jollibee Group's administration of various advertisements, network and media placements. The Jollibee Group determined that it is acting as principal for the nationwide advertising because it is the Jollibee Group who retains the right to direct the service provider of the advertisements, network and media placements, and has the discretion on how to price the advertising fee charges. The Jollibee Group considers both the legal form and the substance of its agreement to determine each party's respective roles in the agreement.

Operating Lease Commitments - Jollibee Group as Lessee. The Jollibee Group has entered into commercial property leases for its QSRs and offices as a lessee. Management has determined, based on an evaluation of the terms and condition of the arrangements that all the significant risks and benefits of ownership of these properties, which the Jollibee Group leases under various lease arrangements, remain with the lessors. Accordingly, the leases are accounted for as operating leases.

Rent expense amounted to ₱12,738.2 million, ₱10,236.6 million and ₱8,704.5 million in 2018, 2017 and 2016, respectively (see Notes 21, 22 and 29).

Operating Lease Commitments - Jollibee Group as Lessor. The Jollibee Group has entered into commercial property leases on its investment property portfolio and various sublease agreements. Management has determined, based on an evaluation of the terms and conditions of the arrangements, that the Jollibee Group retains all the significant risks and benefits of ownership of the properties which are leased out. Accordingly, the leases are accounted for as operating leases.

Rent income amounted to ₱53.3 million, ₱57.2 million and ₱91.4 million in 2018, 2017 and 2016, respectively (see Notes 13, 20 and 29).

Assessing Joint Control of an Arrangement and the Type of Arrangement. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Jollibee Group assessed that it has joint control in all joint arrangements by virtue of a contractual agreement with other stockholders. The Jollibee Group's joint ventures have separate legal entities and the shareholders have right to their net assets (see Note 11).

Material Partly-Owned Subsidiaries
The consolidated financial statements include additional information about subsidiaries that have non-controlling interests that are material to the Jollibee Group (see Note 11). Management determined material partly-owned subsidiaries as those with balance of non-controlling interest greater than 5% of total non-controlling interests and those subsidiaries with activities that are important to the Jollibee Group as at end of the period.

Material Joint Ventures and Associates
The consolidated financial statements include additional information about joint ventures and associates that are material to the Jollibee Group (see Note 11). Management determined material joint ventures and associates as those joint ventures and associates where the Jollibee Group's carrying amount of investment is greater than 5% of the total interests in joint ventures and investments in associates as at end of the period.

Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Jollibee Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to changes on market circumstances arising beyond the control of the Jollibee Group. Such changes are reflected in the assumptions when they occur.

Determination of Purchase Price Allocation. In April 2018, the Jollibee Group, through BGI, increased its ownership interest in SJBF from 40% to 85% ownership interest for a total consideration of ₱11,284.9 million (see Note 11). In identifying the assets acquired and liabilities assumed, management has determined that part of the assets being acquired pertains to the trademark of Smashburger amounting to ₱10,414.0 million (see Note 14).

In 2017, the Jollibee Group, through JSF, increased its ownership interest in SF Vung Tau Joint Stock Company and Blue Sky Holdings Ltd. (collectively SuperFoods Group) from 50% to 60% ownership interest for a total consideration of ₱4,812.5 million (see Note 11). In identifying the assets acquired and liabilities assumed, management has determined that part of the assets being acquired pertains to the trademarks of Highlands Coffee and Pho 24 amounting to ₱3,681.9 million and ₱463.1 million, respectively (see Note 14).

Management has measured the trademarks and favourable leases, and the property and equipment that were acquired using the appraisal reports that were prepared by an independent appraiser. The trademarks were valued using the relief-from-royalty method wherein the fair value of trademarks is based on cost savings from owning the trademarks. Significant assumptions and estimates used include comparable royalty rates, long-term growth rates, discount rates based on available market data and revenue growth rate forecasts. The property and equipment were valued using the replacement cost. Adjustments were made to replacement cost to reflect depreciation. The valuation of favourable leases was based on market values using income approach.

Recoverability of Trademarks, *Goodwill and Other Intangible Assets.* The Jollibee Group determines whether trademarks, goodwill and other intangible assets with indefinite useful life is impaired at least on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the CGU to which the goodwill is allocated. Estimating the value in use requires the Jollibee Group to make an estimate of the expected long-term growth rates and earnings before interest, taxes, depreciation and amortization (EBITDA) from the CGU and also consider market data in determining discount rate in order to calculate the present value of those cash flows.

Management has determined that trademarks, goodwill and other intangible assets are not impaired. The carrying amount of trademarks, goodwill and other intangible assets amounted to ₱31,830.1 million and ₱15,730.2 million as at December 31, 2018 and 2017, respectively (see Note 14).

Recoverability of Interests in and Advances to Joint Ventures, *Co-venturers and Associates.* The Jollibee Group performs impairment test of its interests in and advances to joint ventures, co-venturers and associates when there are facts and circumstances indicating that their carrying amounts exceed their recoverable amounts. Determining the recoverable amount of assets, which requires the determination of future cash flows expected to be generated from the continued operations of joint ventures and associates, requires the Jollibee Group to make significant assumptions that can materially affect the consolidated financial statements. These assumptions include long-term growth rates, EBITDA and discount rate. Future events could cause the Jollibee Group to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Jollibee Group's financial position and performance.

Reversal of impairment loss on interest in an associate was recognized in 2018 amounting to ₱16.7 million (see Notes 11 and 23). In 2017 and 2016, no provision or reversal of impairment loss was recognized. The gain (loss) from divestment of subsidiaries and interest in a joint venture recognized amounted to nil, (₱116.2 million) and ₱66.7 million in 2018, 2017 and 2016, respectively (see Notes 11 and 23). The carrying amounts of interests in and advances to joint ventures, co-venturers and associates as at December 31 are as follows (see Note 11):

	2018	2017
Interests in joint ventures	**₱969.8**	₱5,810.3
Interests in associates	**869.6**	146.9
Advances to co-venturers	**1,672.8**	1,535.6

Realizability of Deferred Tax Assets. The carrying amounts of deferred tax assets at each reporting date is reviewed and reduced to the extent that sufficient taxable profits are available to allow all or part of the deferred tax assets to be utilized. The Jollibee Group's assessment on the recognition of deferred tax assets is based on the forecasted taxable income. This forecast is based on future expectations on revenue and expenses as well as management's plans and strategies for the relevant entities.

The carrying amount of the recognized deferred tax assets amounted to ₱4,842.8 million and ₱4,372.7 million as at December 31, 2018 and 2017, respectively. Unrecognized deferred tax assets amounted to ₱10.3 million and ₱67.6 million as at December 31, 2018 and 2017, respectively (see Note 24).

Recoverability of Property, Plant and Equipment and Investment Properties. The Jollibee Group performs impairment review of property, plant and equipment and investment properties when certain impairment indicators are present. Determining the fair value of assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Jollibee Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Jollibee Group to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Jollibee Group's financial position and performance.

Reversal of impairment loss amounted to ₱408.2 million, ₱2.1 million and ₱2.0 million in 2018, 2017 and 2016, respectively (see Notes 12 and 22). The Jollibee Group recognized provision for impairment loss amounting to ₱431.9 million and ₱42.7 million in 2017 and 2016, respectively. No provision for impairment loss was recognized in 2018 (see Notes 12 and 22).

The aggregate carrying values of property, plant and equipment and investment properties as at December 31 are as follows:

	2018	2017
Property, plant and equipment (see Note 12)	**₱26,694.0**	₱20,893.8
Investment properties (see Note 13)	**849.0**	849.0

Impairment of Receivables (Upon Adoption of PFRS 9). The Jollibee Group uses a provision matrix to calculate ECLs for its receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Jollibee Group's historical observed default rates. The Jollibee Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forward-looking information, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Jollibee Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

Provision for impairment loss on receivables amounted to ₱10.2 million in 2018. Reversal of previously recognized provision for impairment loss amounted to ₱23.7 million in 2018 (see Notes 7 and 22). The carrying amount of receivables and contract assets amounted to ₱4,862.7 million as at December 31, 2018 (see Note 7).

Impairment of Receivables (Prior to Adoption of PFRS 9). The Jollibee Group maintains an allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of allowance is evaluated on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Jollibee Group's relationship with the customers and counterparties, average age of accounts and collection experience. The Jollibee Group performs a regular review of the age and status of these accounts, designed to identify accounts with objective evidence of impairment and provide the appropriate allowance for impairment losses. The review is done quarterly and annually using a combination of specific and collective assessments. The amount and timing of recorded expenses for any period would differ if the Jollibee Group made different judgments or utilized different methodologies. An increase in allowance account would increase general and administrative expenses and decrease current assets.

Provision for impairment loss on receivables in 2017 and 2016 amounted to ₱143.8 million and ₱91.4 million, respectively, resulting from specific and collective assessments (see Note 22). Reversal of previously recognized provisions amounting to ₱20.7 million and ₱3.2 million were recognized in 2017 and 2016, respectively (see Note 22). The carrying amount of receivables and contract assets amounted to ₱3,941.1 million as at December 31, 2017 (see Note 7).

Net Realizable Value of Inventories. The Jollibee Group writes down inventories to net realizable value, through the use of an allowance account, whenever the net realizable value of inventories becomes lower than the cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

The estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to be realized. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date. The allowance account is reviewed on a regular basis to reflect the accurate valuation in the financial records.

The Jollibee Group assessed that the net realizable value for some inventories is lower than cost, hence, it recognized provision for inventory obsolescence amounting to ₱8.3 million, ₱7.4 million and ₱78.6 million in 2018, 2017 and 2016, respectively (see Note 22). Reversal of previously recognized provisions amounting to ₱6.1 million, ₱53.8 million and ₱18.1 million were recognized in 2018, 2017 and 2016, respectively (see Note 22). The carrying amount of inventories amounted to ₱8,812.2 million and ₱6,835.5 million as at December 31, 2018 and 2017, respectively (see Note 8).

Present Value of Defined Benefit Obligation. The pension expense as well as the present value of the defined benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and the future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Future salary increases are based on budgetary salary increases.

The carrying amount of pension liability amounted to ₱1,320.6 million and ₱1,489.5 million as at December 31, 2018 and 2017, respectively (see Note 25).

Share-based Payments. The Parent Company measures the cost of its equity-settled transactions with management and employees by reference to the fair value of the equity instruments at the grant date. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about these inputs. The fair value of the share option is being determined using the Black-Scholes Option Pricing Model. The expected life of the stock options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of the Parent Company.

Total expense arising from share-based payment recognized by the Jollibee Group amounted to ₱312.0 million, ₱227.5 million and ₱241.3 million in 2018, 2017 and 2016, respectively (see Notes 19, 22 and 26).

Estimation of Useful Lives of Property, Plant and Equipment, Investment Properties and Intangible Assets with Definite Useful Lives. The Jollibee Group estimates the useful lives of property, plant and equipment, investment properties and intangible assets with definite useful lives based on the period over which the property, plant and equipment, investment properties and intangible assets are expected to be available for use and on the collective assessment of the industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property, plant and equipment, investment properties and intangible assets are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits in the use of the said assets. However, it is possible that future financial performance could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amount and timing of recording the depreciation and amortization for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment, investment properties and intangible assets would increase the recorded depreciation and amortization and decrease noncurrent assets.

There was no change in the estimated useful lives of property, plant and equipment, investment properties and intangible assets in 2018 and 2017.

Derivative on Put / Call Rights on SJBF LLC. The Jollibee Group has a derivative arising from put / call rights on the controlling interest in SJBF LLC.

The derivative from put / call rights derive value from the fair value of SJBF LLC's equity, which considers forecasted cash flows from its operations and its cost of capital, and the price to exercise such put / call rights, which consider SJBF LLC's EBITDA near transaction date and exit multiples based on SJBF LLC's achievement of sales targets. Such derivative is valued using discounted cash flows model, which also takes into account assumptions on the volatility of the fair value of SJBF LLC's equity and discount rate to arrive at present value, among others. Changes in the assumptions mentioned above can result to change in the amount recognized as derivative and may result to either a derivative asset or liability as recognized in the consolidated statements of financial position.

The Jollibee Group recognized a derivative liability amounting to nil and ₱51.0 million as at December 31, 2018 and 2017 from put / call rights (see Note 11).

Fair Value of Financial Assets and Liabilities. When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but when this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair value of financial assets and liabilities are discussed in Note 31.

Provisions and Contingencies. The Jollibee Group is involved in litigations, claims and disputes which are normal to its business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the Jollibee Group's legal counsels and based upon an analysis of potential results (see Note 17). The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and application of laws and rulings. Management believes that the ultimate liability, if any, with respect to the litigations, claims and disputes will not materially affect the financial position and performance of the Jollibee Group.

The Jollibee Group recognized provision amounting to ₱794.6 million in 2017. No provision was recognized in 2018 and 2016 (see Note 23).

Total outstanding provisions amounted to ₱825.1 million as at December 31, 2018 and 2017 (see Notes 17 and 29).

5. Segment Information

For management purposes, the Jollibee Group is organized into segments based on the nature of the products and services offered and geographical locations. The Executive Management Committee monitors the operating results of its segments separately for resource allocation and performance assessment. Segment results are evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Business Segments

The Jollibee Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

- The food service segment is involved in the operations of QSRs and the manufacture of food products to be sold to Jollibee Group-owned and franchised QSR outlets.

- The franchising segment is involved in the franchising of the Jollibee Group's QSR store concepts.
- The leasing segment leases store sites mainly to the Jollibee Group's independent franchisees.

The following tables present certain information on revenues, expenses, assets and liabilities and other segment information of the different business segments as at and for the years ended December 31, 2018, 2017 and 2016:

	2018				
	Food Service	**Franchising**	**Leasing**	**Eliminations**	**Consolidated**
Revenues from external customers	**₱150,498,395**	**₱10,114,292**	**₱586,701**	**₱–**	**₱161,199,388**
Inter-segment revenues	**43,571,728**	**3,225,369**	**8,824,495**	**(55,621,592)**	**–**
Segment revenues	**194,070,123**	**13,339,661**	**9,411,196**	**(55,621,592)**	**161,199,388**
Segment expenses	**(194,697,929)**	**(5,748,861)**	**(8,978,135)**	**55,621,592**	**(153,803,333)**
Reversal of impairment losses on receivables, inventories and property, plant and equipment - net of provisions	**419,541**	**–**	**–**	**–**	**419,541**
Equity in net losses of joint ventures and associates – net	**(86,750)**	**–**	**–**	**–**	**(86,750)**
Other segment income	**3,232,084**	**–**	**3,112**	**–**	**3,235,196**
Segment result	**₱2,937,069**	**₱7,590,800**	**₱436,173**	**₱–**	**10,964,042**
Interest income					**415,385**
Interest expense					**(888,843)**
Income before income tax					**10,490,584**
Provision for income tax					**(2,719,249)**
Net income					**₱7,771,335**

	2018				
	Food Service	**Franchising**	**Leasing**	**Eliminations**	**Consolidated**
Assets and Liabilities					
Segment assets	**₱109,159,626**	**₱–**	**₱369,200**	**₱–**	**₱109,528,826**
Deferred tax assets - net	**4,322,996**	**–**	**–**	**–**	**4,322,996**
Consolidated assets	**₱113,482,622**	**₱–**	**₱369,200**	**₱–**	**₱113,851,822**
Segment liabilities	**₱33,828,169**	**₱–**	**₱65,423**	**₱–**	**₱33,893,592**
Deferred tax liabilities - net	**3,512,253**	**–**	**–**	**–**	**3,512,253**
Long-term debt - including current portion	**26,264,353**	**–**	**–**	**–**	**26,264,353**
Income tax payable	**260,421**	**–**	**3,052**	**–**	**263,473**
Consolidated liabilities	**₱63,865,196**	**₱–**	**₱68,475**	**₱–**	**₱63,933,671**
Other Segment Information					
Capital expenditures	**₱9,631,897**	**₱–**	**₱–**	**₱–**	**₱9,631,897**
Depreciation and amortization	**5,905,180**	**–**	**4,580**	**–**	**5,909,760**

	2017				
	Food Service	Franchising	Leasing	Eliminations	Consolidated
Revenues from external customers	₱124,972,802	₱8,075,199	₱565,085	₱–	₱133,613,086
Inter-segment revenues	38,836,601	2,928,473	8,205,610	(49,970,684)	–
Segment revenues	163,809,403	11,003,672	8,770,695	(49,970,684)	133,613,086
Segment expenses	(162,923,487)	(4,965,008)	(8,396,342)	49,970,684	(126,314,153)
Impairment losses on receivables, inventories and property, plant and equipment and other assets - net of reversals	(629,278)	–	–	–	(629,278)
Equity in net losses of joint ventures and associates - net	(282,645)	–	–	–	(282,645)
Other segment income	2,072,932	–	25,821	–	2,098,753
Segment result	₱2,046,925	₱6,038,664	₱400,174	₱–	8,485,763
Interest income					259,567
Interest expense					(405,820)
Income before income tax					8,339,510
Provision for income tax					(1,666,928)
Net income					₱6,672,582

	2017				
	Food Service	Franchising	Leasing	Eliminations	Consolidated
Assets and Liabilities					
Segment assets	₱85,523,719	₱–	₱351,363	₱–	₱85,875,082
Deferred tax assets - net	3,908,103	–	710	–	3,908,813
Consolidated assets	₱89,431,822	₱–	₱352,073	₱–	₱89,783,895
Segment liabilities	₱29,587,940	₱–	₱83,937	₱–	₱29,671,877
Deferred tax liabilities - net	1,188,995	–	–	–	1,188,995
Long-term debt - including current portion	16,117,271	–	–	–	16,117,271
Income tax payable	221,713	–	2,060	–	223,773
Consolidated liabilities	₱47,115,919	₱–	₱85,997	₱–	₱47,201,916
Other Segment Information					
Capital expenditures	₱8,974,430	₱–	₱–	₱–	₱8,974,430
Depreciation and amortization	4,739,924	–	5,242	–	4,745,166

	2016				
	Food Service	Franchising	Leasing	Eliminations	Consolidated
Revenues from external customers	₱108,263,045	₱7,070,993	₱279,504	₱–	₱115,613,542
Inter-segment revenues	33,576,257	1,757,050	5,386,826	(40,720,133)	–
Segment revenues	141,839,302	8,828,043	5,666,330	(40,720,133)	115,613,542
Segment expenses	(140,568,751)	(3,559,122)	(5,551,305)	40,720,133	(108,959,045)
Impairment losses on receivables, inventories and property, plant and equipment - net of reversals	(189,450)	–	–	–	(189,450)
Equity in net losses of joint ventures and associates - net	(337,145)	–	–	–	(337,145)
Other segment income	1,576,667	–	6,256	–	1,582,923
Segment result	₱2,320,623	₱5,268,921	₱121,281	₱–	7,710,825
Interest income					286,913
Interest expense					(267,618)
Income before income tax					7,730,120
Provision for income tax					(1,676,611)
Net income					₱6,053,509

	2016				
	Food Service	Franchising	Leasing	Eliminations	Consolidated
Other Segment Information					
Capital expenditures	₱6,717,839	₱–	₱–	₱–	₱6,717,839
Depreciation and amortization	3,990,980	–	4,888	–	3,995,868

Geographical Segments

The Jollibee Group's geographical segments are based on the location of the assets producing revenues in the Philippines and in other locations which includes PRC, USA, Canada, Vietnam, UAE, Hongkong, Macau, Brunei, Saudi Arabia, Singapore, Malaysia, Oman, Kuwait, Qatar, Italy and UK. Sales to external customers disclosed in the geographical segments are based on the geographical location of the customers.

Majority of the Jollibee Group's revenues were generated from the Philippines, which is the Parent Company's country of domicile.

The Jollibee Group does not have a single external customer which revenue amounts to 10% or more of the Jollibee Group's revenues.

The following tables present segment revenues, segment assets and capital expenditures of the Jollibee Group's geographical segments:

	2018			
	Philippines	**International**	**Eliminations**	**Consolidated**
Segment revenues	**₱120,303,894**	**₱41,621,421**	**(₱725,927)**	**₱161,199,388**
Segment assets	**60,422,654**	**49,106,172**	**–**	**109,528,826**
Capital expenditures	**7,121,815**	**2,510,082**	**–**	**9,631,897**

	2017			
	Philippines	International	Eliminations	Consolidated
Segment revenues	₱105,193,712	₱28,937,959	(₱518,585)	₱133,613,086
Segment assets	47,459,418	38,415,664	–	85,875,082
Capital expenditures	7,382,960	1,591,470	–	8,974,430

	2016			
	Philippines	International	Eliminations	Consolidated
Segment revenues	₱92,427,367	₱23,594,721	(₱408,546)	₱115,613,542
Capital expenditures	5,493,783	1,224,056	–	6,717,839

Revenue from Contracts with Customers

Set out below is the disaggregation of the Jollibee Group's revenue from contracts with customers:

	2018		
Revenue Source	**Food Service**	**Franchising**	**Total**
Sale of goods	**₱150,200,826**	**₱–**	**₱150,200,826**
Royalty fees	**–**	**7,043,891**	**7,043,891**
Set-up fees	**–**	**546,909**	**546,909**
System-wide advertising fees	**–**	**2,523,492**	**2,523,492**
Other revenues	**297,569**	**–**	**297,569**
Total revenue from contracts with customers	**₱150,498,395**	**₱10,114,292**	**₱160,612,687**

Timing of recognition:	
Goods transferred at a point in time	**₱160,065,778**
Services transferred over time	**546,909**
	₱160,612,687

	2017		
Revenue Source	Food Service	Franchising	Total
Sale of goods	₱124,663,548	₱–	₱124,663,548
Royalty fees	–	5,614,447	5,614,447
Set-up fees	–	424,217	424,217
System-wide advertising fees	–	2,036,535	2,036,535
Other revenues	309,254	–	309,254
Total revenue from contracts with customers	₱124,972,802	₱8,075,199	₱133,048,001

Timing of recognition:	
Goods transferred at a point in time	₱132,623,784
Services transferred over time	424,217
	₱133,048,001

Revenue Source	Food Service (2016)	Franchising (2016)	Total (2016)
Sale of goods	₱107,924,454	₱–	₱107,924,454
Royalty fees	–	4,959,567	4,959,567
Set-up fees	–	309,354	309,354
System-wide advertising fees	–	1,802,072	1,802,072
Other revenues	338,591	–	338,591
Total revenue from contracts with customers	₱108,263,045	₱7,070,993	₱115,334,038

Timing of recognition:	
Goods transferred at a point in time	₱115,024,684
Services transferred over time	309,354
	₱115,334,038

6. Cash and Cash Equivalents and Short-term Investments

Cash and Cash Equivalents
This account consists of:

	2018	2017
Cash on hand	**₱480,889**	₱344,976
Cash in banks	**12,097,440**	15,120,958
Short-term deposits	**10,707,586**	5,641,540
	₱23,285,915	₱21,107,474

Cash in banks earn interest at the respective savings or special demand deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Jollibee Group, and earn interest at the respective short-term deposit rates.

Short-term Investments
The Jollibee Group also has short-term investments amounting to ₱883.2 million and ₱1,413.4 million as at December 31, 2018 and 2017, respectively. These pertain to deposits with maturities of more than three months but less than a year.

Interest income earned from cash and cash equivalents and short-term investments amounted to ₱313.3 million, ₱149.3 million and ₱136.7 million in 2018, 2017 and 2016, respectively (see Note 23).

7. Receivables and Contract Assets

This account consists of:

	2018	2017
Trade	**₱4,680,553**	₱4,077,531
Less allowance for impairment loss	**676,906**	690,119
	4,003,647	3,387,412
Advances to employees	**167,352**	144,791
Current portion of employee car plan receivables (see Note 15)	**91,172**	88,971

(Forward)

	2018	2017
Interest receivable	**₱19,314**	₱11,911
Others	**173,887**	160,538
	4,455,372	3,793,623
Contract assets	**407,372**	147,450
	₱4,862,744	₱3,941,073

The terms and conditions of the receivables are as follows:

- Trade receivables are noninterest-bearing and are generally settled on a 14-day term. Upon adoption of PFRS 15, the Jollibee Group classified accrued receivables as contract assets.
- Advances to employees, current portion of employee car plan receivables and other receivables are normally collectible within the next financial year. Other receivables consist of receivables from the retirement plan, the Social Security System (SSS) and insurance claims.

The movements in the allowance for impairment loss on trade receivables as at December 31 are as follows:

	2018	2017
Balance at beginning of year	**₱690,119**	₱579,792
Reversals (see Note 22)	**(23,675)**	(20,705)
Provisions (see Note 22)	**10,188**	143,772
Write-offs	**(1,201)**	(12,797)
Translation adjustments	**1,475**	57
Balance at end of year	**₱676,906**	₱690,119

The provisions in 2018 were based on the Jollibee Group's ECL. The provisions in 2017 resulted from specific and collective impairment assessments on trade receivables performed by the Jollibee Group.

8. **Inventories**

This account consists of:

	2018	2017
At cost:		
Food supplies and processed inventories	**₱8,289,323**	₱6,377,956
Packaging, store and other supplies	**406,186**	434,999
	8,695,509	6,812,955
At net realizable value -		
Novelty items	**116,665**	22,559
Total inventories at lower of cost and net realizable value	**₱8,812,174**	₱6,835,514

The cost of novelty items carried at net realizable value amounted to ₱151.4 million and ₱55.1 million as at December 31, 2018 and 2017, respectively.

The movements in the allowance for inventory obsolescence for novelty items as at December 31 are as follows:

	2018	2017
Balance at beginning of year	**₱32,565**	₱78,647
Provisions (see Note 22)	**8,278**	7,443
Reversals (see Note 22)	**(6,148)**	(53,819)
Translation adjustments	**(1)**	294
Balance at end of year	**₱34,694**	₱32,565

9. **Other Current Assets**

This account consists of:

	2018	2017
Prepaid expenses:		
Taxes	**₱1,963,937**	₱1,499,728
Rent	**567,599**	526,809
Insurance and others	**490,748**	211,505
Supplies	**78,604**	111,378
Current portion of security and other deposits (see Note 15)	**239,096**	187,904
Deposits to suppliers and other third parties	**1,554,184**	1,417,735
Receivable from sale of business (see Note 11)	**–**	76,400
	₱4,894,168	₱4,031,459

Terms and conditions of other current assets are as follows:

- Prepaid taxes mainly represent creditable withholding taxes that can be applied in the following year against the corporate income tax due or can be claimed as tax refund from the BIR. This also includes prepaid real property taxes which are expected to be utilized within the next twelve months.

- Prepaid rent pertains to the rent of store and office spaces that are paid in advance. Supplies consist of various office and administrative supplies. Prepaid rent, insurance and others are normally utilized within the next financial year.

- Deposits to suppliers and other third parties are generally applied to purchase of inventories and availment of services within the next financial year.

- Receivable from sale of business pertains to the current portion of receivables from Guangxi Zong Kai Food Beverage Investment Company Limited (GZK) as a result of the Jollibee Group's divestment in SPW in 2016 (see Note 11).

10. Financial Assets at FVTPL/Available-for-Sale Financial Assets

This account consists of investment in shares of stocks of Manila Polo Club, Tagaytay Highlands and other golf and leisure clubs.

Due to the adoption of PFRS 9, the Jollibee Group classified its investments in golf and leisure club shares as financial assets at FVTPL as at January 1, 2018.

Financial Assets at FVTPL
The movements in financial assets at FVTPL in 2018 are as follows:

Balance at beginning of year, as previously reported	₱–
Reclassification from AFS financial assets	29,862
Balance at beginning of year, as adjusted	29,862
Market-to-market gain on financial assets at FVTPL (see Note 23)	9,980
Balance at end of year	₱39,842

AFS Financial Assets
The movements of AFS financial assets in 2017 are as follows:

Cost	
Balance at beginning of year	₱21,462
Additions	450
Balance at end of year	21,912
Cumulative Unrealized Gain on AFS Financial Assets	
Balance at beginning of year	4,750
Unrealized gain due to change in fair value	3,200
Balance at end of year	7,950
	₱29,862

The fair value of financial assets at FVTPL/AFS financial assets have been determined directly by reference to quoted prices in active market or inputs other than quoted prices that are directly or indirectly observable (see Note 31).

11. Business Combinations, Incorporation of New Subsidiaries, Material Non-controlling Interests, Interests in and Advances to Joint Ventures, Co-venturers and Associates, Divestments and Cessation of Operations

A. Business Combinations

Business Combination Achieved in Stages

SJBF. On October 8, 2015, the Jollibee Group, through JWPL, incorporated BGI in the state of Delaware, USA.

On October 13, 2015, BGI entered into an agreement with Smashburger Master LLC (Master) to acquire 40% of the outstanding equity interest of SJBF, the parent company of the entities comprising the Smashburger business, a fast-casual better burger restaurant business based in the United States.

The consideration for BGI's 40% stake in SJBF amounted to USD99.5 million (₱4,629.5 million). Thereafter, a post-closing adjustment of USD0.8 million (₱36.6 million) to the purchase price at the closing date was recognized based on a pre-agreed mechanism with Master. The Jollibee Group settled with Master USD99.5 million (₱4,629.5 million) and USD0.8 million (₱36.6 million) in December 2015 and January 2016, respectively. In addition, acquisition-related costs consisting of professional fees for the Jollibee Group's financial, tax, accounting and legal advisors for the transaction amounted to ₱221.8 million.

In February 2016, September 2016 and November 2016, BGI made additional investments to SJBF amounting to USD4.0 million (₱189.0 million), USD4.6 million (₱221.4 million) and USD8.0 million (₱397.8 million), respectively.

The agreement between BGI and Master dated October 27, 2015 provides for a mechanism wherein Master can sell or BGI can purchase up to an additional 35% equity interest in SJBF (First Put/Call Right) between January 1, 2018 and January 1, 2021, and up to an additional 25% equity interest from the closing date or after expiration of the First Put/Call Right and five years thereafter (Second Put/Call Right). The purchase price of the remaining 60% will be based on the achievement of certain financial performance targets agreed between BGI and Master.

On February 25, 2017, BGI and Master have amended their original agreement to enable BGI to purchase more shares in SJBF. With the amendment, BGI shall be entitled to purchase from Master an additional 45% of SJBF shares between the years 2018 and 2021, and to acquire the balance of 15% between 2019 at the earliest and 2026 at the latest.

On March 24, 2017 and September 7, 2017, BGI made additional investments to SJBF amounting to USD8.0 million (₱402.6 million) and USD2.5 million (₱128.5 million), respectively. The additional investments did not change BGI's equity interest in SJBF.

On March 8, 2018, BGI executed the Purchase Agreement with Master for the acquisition of an additional 45% share of SJBF pursuant to the exercise by Master of its First Put Option for USD100.0 million (₱5,207.0 million). This increased BGI's ownership in SJBF from 40% to 85%.

On April 17, 2018, closing conditions, including required government approvals, have been obtained as provided under the Purchase Agreement. The Jollibee Group, through BGI, paid Master in cash amounting to USD100.0 million (₱5,207.0 million). With the completion of the acquisition, the Jollibee Group included Smashburger in its financial consolidation starting April 17, 2018 (the "acquisition date").

As a result of the first and second Put/Call Rights in the agreement between BGI and Master, the Jollibee Group allocated ₱75.0 million of the purchase price to a derivative asset in 2015, representing the fair value of the First and Second Put/Call Rights on transaction date. The Jollibee Group recognized a derivative liability amounting to nil and ₱51.0 million as at December 31, 2018 and 2017, respectively, to the Put/Call Rights. The marked-to-market loss amounted to ₱49.8 million and ₱129.3 million in 2018 and 2017, respectively (see Note 23).

The details of Jollibee Group's interest in SJBF as at December 31, 2018 and 2017 are as follows:

	2018	2017
Interest in a joint venture - cost:		
Balance at beginning of year	**₱6,151,981**	₱5,620,834
Additions during the year	**–**	531,147
Balance at transfer date/year	**6,151,981**	6,151,981
Cumulative equity in net losses:		
Balance at beginning of year	**(691,926)**	(361,911)
Equity in net loss during the year	**(36,085)**	(330,015)
Balance at transfer date/year	**(728,011)**	(691,926)
	5,423,970	5,460,055
Transferred to investment in a subsidiary	**(5,423,970)**	–
	₱–	₱5,460,055

The fair value of the identifiable assets acquired and liabilities assumed as at the date of the acquisition were as follows:

Cash and cash equivalents	₱1,408,882
Receivables	154,360
Inventories	59,478
Other current assets	321,766
Property, plant and equipment (see Note 12)	2,565,988
Trademarks and favourable leases (see Note 14)	10,782,418
Other noncurrent assets	68,201
Total identifiable assets acquired	15,361,093
Less:	
Short-term debt	84,300
Trade payables and other current liabilities	1,092,701
Long-term debt	4,133,311
Other noncurrent liabilities	645,552
Deferred tax liabilities	2,323,280
Total identifiable liabilities assumed	8,279,144
Net identifiable assets acquired	₱7,081,949

The Jollibee Group's investment in SJBF was previously accounted for as investment in a joint venture. In accordance with PFRS 3, with the Jollibee Group's acquisition of control over SJBF in 2018, the fair value of the previously held interest amounted to ₱6,178.8 million and the resulting gain from the re-measurement of the 40% previously held interest amounted to ₱754.8 million (see Note 23).

The fair value of trade receivables approximates the carrying amount of receivables acquired amounting to ₱154.4 million and it is expected that the full contractual amounts can be collected.

The amount of provisional goodwill recorded at acquisition date amounted to ₱5,345.5 million determined as follows:

Fair value of consideration transferred:	
Fair value of previously held interest	₱6,178,774
Cash consideration	5,207,000
Derivative liability at acquisition date	(100,833)
	11,284,941
Fair value of non-controlling interest's share in the net identifiable assets acquired	1,142,502
Aggregate amount	12,427,443
Less fair value of net identifiable assets acquired	7,081,949
Goodwill (see Note 14)	₱5,345,494

The net cash outflow from the acquisition is as follows:

Cash paid on acquisition	₱5,207,000
Less cash acquired from subsidiary	1,408,882
	₱3,798,118

The provisional goodwill of ₱5,345.5 million is attributable to synergies and other benefits from the acquisition of SJBF.

The non-controlling interest was recognized as a proportion of the fair value of the net assets acquired. The fair value of the non-controlling interest in SJBF has been estimated by applying the following valuation methodology and significant inputs:

- Relief-from-Royalty method for trademark using a royalty rate of 4.12% and terminal value, calculated based on long-term sustainable growth rate for the industry of 2% and estimated discount rate of 11%
- Income approach for favourable leases using a market rent growth of 2.5% and a discount rate of 7.5%
- Cost method for other intangible assets
- Replacement cost method for property, plant and equipment

The Jollibee Group's acquisition of additional shares in SJBF will allow the Jollibee Group to have a more significant business in the USA by increasing the sales contribution from that country to the Jollibee Group's worldwide system-wide sales.

Summarized financial information of SJBF based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements for the year ended December 31, 2017 are set out below:

Current assets	₱2,024,938
Noncurrent assets	4,792,879
Total assets	₱6,817,817
Current liabilities	₱5,164,688
Noncurrent liabilities	941,102
Total liabilities	₱6,105,790

The amounts of assets and liabilities above include the following:

Cash and cash equivalents	₱1,459,318
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	4,047,423
Noncurrent financial liabilities (excluding provisions)	20,613

From the acquisition date, SJBF contributed ₱886.8 million net loss to the Jollibee Group. If the business combination had taken place at the beginning of 2018, contribution to consolidated revenues and net loss for 2018 would have been ₱9,423.1 million and ₱1,065.9 million, respectively.

The amounts of the income and expense accounts for the period ended April 16, 2018 and for the year ended December 31, 2017 include the following:

	April 2018	December 2017
Revenues	**₱2,875,260**	₱9,905,070
Depreciation and amortization	**141,417**	599,675
Interest expense	**104,852**	340,820
Net loss	**(90,212)**	(825,038)
Total comprehensive loss	**(90,212)**	(825,038)

	2017
Net assets	₱712,027
Proportion of the Jollibee Group's ownership	40%
	284,811
Goodwill	4,837,671
Cumulative translation adjustments	337,573
	₱5,460,055

SJBF has outstanding liabilities for the purchase of non-controlling interest in a joint venture and acquisition of franchise markets amounting to USD0.3 million (₱14.1 million) as at December 31, 2018. The last installment is expected to be settled in 2020.

On December 14, 2018, the Jollibee Group, through BGI, acquired the remaining 15% stake in SJBF for a total cash consideration of USD10.0 million (₱528.8 million). The acquisition resulted to SJBF becoming a wholly owned subsidiary of BGI.

The difference of the carrying value of the minority interest over the acquisition cost at the date of acquisition, amounting to ₱347.4 million, was recognized under the "Excess of cost over the carrying value of non-controlling interests acquired", a separate component of "Equity Attributable to Equity Holders of the Parent Company" in the consolidated statements of financial position (see Note 19).

On December 21, 2018, upon signing of the Restructuring Agreement, the loan of BGI to SJBF amounting to USD80.0 million (₱4,206.4 million) was converted to additional equity.

SuperFoods Group. On January 20, 2012, upon fulfillment of certain legal and regulatory requirements in Vietnam, the Jollibee Group, through JWPL, acquired effective ownership of 50% share in the business of the SuperFoods Group (includes SF Vung Tau Joint Stock Company (SFVT), Highlands Coffee Service JSC, Quantum Corp., Pho24 Corp., Blue Sky Holdings Limited Hongkong (Blue Sky), Sino Ocean Asia Limited Hongkong and Blue Sky Holdings Limited Macau) through formation of joint ventures. This consists of a 49% share in SFVT in Vietnam and a 60% share in Blue Sky in Hongkong (the SuperFoods Group Holding Companies). The formation of joint ventures is an implementation of the Framework Agreement made on May 20, 2011 between the Jollibee Group, through JSF, a 99% subsidiary of JWPL, and its co-venturers, Viet Thai International Joint Stock Company (VTIJS) and Viet Thai International Company Limited (VTI) (collectively, VTI Group). The SuperFoods Group operates the chain of Highlands Coffee shops, Pho 24 restaurants and Hard Rock Cafe stores, whose market is mostly in Vietnam, Hong Kong and Macau. The Framework Agreement provided for the Jollibee Group to contribute a total of USD25.0 million (₱1,079.6 million) to gain 50% effective ownership in the joint ventures. Loans and deposits were made to the SuperFoods Group and the co-venturers prior to the formation of the joint ventures in 2012.

Pursuant to the Framework Agreement, the preliminary consideration for the 50% share in SuperFoods Group amounted to a cash payment of USD25.0 million (₱1,079.6 million) in 2011.

On October 22, 2015, JSF contributed additional investment in SuperFoods Group amounting to USD0.7 million (₱34.1 million).

The Supplemental Agreement further provides that JWPL shall be required to pay the co-venturers an additional amount in 2016 based upon achieving a positive amount determined in accordance with a formula contained in the agreement (earn-out formula). No additional consideration was recognized as at January 20, 2012, date of acquisition, and as at December 31, 2012 to 2016.

In accordance with the Framework Agreement, the Jollibee Group, through JSF, extended loans to SurperFoods Group. First and Second Supplements to the Loan Agreement were executed that basically extended the loan due dates.

On November 18, 2016, the Jollibee Group, through JSF, entered into an agreement with its co-venturers, VTIJS, to make SuperFoods Group a public company by listing in the Vietnam Stock Exchange with an Initial Public Offering (IPO) on or before July 2019. As part of the agreement, the ownership of the SuperFoods Group will be adjusted with the Jollibee Group, owning 60% of the joint venture and VTI owning 40%. With this agreement, the following loan structures were amended, as documented in the Third and Fourth Supplements to the Loan Agreement signed on December 29, 2016 and March 28, 2017, respectively.

- *Advances to SFVT*. On April 30, 2013, an additional loan was extended to the co-venturers in the SuperFoods Group amounting to USD1.0 million (₱41.2 million) payable in February 2014 but was extended to September 30, 2017. The loan bears interest of 5% per annum. With the extension to September 30, 2017, the sum of principal and the accumulated interest as at April 2015, were subjected to 4.99% interest per annum. The loan was agreed to be used for general corporate purposes. Total interest from this loan recognized as interest income amounted to USD0.003 million (₱0.1 million) and USD0.06 million (₱2.8 million) for the period ended May 10, 2017 and year ended December 31, 2016, respectively.

  On August 22, 2013, an additional loan was extended to the co-venturers in the SuperFoods Group amounting to USD1.0 million (₱44.1 million) payable in August 2014 but was extended to September 30, 2017. As at August 21, 2014, the principal was subject to 5% interest per annum. However, with the extension to September 30, 2017, the sum of principal and the accumulated interest starting August 22, 2014 were subjected to 4.99% interest per annum. Total interest from this loan recognized as interest income amounted to USD0.003 million (₱0.1 million) and USD0.06 million (₱2.8 million) for the period ended May 10, 2017 and year ended December 31, 2016, respectively.

The loans granted on April 30, 2013 and August 22, 2013, including accrued interests as at May 10, 2017, were converted to additional equity on SFVT upon the completion of the Settlement Transaction Documents and the approval of certain legal and regulatory requirements in Vietnam on May 10, 2017 as provided in the Third Supplement to the Loan Agreement signed on December 29, 2016.

- *Advances to Blue Sky.* On June 10, 2011, a loan was extended to Blue Sky, the Hong Kong-based holding company, amounting to USD5.0 million (₱216.0 million) payable in June 2014. As at June 2014, the principal was subject to 5% interest per annum. However, with the extension of the due date to September 30, 2017, the sum of principal and the accumulated interest as at June 2014 were subjected to 4.99% interest per annum. Total interest from this loan recognized as interest income amounted to USD0.01 million (₱0.7 million) and USD0.3 million (₱15.4 million) for the period ended May 10, 2017 and year ended December 31, 2016, respectively.

  On May 7, 2012, an additional loan was extended to Blue Sky amounting to USD2.5 million (₱105.9 million) payable in May 2014. As at May 9, 2014, the principal was subject to 5% interest per annum. However, with the extension of the due date to September 30, 2017, the sum of principal and the accumulated interest starting May 10, 2014 were subjected to 4.99% interest per annum. Total interest from this loan recognized as interest income amounted to USD0.01 million (₱0.3 million) and USD0.1 million (₱7.4 million) for the period ended May 10, 2017 and year ended December 31, 2016, respectively.

  With the Third Supplement to the Loan Agreement signed on December 29, 2016 and upon the completion of the Settlement Transaction Documents, the loans to Blue Sky including accrued interests as at May 10, 2017 were converted into equity except for the balance of USD2.9 million (₱157.7 million). The carrying value of the remaining loan of Blue Sky to the Parent Company is eliminated in the consolidation process as at December 31, 2018 and 2017.

  The conversion of the loans and related accrued interests into equity is part of the agreement entered into by the Jollibee Group with VTI Group in adjusting the ownership in the SuperFoods Group.

  On May 10, 2017, a key step in the plan to list SuperFoods Group as a public company in the Vietnam Stock Exchange was completed by adjusting the ownership interest in the SuperFoods Group to 60% Jollibee Group and 40% VTI Group from its previous 50-50 ownership share. As a result, Jollibee Group obtained control over SuperFoods Group and started consolidating these companies as at acquisition date.

  To help fund the SuperFoods Group's expansion plans, the Jollibee Group will henceforth take the lead in the former's capital raising activities and will work with various financial institutions in Vietnam and other parts of Asia in this undertaking.

The analysis of the Jollibee Group's interests in the SuperFoods Group as at December 31, 2017 are as follows:

Interest in a joint venture – cost	₱1,120,659
Cumulative equity in net losses:	
Balance at beginning of year	(367,155)
Equity in net earnings for the year	17,484
Balance at transfer date	(349,671)
Transferred to investment in a subsidiary	(770,988)
	–
Advances to SuperFoods Group:	
Balance at beginning of year	604,638
Converted to equity during the year	(458,871)
Transferred to advances to a subsidiary	(145,767)
Balance at end of year	–
	₱–

The fair value of the identifiable assets acquired and liabilities assumed as at the date of the acquisition were as follows:

Cash and cash equivalents	₱105,251
Receivables	99,746
Inventories	86,664
Other current assets	137,035
Property, plant and equipment (see Note 12)	846,327
Trademarks (see Note 14)	4,145,013
Other noncurrent assets	223,240
Total identifiable assets acquired	5,643,276
Less:	
Trade payables and other current liabilities	488,645
Loans and other noncurrent liabilities (see Note 18)	569,523
Deferred tax liability	744,006
Total identifiable liabilities assumed	1,802,174
Net identifiable assets acquired	₱3,841,102

The Jollibee Group's investment in SuperFoods Group was previously accounted for as investment in a joint venture. In accordance with PFRS 3, with the Jollibee Group's acquisition of control over SuperFoods Group in 2017, the fair value of the previously held interest amounted to ₱2,099.7 million and the resulting gain from the re-measurement of the 50% previously held interest amounted to ₱1,328.7 million (see Note 23). A total of ₱2,712.7 million loan to SuperFoods Group was also converted to equity which was included in the consideration transferred.

The non-controlling interest was recognized as a proportion of the fair value of the net assets acquired.

The amount of goodwill recorded at acquisition date amounted to ₱2,507.8 million determined as follows:

Fair value of consideration transferred:	
Fair value of previously held interest	₱2,099,721
Advances converted to equity:	
Advances to VTI Group (see Part D of this note)	2,253,870
Advances to SuperFoods Group	458,871
	2,712,741
	4,812,462
Fair value of non-controlling interest's share in the net identifiable assets acquired	1,536,441
Aggregate amount	6,348,903
Less fair value of net identifiable assets acquired	3,841,102
Goodwill (see Note 14)	₱2,507,801

The net cash inflow from the acquisition is as follows:	
Cash acquired from subsidiary	₱105,251

The goodwill of ₱2,507.8 million is attributable to synergies and other benefits from the acquisition of SuperFoods Group.

From the acquisition date, SuperFoods Group contributed ₱67.3 million net income to the Jollibee Group. If the business combination had taken place at the beginning of 2017, contribution to consolidated revenues and net income for 2017 would have been ₱3,715.0 million and ₱100.9 million, respectively.

The amounts of the income and expense accounts of SuperFoods Group for the period ended May 10, 2017 and December 31, 2016 include the following:

	May 2017	December 2016
Revenues	₱1,467,717	₱3,213,339
Depreciation and amortization	67,865	201,971
Interest income	1,456	6
Interest expense	24,284	74,645
Provision for income tax	27,406	38,727
Net income	34,968	(87,648)
Total comprehensive income	34,968	(87,648)

B. Incorporation of New Subsidiaries

Bee World UK Limited (Bee World). On April 16, 2018 the Jollibee Group, through its wholly owned subsidiary, JWPL, incorporated Bee World UK Limited in UK. As at December 31, 2018, no capital investment has been made other than the investment to incorporate the new entity. The first store started its commercial operations on October 20, 2018.

Golden Piatto Pte. Ltd. (Golden Piatto). On March 31, 2017, the Jollibee Group, through its wholly owned subsidiary, GPPL, entered into an agreement with Blackbird Holdings Pte. Ltd. (Blackbird) to own and operate Cibo Felice S. R. L. (Cibo Felice), the first Jollibee store in Italy. The first store started its commercial operations on March 18, 2018.

Golden Piatto incorporated on April 12, 2017, is 75% owned by GPPL and 25% owned by Blackbird. GPPL and Blackbird have committed to invest up to EUR1 million (₱60.2 million) to Golden Piatto, of which EUR0.8 million (₱48.2 million) will be contributed by GPPL in proportion to its ownership in the business. As at December 31, 2018, capital contribution of GPPL to Golden Piatto amounted to USD1.5 million (₱77.0 million).

C. Material Non-Controlling Interest

The Jollibee Group has subsidiaries with material non-controlling interest as provided below.

Proportion of equity interest held by non-controlling interest:

	Country of incorporation and operation	**2018**	2017	2016
GCPL	Singapore	**40%**	40%	40%
SuperFoods Group	Vietnam	**40%**	40%	−

The summarized financial information of GCPL and SuperFoods Group in 2018 and 2017 are provided below. These information are based on amounts before intercompany elimination.

Summarized Statements of Comprehensive Income for the year ended December 31

	GCPL		
	2018	2017	2016
Revenues	**₱276,325**	₱318,082	₱100,920
Net loss	**(472,122)**	(674,982)	(324,509)
Other comprehensive income	**95,338**	8,109	8,269
Total comprehensive loss	**(376,784)**	(666,873)	(316,240)
Total comprehensive loss attributable to non-controlling interests	**(150,714)**	(266,749)	(126,496)

	SuperFoods Group		
	2018	2017	2016
Revenues	**₱4,756,001**	₱2,486,779	₱–
Net income (loss)	**(18,571)**	78,129	–
Other comprehensive income (loss)	**3,398**	(3,877)	–
Total comprehensive income (loss)	**(15,173)**	74,252	–
Total comprehensive income (loss) attributable to non-controlling interests	**(6,069)**	29,701	–

Summarized Statements of Financial Position as at December 31

	GCPL	
	2018	2017
Current assets	**₱1,532,013**	₱1,513,179
Noncurrent assets	**271,262**	373,698
Current liabilities	**1,002,821**	709,617
Total equity	**800,454**	1,177,260
Equity attributable to non-controlling interests	**320,182**	470,904

	SuperFoods Group	
	2018	2017
Current assets	**₱640,186**	₱601,786
Noncurrent assets	**1,941,206**	1,688,852
Current liabilities	**1,053,309**	781,993
Noncurrent liabilities	**597,851**	563,239
Total equity	**930,232**	945,406
Equity attributable to non-controlling interests	**372,093**	378,162

Summarized Cash Flow Information for the year ended December 31

	GCPL		
	2018	2017	2016
Net cash provided by (used in) operating activities	**(₱58,718)**	(₱430,134)	₱31,950
Net cash provided by (used in) investing activities	**89,220**	57,512	(237,729)
Net cash provided by financing activities	**–**	–	1,789,020
Net increase (decrease) in cash and cash equivalents	**30,502**	(372,622)	1,583,241

	SuperFoods Group		
	2018	2017	2016
Net cash provided by (used in) operating activities	**₱310,283**	(₱827,535)	₱–
Net cash used in investing activities	**(335,086)**	(408,572)	–
Net cash provided by financing activities	**51,678**	1,572,770	–
Net increase in cash and cash equivalents	**26,875**	336,663	–

In 2016, the following non-controlling interest were derecognized either by acquisition of the minority interest or by divestment of interest as set out below:

Mang Inasal. On April 22, 2016, the Parent Company acquired the remaining 30% minority stake in Mang Inasal for the purchase price of ₱2,000.0 million in a cash transaction. The acquisition resulted to Mang Inasal becoming a wholly owned subsidiary of the Parent Company.

The difference between the acquisition cost and the carrying value of the minority interest at the date of the acquisition, amounting to ₱1,217.6 million, was recognized under the "Excess of cost over the carrying value of non-controlling interests acquired" (see Note 19).

HBFPPL. On February 23, 2016, JWPL entered into an agreement with Hua Xia Harvest Holdings Pte. Ltd. (Hua Xia) to acquire Hua Xia's 30% equity shareholding in its subsidiary, HBFPPL. Under the terms of the agreement, Hua Xia shall sell and convey to JWPL its 30% equity interests in HBFPPL while HBF-Anhui shall sell and convey to Hua Xia's nominee entity the assets and contracts related to the third-party supply business.

The acquisition by JWPL was completed on November 21, 2016 with the approval of the China government on the transfer of assets related to the third-party supply business. This resulted to a loss on transfer of assets amounting to ₱8.2 million which is recognized in the statement of comprehensive income (see Note 23). The transfer of the 30% equity was approved and registered in Singapore on November 22, 2016. With the transfer, JWPL now owns 100% of HBFPPL.

The purchase price was USD10.3 million (₱514.9 million). The difference between the acquisition cost and the carrying value of the minority interest at the date of the acquisition amounting to ₱391.8 million was recognized under the "Excess of cost over the carrying value of non-controlling interests acquired" (see Note 19).

San Pin Wang. See Part E of this note for the discussion on the divestment of San Pin Wang.

D. Interests in and Advances to Joint Ventures, Co-venturers and Associates

	2018	2017
Interests in joint ventures:		
Titan Dining LP	**₱742,206**	₱–
Golden Bee Foods Restaurant LLC	**227,585**	198,767
C-Joy Poultry Meats Production, Inc.	–	151,458
SJBF LLC	–	5,460,055
	969,791	5,810,280
Interests in associates:		
Tortas Frontera	**668,679**	–
Entrek (B) SDN BHD	**191,744**	137,237
C-Joy Poultry Realty, Inc.	**9,155**	9,664
	869,578	146,901
Advances to VTI Group	**1,672,861**	1,535,590
	₱3,512,230	₱7,492,771

Interests in Joint Ventures

Titan Dining LP (Titan). On May 23, 2018, the Jollibee Group, through JWPL, invested SGD18.0 million (₱706.9 million) in Titan Dining LP., a private equity fund that has executed (through a wholly-owned subsidiary) a binding agreement for the acquisition of 100% of the Asia Pacific master franchise holder of the "Tim Ho Wan" brand, Tim Ho Wan Pte. Ltd. and its affiliate Dim Sum Pte. Ltd., which owns and operates Tim Ho Wan stores in Singapore. The investment provides an opportunity for the Jollibee Group to have a significant interest in the Tim Ho Wan franchise in the long-term.

On August 29, 2018, JWPL made an additional investment to Titan amounting to SGD0.9 million (₱35.3 million). JWPL shall invest up to SGD45.0 million or 45% of the total maximum fund of SGD100.0 million in Titan.

As at December 31, 2018, Titan's total assets and total liabilities amounted to ₱1,581.2 million and ₱14.8 million. The assets of Titan include cash and cash equivalents amounting to ₱27.7 million as at December 31, 2018.

In 2018, net loss and total comprehensive loss amounted to ₱49.4 million.

Golden Bee Foods Restaurants LLC (Golden Bee). On February 25, 2014, the Jollibee Group, through GPPL, signed a joint agreement with Golden Crown Foods LLC (GCFL) to establish a joint venture entity to own and operate the Jollibee brand in the United Arab Emirates.

GPPL has invested USD0.8 million (₱33.9 million) in Golden Bee. The first store started commercial operations on May 4, 2015.

The joint venture entity, incorporated as Golden Bee on January 28, 2015, is 49% owned by GPPL and 51% owned by GCFL. GPPL and GCFL will share joint control and management of Golden Bee.

The details of the Jollibee Group's interest in the Golden Bee joint venture as at December 31, 2018 and 2017 are as follows:

	2018	2017
Interest in a joint venture - cost	**₱33,926**	₱33,926
Cumulative equity in net earnings:		
Balance at beginning of year	**164,841**	66,237
Equity in net earnings during the year	**63,455**	118,641
Dividends received during the year	**(34,637)**	(20,037)
Balance at end of year	**193,659**	164,841
	₱227,585	₱198,767

Summarized financial information of Golden Bee based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31 are set out below:

	2018	2017
Current assets	**₱523,053**	₱371,611
Noncurrent assets	**346,422**	258,303
Total assets	**₱869,475**	₱629,914
Current liabilities	**₱383,523**	₱224,935

The amounts of assets and liabilities above include the following:

	2018	2017
Cash and cash equivalents	**₱193,920**	₱142,980

The amounts of the income and expense accounts include the following:

	2018	2017	2016
Revenues	**₱1,601,623**	₱1,313,210	₱689,150
Depreciation and amortization	**78,438**	54,539	14,652
Net income	**129,501**	242,124	106,571
Total comprehensive income	**129,501**	242,124	106,571

	2018	2017
Net assets	**₱485,952**	₱404,979
Proportion of the Jollibee Group's ownership	**49%**	49%
	238,116	198,440
Cumulative translation adjustments	**(10,531)**	327
	₱227,585	₱198,767

C-Joy Poultry Meats Production, Inc. (C-Joy Poultry). On May 24, 2016, the Parent Company entered into an agreement with Cargill Philippines, Inc., a wholly owned subsidiary of Cargill, Inc. (Cargill), to establish a joint venture entity to build and operate a poultry processing plant in Sto. Tomas, Batangas, Philippines. Cargill will oversee the setting up, management and operations of this facility.

C-Joy Poultry, the joint venture entity formerly incorporated as Cargill Joy Poultry Meats Production, Inc., is 70% owned by Cargill and 30% owned by the Parent Company. This entity is estimated to create 1,000 new full-time jobs and develop new opportunities in the farming community in Batangas and nearby provinces as local poultry farmers are contracted to grow chicken to supply the requirements of the processing plant. The poultry processing plant started its commercial operations on December 5, 2017.

The details of Jollibee Group's interest in C-Joy Poultry as at December 31, 2018 and 2017 are as follows:

	2018	2017
Interest in a joint venture - cost	**₱233,406**	₱233,406
Cumulative equity in net losses:		
Balance at beginning of year	**(81,948)**	(3,925)
Equity in net loss during the year	**(151,458)**	(78,023)
Balance at end of year	**(233,406)**	(81,948)
	₱–	₱151,458

The Jollibee Group's equity share in net losses amounting to ₱527.1 million in 2018 exceeded the carrying value of its interest in C-Joy Poultry amounting to ₱151.5 million as at December 31, 2017. Consequently, the Jollibee Group's unrecognized equity share in net losses amounted to ₱375.6 million in 2018.

Summarized financial information of the C-Joy Poultry based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2018	2017
Current assets	**₱1,523,852**	₱992,531
Noncurrent assets	**1,843,050**	1,600,832
Total Assets	**₱3,366,902**	₱2,593,363
Current liabilities	**₱4,591,583**	₱2,060,619
Noncurrent liabilities	**27,430**	27,884
Total liabilities	**₱4,619,013**	₱2,088,503

The amounts of assets and liabilities above include the following:

	2018	2017
Cash and cash equivalents	**₱192,876**	₱83,406
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	**399,134**	375,116
Noncurrent financial liabilities (excluding provisions)	**26,635**	27,884

The amounts of the income and expense accounts include the following:

	2018	2017	2016
Revenues	**₱4,014,768**	₱1,929,850	₱–
Depreciation and amortization	**109,629**	5,510	–
Taxes and licenses	**35,788**	6,890	–
Interest income	**593**	6,727	8,643
Interest expense	**101,939**	1,091	–
Net loss	**(1,756,971)**	(260,076)	(13,083)
Total comprehensive loss	**(1,755,682)**	(260,076)	(13,083)

	2018	2017
Net assets (liabilities)	**(₱1,252,111)**	₱504,860
Proportion of the Jollibee Group's ownership	**30%**	30%
	(₱375,633)	₱151,458

SJBF LLC (SJBF). See Part A of this note for the discussion on the Interest and Advances to SJBF.

Interest in Associates

Tortas Frontera LLC (Tortas). On September 7, 2018, the Jollibee Group, through Jollibee Foods Corporation (USA), entered into a business venture with award-winning Chef Rick Bayless to build a Mexican fast-casual restaurant business in the USA.

This partnership was formalized through an investment by Jollibee Group of USD12.6 million (₱668.7 million) in Tortas, which owns the Tortas Frontera business founded by Chef Bayless, in consideration for 47% of the fully-diluted membership interests therein. The remaining 53% membership interests in Tortas shall be held by Chef Ricky Bayless and other shareholders. The transaction is subject to the fulfillment of agreed closing conditions.

On December 21, 2018, upon fulfillment of the closing conditions, Jollibee Foods Corporation (USA) paid Chef Bayless in cash.

The carrying value of investment in Tortas amounted to ₱668.7 million as at December 31, 2018 with equity in net earnings amounting to ₱0.5 million in 2018.

Summarized financial information of Tortas based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31, 2018 are set out below:

Current assets	₱548,001
Current liabilities	₱4,893

The assets of Tortas include cash and cash equivalents amounting to ₱544.4 million as at December 31, 2018.

The amounts of the income and expense accounts for the year ended December 31, 2018 include the following:

Revenues	₱48,213
Net income	34,717
Total comprehensive income	34,717

	As at December 31, 2018
Net assets	₱543,108
Proportion of the Jollibee Group's ownership	52.22%
	283,611
Provisional goodwill	381,532
Cumulative translation adjustments	3,536
	₱668,679

Entrek (B) SDN BHD (Entrek). The Jollibee Group, through JIBL, has 1/3 or 33.3% ownership in Entrek, a company that operates Jollibee stores in Brunei.

The details of the Jollibee Group's interest in Entrek as at December 31, 2018 and 2017 are as follows:

	2018	2017
Interest in an associate - cost	**₱16,660**	₱16,660
Cumulative equity in net earnings:		
Balance at beginning of year	**120,577**	95,567
Equity in net earnings during the year	**37,847**	25,010
Reversal of impairment loss (see Note 23)	**16,660**	–
Balance at end of year	**175,084**	120,577
	₱191,744	₱137,237

Summarized financial information of Entrek based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31 are set out below:

	2018	2017
Current assets	**₱743,134**	₱631,739
Noncurrent assets	**270,932**	199,488
Total assets	**₱1,014,066**	₱831,227
Current liabilities	**₱385,870**	₱330,429
Noncurrent liabilities	**5,594**	5,427
Total liabilities	**₱391,464**	₱335,856

The amounts of the income and expense accounts include the following:

	2018	2017	2016
Revenues	**₱888,909**	₱733,217	₱629,123
Depreciation	**52,429**	38,381	32,177
Net income	**113,543**	75,031	59,865
Total comprehensive income	**113,543**	75,031	59,865

	2018	2017
Net assets	**₱622,602**	₱495,371
Proportion of the Jollibee Group's ownership	**33.33%**	33.33%
	207,534	165,124
Impairment loss recognized in 2011	**–**	(16,660)
Cumulative translation adjustments	**(15,790)**	(11,227)
	₱191,744	₱137,237

C-Joy Poultry Realty, Inc. (C-Joy Realty). On May 24, 2016, the Parent Company entered into an agreement with Cargill Philippines to establish C-Joy Realty, which leases the land where the C-Joy Poultry plant is located.

The details of the Jollibee Group's interest in C-Joy Realty as at December 31, 2018 and 2017 are as follows:

	2018	2017
Interest in an associate - cost	**₱10,586**	₱10,586
Cumulative equity in net losses:		
Balance at beginning of year	**(922)**	(602)
Equity in net loss during the year	**(509)**	(320)
Balance at end of year	**(1,431)**	(922)
	₱9,155	₱9,664

Summarized financial information of C-Joy Realty based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2018	2017
Current assets	**₱2,597**	₱6,035
Noncurrent assets	**62,152**	62,152
Total assets	**₱64,749**	₱68,187

	2018	2017
Current liabilities	**₱1,025**	₱689
Noncurrent liabilities	**33,209**	35,285
Total liabilities	**₱34,234**	₱35,974

The amounts of assets and liabilities above include the following:

	2018	2017
Cash and cash equivalents	**₱1,380**	₱5,746
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	**164**	185
Noncurrent financial liabilities	**33,209**	35,285

The amounts of the income and expense accounts include the following:

	2018	2017	2016
Revenues	**₱2,400**	₱1,400	₱–
Taxes and licenses	**281**	60	1,358
Interest expense	**2,177**	1,414	350
Net loss	**(1,699)**	(1,067)	(2,005)
Total comprehensive loss	**(1,699)**	(1,067)	(2,005)

	2018	2017
Net assets	**₱30,515**	₱32,213
Proportion of the Jollibee Group's ownership	**30%**	30%
	₱9,155	₱9,664

Advances to Co-venturers

Advances to VTI Group. The details of the Jollibee Group's advances to VTI Group as at December 31, 2018 and 2017 are as follows:

	2018	2017
Balance at beginning of year	**₱1,535,590**	₱2,652,748
Accrual of interest	**55,523**	38,952
Converted to equity during the year	–	(2,253,870)
Additions during the year	–	1,059,786
Translation adjustments and others	**81,748**	37,974
Balance at end of year	**₱1,672,861**	₱1,535,590

Loan to VTI Group amounting to USD35.0 million (₱1,523.9 million), extended on June 9, 2011, is payable in December 2016. In accordance with the Fourth Supplement to the Loan Agreement signed on March 28, 2017, the due date of the loan was further extended to May 31, 2017. This loan is secured by a mortgage by the VTI Group of all their shares in SuperFoods Group.

The loan bears interest of 5% per annum payable in lump sum on the due date. The loan was agreed to be used for general corporate purposes. Total interest from this loan, recognized as interest income, amounted to USD0.6 million (₱31.6 million), USD1.8 million (₱88.5 million) and USD1.8 million (₱88.2 million) for the period ended May 10, 2017 and years ended December 31, 2016 and 2015, respectively.

The Third Supplement to the Loan Agreement signed on December 29, 2016 provides the assignment of the USD35.0 million (₱1,735.3 million) loan receivable including accrued interests as at December 31, 2016 from JSF to JWPL. With the completion of the Settlement Transaction Documents and upon the approval of certain legal and regulatory requirements in Vietnam on

May 10, 2017, the loan, including interests as at the same day, was contributed as additional capital to the SuperFoods Group.

On December 14, 2016, a loan of USD9.0 million (₱447.5 million) was extended to the VTI Group with an interest rate of 3.5% per annum. The loan was agreed to be used for SuperFoods Group's capital needs. The loan is part of the total agreed loan of USD30.0 million payable in eight (8) years from the first utilization date. On June 2, 2017, the additional loan of USD21.0 million (₱1,060.0 million) was granted to the VTI Group. The loan is secured by pledged shares in SFVT and Blue Sky which will be released in proportion to the amount of the principal paid. Total interest from this loan recognized as interest income, amounted to USD1.1 million (₱55.4 million), USD0.8 million (₱37.6 million) and USD0.01 million (₱0.8 million) for the years ended December 31, 2018, 2017 and 2016.

E. Divestments

San Pin Wang. On March 9, 2012, the Jollibee Group, through JWPL, completed its acquisition of 55% equity interest of Guangxi San Pin Wang Food and Beverage Management Company Limited (San Pin Wang) which operates the San Pin Wang beef noodle business in South China. The other 45% of San Pin Wang is held by GZK.

On December 30, 2016, JWPL divested its shareholdings in San Pin Wang making GZK the 100% registered owner of San Pin Wang. This resulted to a gain on sale of ₱158.9 million which is recognized in the statement of comprehensive income in 2016 (see Note 23). The divestment is part of the Jollibee Group's intention to focus on building its Yonghe King business, its largest business in China.

The consideration for the 55% stake of JWPL of about RMB90.0 million (₱644.5 million) is collectible in five tranches, as follows:

Tranche	Date	Amount (in millions)
1	December 19, 2016	RMB25.0
2	December 28, 2016	25.0
3	January 20, 2017	20.0
4	October 30, 2017	10.0
5	October 30, 2018	10.0
		RMB90.0

The first tranche was collected on December 31, 2016. The second and third tranches were collected in January 2017 and the fourth tranche on October 27, 2017. As at December 31, 2017, the fifth tranche is shown as part of "Other current assets" in the consolidated statements of financial position amounting to RMB10.0 million (₱76.4 million) (see Note 9). This was collected on October 25, 2018.

ChowFun. On March 31, 2011, the Jollibee Group, through its wholly-owned subsidiary, JWPL, acquired from Aspen Partners, LLC 2,400 shares of ChowFun Holdings, LLC (Chowfun) for USD3.4 million (₱139.6 million), bringing its equity share to ChowFun to 80.55%. ChowFun is the developer and owner of Jinja Bar and Bistro in New Mexico, USA.

On December 31, 2016, the Jollibee Group divested its shareholdings in ChowFun for a consideration of USD1.6 million (₱79.6 million). The divestment was completed on December 23, 2016. ChowFun paid JWPL to redeem JWPL's 2,900 Class A Membership Units, equivalent to 80.55% equity shares. This resulted to a loss on sale of ₱84.0 million which is recognized in the statement of comprehensive income in 2016 (see Note 23). The divestment is part of Jollibee Group's intention to concentrate its resources in building its larger businesses.

F. Cessation of Operations

WJ Investments Limited (WJ). On August 22, 2012, the Jollibee Group, through JWPL and GPPL, entered into an agreement with Hoppime Ltd., a subsidiary of Wowprime Corporation of Taiwan (Wowprime) and some key executives of Wowprime, to establish a joint venture entity to own and operate the 12 Hotpot brand in the People's Republic of China, Hong Kong and Macau. The "12 Hotpot" restaurant is known in Taiwan for its low-priced hotpot dishes.

The joint venture entity, incorporated as WJ Investments Limited (WJ), is 48%-owned by the Jollibee Group and 48%-owned by Wowprime's subsidiary and executives. The remaining 4% is owned by certain individuals with experience in the retail sector in China. Through their subsidiaries, Jollibee and Wowprime have joint control and management of WJ.

On October 31, 2017, WJ ceased the operations of the 16 stores of the 12 Hotpot brand in the People's Republic of China to focus in building the Jollibee Group's larger and fast-growing business in China and other parts of the world. With this, WJ will be dissolved and liquidated. The Jollibee Group recognized a loss of ₱116.2 million in the consolidated statement of comprehensive income in 2017 (see Note 23).

The details of Jollibee Group's interest in WJ as at December 31, 2017 are as follows:

Interest in a joint venture - cost	₱414,872
Cumulative equity in net losses:	
Balance at beginning of year	(263,243)
Equity in net loss during the year	(35,422)
Balance at end of year	(298,665)
Loss on cessation of operations	(116,207)
	₱–

Summarized financial information of WJ based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31, 2017 are set out below:

Current assets	₱245,850
Noncurrent assets	77,700
Total assets	₱323,550
Current liabilities	₱43,060
Noncurrent liabilities	548
	₱43,608

The amounts of assets and liabilities above included cash and cash equivalents amounted to ₱235.0 million as at December 31, 2017.

The amounts of the income and expense accounts include the following:

Revenues	₱328,479
Depreciation and amortization	30,380
Interest income - net	357
Net loss	(73,796)
Total comprehensive loss	(73,796)
Net assets	₱279,942
Proportion of the Jollibee Group's ownership	48%
	134,372
Cumulative translation adjustments	(18,165)
	116,207
Loss on cessation of operations	(116,207)
	₱–

12. Property, Plant and Equipment

The rollforward analysis of property, plant and equipment are as follows:

	2018							
	Land and Land Improvements	Plant, Buildings, Commercial Condominium Units and Improvements	Leasehold Rights and Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱673,514	₱3,345,527	₱20,461,846	₱18,177,531	₱1,441,786	₱672,266	₱2,370,853	₱47,143,323
Additions	–	402,275	1,085,299	1,314,825	138,374	51,950	6,527,958	9,520,681
Acquisition of a business (see Note 11)	–	–	625,204	1,250,499	677,733	676	11,876	2,565,988
Retirements and disposals	–	(15,538)	(1,367,825)	(946,935)	(66,916)	(17,557)	(197,580)	(2,612,351)
Reclassifications	–	335,133	1,768,001	1,708,279	118,208	2,171	(3,411,360)	520,432
Translation adjustments	3,516	10,748	118,658	98,417	16,609	787	4,862	253,597
Balance at end of year	677,030	4,078,145	22,691,183	21,602,616	2,325,794	710,293	5,306,609	57,391,670
Accumulated Depreciation and Amortization								
Balance at beginning of year	7,564	1,409,213	11,246,146	11,699,317	978,883	465,693	–	25,806,816
Depreciation and amortization (see Notes 21 and 22)	–	291,598	2,134,454	2,882,908	362,787	80,666	–	5,752,413
Retirements and disposals	–	(11,619)	(857,636)	(696,510)	(52,035)	(16,728)	–	(1,634,528)
Reclassifications	–	189,732	154,058	174,575	(272)	2,340	–	520,433
Translation adjustments	–	8,295	113,534	83,465	12,093	592	–	217,979
Balance at end of year	7,564	1,887,219	12,790,556	14,143,755	1,301,456	532,563	–	30,663,113
Accumulated Impairment Losses								
Balance at beginning of year	–	–	–	442,693	–	–	–	442,693
Reversals (see Note 22)	–	–	–	(408,184)	–	–	–	(408,184)
Translation adjustments	–	–	–	57	–	–	–	57
Balance at end of year	–	–	–	34,566	–	–	–	34,566
Net Book Value	₱669,466	₱2,190,926	₱9,900,627	₱7,424,295	₱1,024,338	₱177,730	₱5,306,609	₱26,693,991

	2017							
	Land and Land Improvements	Plant, Buildings, Commercial Condominium Units and Improvements	Leasehold Rights and Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱673,250	₱2,743,294	₱17,177,082	₱15,529,426	₱1,230,895	₱611,648	₱902,457	₱38,868,052
Additions	–	125,603	1,378,159	1,357,891	120,455	62,795	5,859,893	8,904,796
Acquisition of a business (see Note 11)	–	345,548	18,615	447,010	–	54	35,100	846,327
Retirements and disposals	–	(32,056)	(855,947)	(645,084)	(52,011)	(6,276)	(266,498)	(1,857,872)
Reclassifications	–	146,073	2,497,428	1,383,419	141,582	2,008	(4,170,510)	–
Translation adjustments	264	17,065	246,509	104,869	865	2,037	10,411	382,020
Balance at end of year	673,514	3,345,527	20,461,846	18,177,531	1,441,786	672,266	2,370,853	47,143,323

(Forward)

	2017							
	Land and Land Improvements	Plant, Buildings, Commercial Condominium Units and Improvements	Leasehold Rights and Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Accumulated Depreciation and Amortization								
Balance at beginning of year	₱7,564	₱1,246,145	₱9,737,843	₱9,978,599	₱802,982	₱396,621	₱–	₱22,169,754
Depreciation and amortization (see (see Notes 21 and 22)	–	192,164	1,938,143	2,236,415	220,570	73,631	–	4,660,923
Retirements and disposals	–	(32,047)	(628,037)	(583,365)	(40,843)	(6,177)	–	(1,290,469)
Reclassifications	–	–	5,686	(263)	(5,423)	–	–	–
Translation adjustments	–	2,951	192,511	67,931	1,597	1,618	–	266,608
Balance at end of year	7,564	1,409,213	11,246,146	11,699,317	978,883	465,693	–	25,806,816
Accumulated Impairment Losses								
Balance at beginning of year	–	–	–	42,731	–	–	–	42,731
Additions (see Note 22)	–	–	–	431,939	–	–	–	431,939
Write-offs	–	–	–	(30,605)	–	–	–	(30,605)
Reversals (see Note 22)	–	–	–	(2,111)	–	–	–	(2,111)
Translation adjustments	–	–	–	739	–	–	–	739
Balance at end of year	–	–	–	442,693	–	–	–	442,693
Net Book Value	₱665,950	₱1,936,314	₱9,215,700	₱6,035,521	₱462,903	₱206,573	₱2,370,853	₱20,893,814

Construction in progress account mainly pertains to costs incurred for ongoing construction of properties, including soon-to-open stores and commissaries. The borrowing cost that has been capitalized for the construction of commissaries amounted to ₱19.6 million and nil as at December 31, 2018 and 2017, respectively.

Loss on retirements and disposals of property, plant and equipment amounted to ₱45.5 million, ₱174.5 million and ₱236.8 million in 2018, 2017 and 2016, respectively (see Note 22).

The Jollibee Group performed impairment assessments of fixed assets considering that there are observable indications that the assets' values have significantly declined resulting to recognition of provision for impairment amounting to ₱431.9 million in 2017 (see Note 22).

In 2018, management reassessed the recoverable amount of the Jollibee Group's office, store and food processing equipment and recognized reversal of provision amounting to ₱408.2 million (see Note 22). Consequently, allowance for impairment loss on office, store and food processing equipment amounted to ₱34.6 million and ₱442.7 million as at December 31, 2018 and 2017, respectively.

No property, plant and equipment as at December 31, 2018 and 2017 have been pledged as security or collateral.

13. Investment Properties

The rollforward analysis of this account follows:

	2018		
	Land	**Buildings and Building Improvements**	**Total**
Cost			
Balance at beginning and end of year	**₱848,974**	**₱179,377**	**₱1,028,351**
Accumulated Depreciation and Amortization			
Balance at beginning and end of year	**–**	**179,377**	**179,377**
Net Book Value	**₱848,974**	**₱–**	**₱848,974**

	2017		
	Land	Buildings and Building Improvements	Total
Cost			
Balance at beginning of year	₱983,428	₱182,901	₱1,166,329
Retirements and disposals	(134,454)	(3,524)	(137,978)
Balance at end of year	848,974	179,377	1,028,351
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	182,901	182,901
Retirements and disposals	–	(3,524)	(3,524)
Balance at end of year	–	179,377	179,377
Net Book Value	₱848,974	₱–	₱848,974

The Jollibee Group's investment properties have an aggregate fair value of ₱1,747.3 million as at December 31, 2017 as determined by independent appraisers who holds a recognized and relevant professional qualification. Management does not expect a significant change in the aggregate fair value of the Jollibee Group's investment properties in 2018. The fair value represents the amount at which the assets and liabilities can be exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions in accordance with International Valuation Standards.

In determining the fair value of the investment properties, the independent appraisers used the market data approach for land and cost approach for buildings and building improvements. For land, fair value is based on sales and listings of comparable properties within the vicinity after adjustments for differences in location, size and shape of the lot, time elements and other factors between the properties and their comparable properties. For buildings and building improvements, fair value is based on the current cost to replace the properties in accordance with prevailing market prices for materials, labor, and contractors' overhead, profit and fees in the locality after adjustments for depreciation due to physical deterioration, and functional and economic obsolescence based on personal inspection of the buildings and building improvements and in comparison to similar properties. Fair value hierarchy disclosures for investment properties have been provided in Note 31.

Rent income derived from income-generating properties amounted to ₱25.0 million, ₱27.8 million and ₱31.6 million in 2018, 2017 and 2016, respectively (see Notes 20 and 29).

Direct operating costs relating to the investment properties which include depreciation and maintenance expenses totaled to ₱12.5 million, ₱28.9 million and ₱15.1 million in 2018, 2017 and 2016, respectively.

In 2017, the Parent Company sold its land located at Sta. Rosa Laguna and Luisita Industrial Park in Tarlac for a total consideration of ₱365.5 million. Net gain arising from the disposals of these investment properties amounted to ₱231.0 million (see Note 22).

In 2015, the Parent Company entered into an agreement to develop a commercial and office condominium building (the "Project") in a parcel of its land in consideration for cash and assigned units in the Project. The completion of the transaction is conditional upon fifty percent (50%) completion of the Project, as certified by the general contractor of the Project, and when all of the assigned units are fully constructed. As at December 31, 2018 and 2017, the Project is still under development.

No investment properties as at December 31, 2018 and 2017 have been pledged as security or collateral for the Jollibee Group's debts.

14. Trademarks, Goodwill and Other Intangible Assets

This account consists of:

	2018	2017
Trademarks (Note 11)	**₱16,563,269**	₱6,149,269
Goodwill (Note 11)	**14,395,717**	9,050,223
Computer software, net of accumulated amortization	**516,975**	512,589
Other intangible assets, net of accumulated amortization	**354,096**	18,158
	₱31,830,057	₱15,730,239

Trademarks and Goodwill
Trademarks and goodwill acquired through business combinations are attributable to the following group of CGUs as at December 31:

	2018	2017
Trademarks:		
Smashburger (see Note 11)	**₱10,414,000**	₱–
SuperFoods Group (see Note 11):		
Highlands Coffee	**3,681,912**	3,681,912
Pho 24	**463,101**	463,101
Mang Inasal	**2,004,256**	2,004,256
	16,563,269	6,149,269
Goodwill:		
Smashburger (see Note 11)	**5,345,494**	–
SuperFoods Group (see Note 11)	**2,507,801**	2,507,801
Hong Zhuang Yuan	**2,497,253**	2,497,253
Mang Inasal	**1,781,267**	1,781,267
Red Ribbon Bakeshop:		
Philippine operations	**737,939**	737,939
US operations	**434,651**	434,651
Yong He King	**535,281**	535,281
Chowking US operations	**383,855**	383,855
GSC	**166,931**	166,931
Burger King	**5,245**	5,245
	14,395,717	9,050,223
Trademarks and goodwill	**₱30,958,986**	₱15,199,492

Computer Software
The Jollibee Group's computer software pertains to the Enterprise Resource Planning (ERP) system which the Jollibee Group started to use on August 1, 2014.

The rollforward analysis of the Jollibee Group's computer software as at December 31 are as follows:

	2018	2017
Cost		
Balance at beginning of year	**₱740,260**	₱670,762
Additions	**83,246**	69,498
Balance at end of year	**823,506**	740,260
Accumulated Amortization		
Balance at beginning of year	**227,671**	157,425
Amortizations (see Note 22)	**78,860**	70,246
Balance at end of year	**306,531**	227,671
Net Book Value	**₱516,975**	₱512,589

Other Intangible Assets
The Jollibee Group's other intangible assets include other trademarks and patents, favourable leases, liquor licenses and customer list amortized over a useful life of five years.

The rollforward analysis of other intangible assets as at December 31 are as follows:

	2018	2017
Cost		
Balance at beginning of year	**₱57,119**	₱56,983
Additions	**27,970**	136
Acquisition of a subsidiary (see Note 11)	**368,418**	–
Balance at end of year	**453,507**	57,119
Accumulated Amortization		
Balance at beginning of year	**38,961**	30,256
Amortizations (see Note 22)	**60,529**	8,705
Balance at end of year	**99,490**	38,961
Translation adjustment	**79**	–
Net Book Value	**₱354,096**	₱18,158

Impairment Testing of Trademarks and Goodwill
Goodwill acquired through business combinations have been allocated to ten (10) groups of CGUs, which are subsidiaries of the Parent Company, owned directly or indirectly. The recoverable amounts of the groups of CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by the BOD covering a five-year period. Furthermore, the trademarks of Smashburger, SuperFoods Group and Mang Inasal are allocated to the CGU of Smashburger, SuperFoods Group and Mang Inasal, respectively.

The calculation of value in use is most sensitive to the following assumptions which vary per geographical location:

CGUs	Geographical Location	Pre-tax Discount Rate	Long-term Revenue Growth Rate
Hong Zhuang Yuan	PRC	9.4%	6.1%
Mang Inasal	Philippines	12.0%	6.8%
Red Ribbon Bakeshop:			
Philippine operations	Philippines	12.0%	6.8%
US operations	USA	9.0%	2.0%
Yong He King	PRC	9.4%	6.1%
Chowking US operations	USA	9.0%	2.0%

CGUs	Geographical Location	Pre-tax Discount Rate	Long-term Revenue Growth Rate
Burger King	Philippines	12.0%	6.8%
GSC	Vietnam	12.4%	6.7%
SuperFoods Group	Vietnam	12.4%	6.7%
Smashburger	USA	9.0%	2.0%

Key assumptions with respect to the calculation of value in use of the groups of CGUs as at December 31, 2018 and 2017 used by management in its cash flow projections to undertake impairment testing of goodwill are as follows:

a) Discount rates - discount rates represent the current market assessment of the risks specific to each group of CGUs, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Jollibee Group's group of CGUs, derived from weighted average cost of capital (WACC) of each group of CGUs. The WACC takes into account both the cost of debt and equity. The cost of equity is calculated using the Capital Asset Pricing Model (CAPM). The cost of debt is based on the assumed interest-bearing borrowings each group of CGUs is obliged to service. CGU-specific risk is incorporated by applying individual alpha and beta factors. The beta factors are evaluated annually based on publicly available market data.

b) Long-term growth rates - rates are determined in consideration of historical and projected results, as well as the economic environment where the group of CGUs operates.

c) EBITDA - is based on the most recent value achieved in the year preceding the start of the budget period, and adjusted for planned efficiency improvement, if any.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the CGUs to exceed its recoverable amount.

No impairment losses were recognized for trademarks and goodwill for the years ended December 31, 2018, 2017 and 2016.

15. **Other Noncurrent Assets**

This account consists of:

	2018	2017
Security and other deposits (see Notes 9, 30 and 31)	**₱2,474,748**	₱2,277,091
Noncurrent portion of:		
Rent and other long-term prepayments	**505,797**	494,363
Employee car plan receivables (see Notes 7, 30 and 31)	**169,109**	186,000
Prepaid market entry fee - net of accumulated amortization of ₱15.4 million and ₱9.9 million in 2018 and 2017, respectively (see Note 22)	**94,315**	94,786

(Forward)

	2018	2017
Franchise rights - net of accumulated amortization of ₱49.4 million and ₱37.0 million in 2018 and 2017, respectively (see Note 22)	**₱80,903**	₱68,401
Deferred rent expense	**78,652**	72,338
Deferred compensation	**27,367**	26,319
Returnable containers and others	**38,644**	71,910
Tools and other assets	**281,509**	219,310
	₱3,751,044	₱3,510,518

Terms and conditions of other noncurrent assets are as follows:

- Security and other deposits generally represent deposits for operating leases entered into by the Jollibee Group as lessee. The security deposits are recoverable from the lessors at the end of the lease terms, which range from three to twenty years. These are carried at amortized cost. The discount rates used range from 2.36%-7.51% and 2.44%-5.71% in 2018 and 2017, respectively. The difference between the fair value at initial recognition and the notional amount of the security deposits is charged to "Deferred rent expense" account and amortized on straight-line basis over the lease terms.

- Employee car plan receivables are presented at amortized cost. The difference between the fair value at initial recognition and the notional amount of the employees' car plan receivables is recognized as deferred compensation and is amortized on a straight-line basis over the credit period.

  Accretion of interest on security and other deposits and employee car plan receivables amounted to ₱46.6 million, ₱33.1 million and ₱25.2 million in 2018, 2017 and 2016, respectively (see Note 23).

- Prepaid market entry fee represents upfront fee paid to the franchisor prior to the operations of Dunkin' Donuts restaurants in the PRC. Market entry fee is amortized over twenty (20) years effective February 2016, start of Dunkin' Donuts operations.

  The rollforward analysis of prepaid market entry fee as at December 31 are as follows:

	2018	2017
Market Entry Fee		
Balance at beginning and end of year	**₱93,870**	₱93,870
Accumulated Amortization		
Balance at beginning of year	**9,863**	4,571
Amortizations (see Note 22)	**5,529**	5,292
Balance at end of year	**15,392**	9,863
Translation adjustment	**15,837**	10,779
	₱94,315	₱94,786

- Franchise rights pertain to franchise fees paid by PERF entities to Burger King Asia Pacific for the license to operate Burger King stores in the Philippines. Franchise rights are amortized over ten (10) years.

The rollforward analysis of franchise rights as at December 31 are as follows:

	2018	2017
Franchise Rights		
Balance at beginning of year	**₱105,386**	₱85,848
Additions	**24,931**	19,538
Balance at end of year	**130,317**	105,386
Accumulated Amortization		
Balance at beginning of year	**36,985**	34,156
Amortizations (see Note 22)	**12,429**	2,829
Balance at end of year	**49,414**	36,985
	₱80,903	₱68,401

- Tools and other assets represent tools for repairs and maintenance of office and store equipment which were still unused as at December 31, 2018 and 2017.

16. **Trade Payables and Other Current Liabilities and Contract Liabilities**

This account consists of:

	2018	2017
Trade	**₱13,094,676**	₱10,877,674
Accruals for:		
Salaries, wages and employee benefits	**2,127,743**	1,864,278
Local taxes	**2,005,187**	1,939,187
Store operations	**1,699,887**	1,887,316
Advertising and promotions	**1,585,517**	1,571,660
Rent	**1,156,140**	1,053,952
Freight	**795,271**	388,992
Utilities	**484,693**	423,596
Repairs and maintenance	**393,278**	482,739
Operating supplies	**255,229**	280,753
Interest (Note 18)	**239,663**	83,117
Professional fees	**195,681**	212,739
Security	**169,245**	161,304
Transportation and travel	**101,363**	49,247
Communication	**78,974**	78,095
Corporate events	**78,932**	274,086
Trainings and seminars	**29,531**	95,045
Insurance	**18,267**	21,833
Service fees and others	**1,241,733**	1,345,958
Customers' deposits	**898,248**	798,352
Unearned revenue from gift certificates	**628,070**	171,891
Dividends payable	**80,780**	56,053
Other current liabilities	**1,208,583**	1,134,096
	28,566,691	25,251,963
Contract liabilities	**150,078**	2,650
	₱28,716,769	₱25,254,613

The terms and conditions of the above liabilities are as follows:

- Trade payables to suppliers are noninterest-bearing and are normally settled on a 30 to 60-day term.

- Accrued expenses are noninterest-bearing and are normally settled within the next financial year. Other accrued liabilities presented under "Service fees and others" consist of charges related to representations and other miscellaneous expenses.

- Customers' deposits pertain to security deposits from operating leases with franchisees, which are refundable at the end of the lease term, deposits for kiddie party packages and deposits from franchisees for the sale of store assets.

  Accretion of interest on customer's deposits amounted to ₱0.6 million, ₱13.2 million and ₱20.4 million in 2018, 2017 and 2016, respectively (see Note 23).

- Other current liabilities consist of staled checks, amounts payable for mascots and various subscriptions in newspapers given to customers as a complementary to their meals.

- Contract liabilities pertains to deferred revenue and unearned revenue from gift certificates from international operations.

  Movements of contract liabilities arising from deferred revenue and unearned revenue from gift certificates from international operations are as follows:

	2018	2017
Effect of adoption of PFRS 15	**₱2,650**	₱2,262
Additions	**36,506**	2,650
Acquisition of a subsidiary	**113,572**	–
Utilized gift certificates	**(2,650)**	(2,262)
Balance at end of year	**₱150,078**	₱2,650

  The amount of contract liabilities arising from deferred revenue and unearned revenue from gift certificates is expected to be earned within one year.

17. **Provisions**

In 2017, Jollibee Group recognized provision amounting to ₱794.6 million (see Note 23). Consequently, the Jollibee Group has outstanding provisions amounting to ₱825.1 million as at December 31, 2018 and 2017, consisting mainly of provisions for asserted claims which are normal to its business.

These include estimates of legal services, settlement amounts and other costs of claims made against the Jollibee Group. Other information on the claims is not disclosed as this may prejudice the Jollibee Group's position on such claims (see Note 29).

18. **Long-term Debts**

The long-term debt consists of the following:

	2018	2017
Principal	**₱26,363,627**	₱16,149,740
Unamortized debt issue cost	**(99,274)**	(32,469)
	₱26,264,353	₱16,117,271

The details of long-term debt follow:

	2018	2017
USD-denominated:		
Loan 1	**₱4,498,511**	₱4,881,067
Loan 2	–	124,800
Loan 3	**1,545,852**	1,482,624
Loan 4	**412,227**	395,367
Loan 5	–	199,680
Loan 6	**310,222**	294,528
VND-denominated (see Note 11):		
Loan 7	**79,296**	142,293
Loan 8	**88,128**	122,998
Loan 9	**137,088**	151,383
Loan 10	**260,352**	–
Loan 11	**41,951**	–
PHP-denominated:		
Loan 12	**1,454,318**	1,467,955
Loan 13	**799,733**	798,933
Loan 14	**622,583**	871,583
Loan 15	**1,593,600**	1,592,000
Loan 16	**2,091,600**	2,089,500
Loan 17	**796,800**	796,000
Loan 18	**597,600**	597,000
Loan 19	**4,171,875**	–
Loan 20	**2,979,376**	–
Loan 21	**2,680,714**	–
Loan 22	**109,670**	109,560
Loan 23	**992,857**	–
	26,264,353	16,117,271
Less current portion - net of debt issue costs of ₱7.0 million and ₱2.4 million in 2018 and 2017, respectively	**4,892,102**	1,216,219
	₱21,372,251	₱14,901,052

USD-denominated loans of JWPL. Loan 1 consists of a 10-year unsecured loan acquired from a local bank on October 21, 2015 amounting to USD110.0 million (₱5,111.7 million) subject to a variable interest rate based on three-month London Interbank Offered Rate (LIBOR) plus spread of 1.20% which is payable and is reset on a quarterly basis. The spread applies provided the Republic of the Philippines' 5-year credit default swap remains under 1.10%. The principal is payable in quarterly installments commencing on January 23, 2017 up to October 21, 2025, the maturity date. As at

December 31, 2018 and 2017, the carrying value of the loan amounted to ₱4,498.5 million and ₱4,881.1 million, respectively.

Loan 2 consists of a 5-year unsecured loan acquired on February 25, 2013 amounting to USD40.0 million (₱1,632.0 million) subject to quarterly interest repricing with one-time option to fix in the future. The interest rate is based on three-month US Dollar LIBOR plus spread of 1.0%. The principal is payable in sixteen (16) quarterly installments commencing on May 26, 2014. The loan was paid in full on February 26, 2018, the maturity date. As at December 31, 2018 and 2017, the carrying value of the loan amounted to nil and ₱124.8 million, respectively.

Under the loan agreements above (Loans 1 and 2), the Parent Company as the guarantor is subject to certain debt covenants which include among others, maintaining a Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below. As at December 31, 2018 and 2017, the Parent Company is in compliance with the terms of the loan covenants.

Loan 3 consists of an 8-year unsecured loan acquired on November 29, 2016 amounting to USD30.0 million (₱1,491.9 million) with an interest rate of 3.0% per annum. The principal is payable in six (6) yearly installments commencing on November 29, 2017 up to November 29, 2022 amounting to USD0.3 million, and the remaining balance on November 29, 2024, the maturity date. As at December 31, 2018 and 2017, the carrying value of the loan amounted to ₱1,545.9 million and ₱1,482.6 million, respectively.

The loan agreement provides certain restrictions and requirements to the Parent Company as the guarantor with respect to maintaining financial ratios, which include maintaining a Debt-to-Equity ratio of 3.0 or below and Debt Service Coverage ratio of at least 1.3. As at December 31, 2018 and 2017, the Parent Company as the guarantor is in compliance with the terms of its loan covenants.

Loan 4 consists of a 6-year unsecured loan acquired on November 29, 2016 amounting to USD8.0 million (₱397.8 million) with an interest rate based on interpolated ROP 2021 and ROP 2024 plus spread of 0.5%. The principal is payable in five (5) yearly installments commencing on November 29, 2017 up to November 29, 2021 amounting to USD0.08 million, and the remaining balance on November 29, 2022, the maturity date. As at December 31, 2018 and 2017, the carrying value of the loan amounted to ₱412.2 million and ₱395.4 million, respectively.

USD-denominated loans of HBFPPL. Loan 5 consists of a 5-year unsecured loan acquired on May 8, 2013 amounting to USD4.0 million (₱163.3 million) with an interest rate based on three-month USD LIBOR plus spread of 1.0% subject to repricing every quarter. The loan was paid in full on May 8, 2018, the maturity date. As at December 31, 2018 and 2017, the carrying value of the loan amounted to nil and ₱199.7 million, respectively.

Loan 6 consists of a 5-year unsecured loan acquired on April 25, 2014 amounting to USD5.9 million (₱257.5 million) with an interest rate of 1.48% subject to repricing every quarter. The principal is payable on April 24, 2019, the maturity date. As at December 31, 2018 and 2017, the carrying value of the loan amounted to ₱310.2 million and ₱294.5 million, respectively.

Under the loan agreements above (Loans 4 to 6), the Parent Company as the guarantor is subject to certain restrictions and requirements with respect to maintaining financial ratios, which include Debt-to-Equity ratio and Debt-to-EBITDA ratio not to exceed 3.0. As at December 31, 2018 and 2017, the Parent Company as the guarantor is in compliance with the terms of its loan covenants.

VND-denominated loans of SuperFoods Group. Loan 7 consists of a 5-year loan acquired from a local bank in Vietnam on February 19, 2015 amounting to VND118.0 billion (₱250.2 million). The loan is subject to a variable interest rate based on thirty (30) day Vietnam Interbank Offered Rates plus spread of 1.5%. The principal is payable in monthly installments commencing on the 13th month after the first utilization date until February 2020, the maturity date. As at December 31, 2018 and 2017, the carrying value of the loan amounted to ₱79.3 million and ₱142.3 million, respectively.

Loan 8 consists of a 5-year loan acquired on December 30, 2015 from a local bank in Vietnam amounting to VND68.0 billion (₱146.7 million). The loan is subject to a variable interest rate based on three-month VND COF plus spread of 1.5%. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month after the first utilization. As at December 31, 2018 and 2017, the carrying value of the loan amounted to ₱88.1 million and ₱123.0 million, respectively.

Loan 9 consists of a 5-year loan acquired on April 3, 2017 from a local bank in Vietnam amounting to VND68.0 billion (₱151.2 million) with variable interest rate based on three-month VND COF plus spread of 1.5%. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from the first drawdown date. As at December 31, 2018 and 2017, the carrying value of the loan amounted to ₱137.1 million and ₱151.4 million, respectively.

Loan 10 consists of a 5-year loan acquired from a local bank in Vietnam amounting to VND113.0 billion (₱262.7 million) available in tranches within eighteen (18) months from February 13, 2018, the date of loan agreement. The loan is subject to a variable interest rate based on three-month VND COF plus spread of 1.3%. The principal is payable in fourteen (14) quarterly installments commencing on the 21st month from the initial drawdown date on March 20, 2018 amounting to VND7.5 billion (₱17.4 million). As at December 31, 2018, the carrying value of the loan amounted to ₱260.4 million.

Loan 11 consists of a 5-year loan acquired from a local bank in Vietnam amounting to VND185.0 billion (₱426.2 million) available in tranches within twenty-four (24) months from November 15, 2018, the date of loan agreement. The loan is subject to a variable interest rate based on the Bank's three-month COF plus spread of 1.35%. The principal is payable in twelve (12) quarterly installments commencing on the 27th month from the initial drawdown date on December 25, 2018 amounting to VND18.2 billion (₱42.0 million). As at December 31, 2018, the carrying value of the loan amounted to ₱42.0 million.

PHP-denominated loans of the Parent Company. On December 9, 2013, the Parent Company refinanced its ₱1,500.0 million term loan from a local bank due on December 16, 2013 by availing a term loan of the same amount (Loan 12). The loan is payable over five years and six months from the date of drawdown with annual principal repayments of ₱15.0 million starting on the 30th month from the date of drawdown and ₱1,455.0 million upon maturity. The loan is subject to a variable interest rate based on three-month Philippine Dealing System Treasury Fixing (PDST-F) rate plus spread of 1.25%, which is payable and is reset on a quarterly basis, and to an interest rate floor based on the Bangko Sentral ng Pilipinas (BSP) Overnight Reverse Repurchase Agreement Rate. The loan was drawn on December 16, 2013 and will mature on June 17, 2019. The Parent Company incurred debt issue costs of ₱7.5 million, representing documentary stamp tax, in relation to this loan in 2013. The Parent Company has an option to convert the variable interest rate into a fixed interest rate on any interest payment date based on the PDST-F rate for the remaining term of the loan and the spread of 1.0%. The Parent Company also has an option to prepay the loan in full or in multiples of ₱10.0 million on any interest payment date.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below. The Parent Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

Loan 13 consists of a 5-year unsecured loan acquired from a local bank on April 21, 2014 amounting to ₱800.0 million. The loan is subject to a variable interest rate based on three-month PDST-F rate plus spread of 1.0%, which is payable and is reset on a quarterly basis, and to an interest rate floor based on the BSP Special Deposit Account (SDA) Rate plus spread of 1.0% or BSP Overnight Borrowing Rate plus spread of 1.0%. The Parent Company incurred debt issue costs of ₱4.0 million, representing documentary stamp tax, in relation to this loan in 2014. The principal is payable on April 21, 2019, the date of maturity. The Parent Company has an option to convert the variable interest rate into a fixed interest rate based on a five-year treasury securities benchmark yield plus spread of 1.0% on the date the option to convert is exercised, subject to an annual interest rate floor of 4.75%. The Parent Company also has an option to prepay the loan, wholly or partially, without penalty at any time during the term of the loan subject to certain conditions.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include, among others, maintaining a Debt-to-Equity ratio of 3.0 or below and Debt-to-Service Coverage ratio of at least 1.3. The Parent Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

Loan 14 consists of 5-year unsecured loan acquired from a local bank on April 22, 2016 amounting to ₱1,000.0 million. The loan is subject to a variable interest rate based on three-month Philippine Dealing System Treasury - Reference Rate Two (PDST-R2) plus spread of 0.55%, subject to repricing every quarter, and to an interest rate floor of BSP SDA. Provided, however that on any Interest Payment Date, in lieu of a floating interest rate, the Parent Company shall have a one-time option to convert into a fixed-interest rate loan not later than 730 days from drawdown date. The conversion to fixed interest rate is based on the applicable PDST-R2 rate plus spread of 2% if the option is exercised from day 1 to day 365 from drawdown date and based on the applicable PDST-R2 rate plus spread of 2.75% if the option is exercised from day 366 to day 730 from drawdown date. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from drawdown date amounting to ₱62.5 million. The Parent Company incurred debt issue cost of ₱5.0 million, representing documentary stamp tax, for this loan. The Parent Company has an option to prepay the loan in part or in full on any interest payment date.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 and below. The Parent Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

Loan 15 consists of 5-year unsecured loan acquired from a local bank on December 22, 2017 amounting to ₱1,600.0 million. The loan is subject to a variable interest based on the simple average of the preceding five (5) days of the three-month PDST-R2 plus spread of 0.50%, which is payable and repriced on a quarterly basis, and to an interest rate floor of 2.70%. Provided, however that on any interest payment date, but in no case later than 365 days from the initial drawdown date, in lieu of a floating interest rate, the Parent Company shall have a one-time option to convert into a fixed-interest rate loan based on the applicable three-month PDST-R2 rate plus spread of 0.60%. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from drawdown date amounting to ₱100.0 million. The Parent Company incurred debt issue cost of ₱8.0 million, representing documentary stamp tax, for this loan. The Parent Company also has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below. The Parent Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

Loan 16 consists of 5-year unsecured loan acquired from a local bank on December 22, 2017 amounting to ₱2,100.0 million. The loan is subject to a variable interest rate based on the simple average of the five (5) trading days of the three-month Treasury Securities Benchmark Yield, as published in the PDST-R2 page of the PDEX preceding and inclusive of the Interest Rate Setting Date plus spread of 0.50%. The principal is payable on December 22, 2022, the date of maturity with an option to prepay the loan, wholly or partially, without penalty at any time during the term of the loan subject to certain conditions. On July 16, 2018, the loan agreement was amended to pay the principal in sixteen (16) quarterly installments commencing on the end of the 4th quarter from the drawdown date. The Parent Company incurred debt issue cost of ₱10.5 million, representing documentary stamp tax, for this loan.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below and Debt-to-Service Coverage ratio of at least 1.3. The Parent Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

Loan 17 consists of 5-year unsecured loan acquired from a local bank on December 22, 2017 amounting to ₱800.0 million. The loan is subject to a variable interest based on the simple average of the preceding five (5) days of the three-month PDST-R2 rate plus spread of 0.50%, which is payable and is reset on a quarterly basis, and to an interest rate floor based on BSP Overnight Deposit Facility Rate. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from drawdown date amounting to ₱50.0 million. The Parent Company incurred debt issue cost of ₱4.0 million, representing documentary stamp tax, for this loan. The Parent Company has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below. The Parent Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

Loan 18 consists of 5-year unsecured loan acquired from a local bank on December 27, 2017 amounting to ₱600.0 million. The loan is subject to a variable interest equal to the three-month PDST-R2 rate plus spread of 0.50%, which is payable and is reset on a quarterly basis, and to an interest rate floor based on BSP Overnight Deposit Facility Rate plus 0.50%. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from drawdown date amounting to ₱37.5 million. The Parent Company incurred debt issue cost of ₱3.0 million, representing documentary stamp tax, for this loan. The Parent Company has an option to convert the variable interest rate into a fixed interest rate on any interest payment date but in no case later than 365 days from the drawdown date. The conversion to fixed interest rate is based on a five year PDST-R2 rate plus spread of 0.75%. The Parent Company also has an option to prepay the loan in part of in full on any interest payment date subject to certain conditions.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below and Debt-to-Service Coverage ratio of at least 1.3. The Parent Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

Loan 19 consists of 7-year unsecured loan acquired from a local bank on March 27, 2018 amounting to ₱4,200.0 million. The loan is subject to a variable interest equal to the simple average of the preceding five (5) days of the three-month PDST-R2 rate plus spread of 0.40% and to an interest rate floor of 3.0%. The principal is payable in equal quarterly installments commencing on the 27th month from drawdown date amounting to ₱210.0 million. The Parent Company incurred debt issue cost of ₱31.5 million, representing documentary stamp tax, for this loan. The Parent Company has an option to convert the variable interest rate into a fixed interest rate but in no case later than 365 days from the drawdown date. The conversion to fixed interest rate is based on simple average of the applicable/interpolated “Done” PDST-R2 rates within the preceding five (5) consecutive business days plus spread of 0.60%. In the event, that there is no “Done” PDST-R2 rates, it shall be determined by interpolating the “Done” PDST-R2 of other tenors or mutually agreed computation based on the available bids/interpolation. The Parent Company also has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below. The Parent Company is in compliance with these debt covenants as at December 31, 2018.

Loan 20 consists of 7-year unsecured loan acquired from a local bank on May 11, 2018 amounting to ₱3,000.0 million. The loan is subject to a variable interest rate equal to simple average of the five (5) trading days of the three-month Treasury Securities Benchmark Yield, as published in the PDST-R2 page of the PDEX preceding and inclusive of the Interest Rate Setting Date plus spread of 0.50%. The Parent Company has a one-time option to convert the variable interest rate into a fixed interest rate until the 4th interest rate setting date subject to certain conditions. The conversion to fixed interest rate is equal to the interpolated Treasury Securities Benchmark Yield based on the remaining tenor of the Loan, as published in the PDST-R2 on the interest setting date plus spread of 0.50%. The principal is payable in twenty (20) quarterly installments commencing on the end of the 8th quarter from the drawdown date. The Parent Company incurred debt issue cost of ₱22.5 million, representing documentary stamp tax, for this loan.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below and Debt-to-Service Coverage ratio of at least 1.3. The Parent Company is in compliance with these debt covenants as at December 31, 2018.

Loan 21 consists of 7-year unsecured loan acquired from a local bank on August 15, 2018 amounting to ₱2,700.0 million. The loan is subject to a variable interest rate equal to simple average of the five (5) trading days of the three-month Treasury Securities Benchmark Yield, as published in the PDST-R2 page of the PDEX preceding and inclusive of the Interest Rate Setting Date plus spread of 0.50%. The Parent Company has a one-time option to convert the variable interest rate into a fixed interest rate until the 4th interest rate setting date subject to certain conditions. The conversion to fixed interest rate is equal to the interpolated Treasury Securities Benchmark Yield based on the remaining tenor of the Loan, as published in the PDST-R2 on the interest setting date plus spread of 0.50%. The principal is payable in twenty (20) quarterly installments commencing on the end of the 8th quarter from the drawdown date. The Parent Company incurred debt issue cost of ₱20.3 million, representing documentary stamp tax, for this loan.

Under the loan agreement, the Parent Company is subject to certain debt covenants which include among others, the maintenance of a required Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below and Debt-to-Service Coverage ratio of at least 1.3. The Parent Company is in compliance with these debt covenants as at December 31, 2018.

The Parent Company's PHP denominated long-term debt (Loans 12 to 21) amounts to ₱17,788.2 million and ₱8,213.0 million, net of unamortized debt issue cost of ₱91.8 million and ₱32.0 million as at December 31, 2018 and 2017, respectively. The current portion amounted to ₱3,773.0 million and ₱261.8 million, net of debt issue costs of ₱7.0 million and ₱2.4 million as at December 31, 2018 and 2017, respectively.

PHP-denominated loan of PERF Restaurants, Inc. (PERF). Loan 22 is a 5-year unsecured loan acquired from local a bank on December 21, 2016 amounting to ₱110.0 million with an interest rate based on three-month PDST-R2 plus spread of 1.0% with interest rate floor computed at BSP Overnight Deposit Facility Rate plus spread of 0.5%. The loan is payable on December 21, 2021, the maturity date. PERF incurred debt issue cost of ₱0.6 million, representing documentary stamp tax, in relation to this loan in 2016. The carrying amount of the loan is ₱109.7 million and ₱109.6 million, net of unamortized debt issue cost of ₱0.3 million and ₱0.4 million as at December 31, 2018 and 2017, respectively.

The loan is guaranteed by the Parent Company. Consequently, the Parent Company is subject to certain debt covenants which include, among others, maintaining a Debt-to-Equity ratio of 3.0 or below and Debt-to-Service Coverage ratio of at least 1.3. The Parent Company is in compliance with these debt covenants as at December 31, 2018 and 2017, respectively.

PHP-denominated loan of Zenith. Loan 23 is a 7-year unsecured loan acquired from a local bank on August 24, 2018 amounting to ₱1,000.0 million. The loan is subject to a variable interest equal to the simple average of the preceding five (5) days of the three-month PDST-R2 on the interest setting date plus spread of 0.48% and to an interest rate floor equal to the BSP Overnight Reverse Repurchase Rate. Zenith has an option to convert the variable interest rate into a fixed interest rate but in no case later than 365 days from the drawdown date. The conversion to fixed interest rate is based on simple average of the applicable/interpolated "Done" PDST-R2 rates within the preceding five (5) consecutive business days plus spread of 0.60%. Zenith incurred debt issue cost of ₱7.5 million, representing documentary stamp tax, in relation to this loan. The principal is payable in equal quarterly installments commencing on the 27th month from the drawdown date and every quarter thereafter until maturity. The carrying amount of the loan is ₱992.9 million, net of unamortized debt issue cost of ₱7.1 million as at December 31, 2018.

The loan is guaranteed by the Parent Company. Consequently, the Parent Company is subject to certain debt covenants which include, among others, maintaining a Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 or below. The Parent Company is in compliance with these debt covenants as at December 31, 2018.

Interest expense recognized on long-term debt including amortization of debt issue cost, amounted to ₱888.2 million, ₱392.6 million and ₱247.0 million in 2018, 2017 and 2016, respectively (see Note 23).

The future expected principal settlements of the Jollibee Group's loans follow:

	2018	2017
2018	**₱–**	₱1,218,583
2019	**4,899,151**	4,320,923
2020	**3,510,235**	1,752,102
2021	**4,391,793**	1,612,649
2022 to 2025	**13,562,448**	7,245,483
	26,363,627	16,149,740
Less debt issue costs	**(99,274)**	(32,469)
	₱26,264,353	₱16,117,271

Embedded Derivatives
Certain long-term loans of the Jollibee Group include provisions for an option to convert the variable interest rate into a fixed interest rate. Certain long-term loans are also subject to an interest rate floor. In addition, the Jollibee Group's long-term loans generally provide an option to pre-pay the loan in full before the maturity date.

The Jollibee Group assessed that the derivatives embedded in the loan contracts need not be bifurcated since they are clearly and closely related to the economic characteristics and risks of the host loan contract and do not qualify for separate accounting as at December 31, 2018 and 2017.

Freestanding Derivatives, Hedges and Hedge Effectiveness Testing
On November 20, 2015, the Jollibee Group entered into an Interest Rate Swap (IRS) with a bank to convert its exposure in the variable interest rate of Loan 1 to a fixed interest rate. The IRS will terminate and the loan will mature simultaneously on October 21, 2025. The Jollibee Group has designated the IRS as a cash flow hedge.

The IRS with a notional amount equal to the principal amount of the loan requires the Jollibee Group to pay fixed interest payments at 3.36% in exchange of variable interest payments at three-month LIBOR plus spread of 1.20% from the bank throughout the term of the IRS on the notional amount. The IRS settles quarterly on a net basis.

The fair value of the IRS amounted to ₱82.9 million and ₱11.9 million as at December 31, 2018 and 2017, respectively, which were presented as a derivative asset in the statements of financial position. The terms of the IRS approximately match the terms of the interest payments on the loan. Accordingly, there is no hedge ineffectiveness to be recognized in profit or loss.

Unrealized income of ₱70.9 million, ₱45.5 million and ₱2.4 million were recognized in other comprehensive income in 2018, 2017 and 2016, respectively.

In 2012, PERF converted a loan into a deliverable cross-currency swap transaction to hedge in full the foreign currency risk and interest rate risk on its floating rate. Under the cross-currency swap, PERF received at inception PHP notional amount of ₱149.2 million and paid USD notional amount of USD3.4 million based on the PHP/USD spot reference rate of ₱43.87. At every interest payment date, PERF received variable interest based on 3-month US Dollar LIBOR plus spread and paid fix-interest rate. At maturity date, PERF received USD notional amount of USD3.4 million and paid PHP notional amount of ₱149.2 million. The USD receipts from the cross-currency swap corresponded to the expected interest fixed principal amount due on the hedged loan. Similar to the hedged loan, the cross-currency swap was non-amortizing and it matured on December 20, 2016.

Effectively, the cross-currency swap transformed the floating rate USD loan into fixed rate PHP loan. The foreign exchange revaluation of the hedged loan, amounting to ₱10.9 million was recognized in other comprehensive income in 2016.

19. **Equity**

a. Capital Stock

The movements in the account are as follows:

	2018	2017
Authorized - ₱1 par value 1,450,000,000 shares	**₱1,450,000**	₱1,450,000
Issued and subscribed:		
Balance at beginning of year	**₱1,101,656**	₱1,091,301
Issuances during the year	**3,558**	10,355
Balance at end of year	**1,105,214**	1,101,656
Subscriptions receivable	**(17,178)**	(17,178)
	₱1,088,036	₱1,084,478

The total number of shareholders of the Parent Company is 3,023 and 3,042 as at December 31, 2018 and 2017, respectively.

b. Additional Paid-in-Capital

The movements in the Additional paid in-capital pertain to the difference between the exercise prices of stock options exercised and the par value of Parent Company's shares. For the years ended December 31, 2018 and 2017, stock options totaling 3,558,182 shares and 10,354,270 shares, respectively, were exercised (see Note 26). These resulted to an additional paid-in capital amounting to ₱472.0 million and ₱850.8 million in 2018 and 2017, respectively.

Stock options expense, amounting to ₱312.0 million, ₱227.5 million and ₱241.3 million in 2018, 2017 and 2016, respectively, were also recognized as part of additional paid-in capital (see Notes 22 and 26).

The Parent Company recognized deferred tax assets on MSOP and ELTIP, resulting to additional paid-in capital of ₱334.1 million and ₱782.0 million in 2018 and 2017.

As at December 31, 2018 and 2017, total additional paid-in capital amounted to ₱8,638.4 million and ₱7,520.4 million, respectively.

c. Treasury Shares

The cost of common stock of the Parent Company held in treasury of ₱180.5 million consists of 16,447,340 shares as at December 31, 2018 and 2017.

d. Excess of Cost over the Carrying Value of Non-controlling Interests Acquired

The amount of excess of cost over the carrying value of non-controlling interests acquired as at December 31, 2018 and 2017, recognized as part of “Equity Attributable to Equity Holders of the Parent Company” section in the consolidated statements of financial position, resulted from the following acquisitions of non-controlling interests:

	2018	2017
20% of Greenwich in 2006	**₱168,257**	₱168,257
15% of Belmont in 2007	**375,721**	375,721
40% of Adgraphix in 2010	**(1,214)**	(1,214)
30% of Mang Inasal in 2016	**1,217,615**	1,217,615
30% of HBFPPL in 2016	**391,782**	391,782
15% of SJBF in 2018 (see Note11)	**(347,395)**	–
	₱1,804,766	₱2,152,161

e. Retained Earnings

The Jollibee Group has a cash dividend policy of declaring one-third of the Jollibee Group’s net income for the year as cash dividends. It uses best estimate of its net income as basis for declaring cash dividends. Actual cash dividends per share declared as a percentage of the EPS are 32.4%, 33.1% and 32.4% in 2018, 2017 and 2016, respectively.

The Parent Company’s retained earnings available for dividend declaration, computed based on the guidelines provided in SEC Memorandum Circular No. 11, amounted to ₱12,538.8 million, ₱10,876.0 million and ₱6,046.3 million as at December 31, 2018, 2017 and 2016, respectively.

The Parent Company’s cash dividend declarations for 2018, 2017 and 2016 follow:

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
			(In Thousands, except dividend per share)	
2018				
April 6	April 24	May 9	**₱1.14**	**₱1,236,518**
November 9	November 26	December 10	**1.34**	**1,455,269**
			₱2.48	**₱2,691,787**
2017				
April 5	April 21	May 5	₱1.00	₱1,077,527
November 10	November 27	December 11	1.18	1,277,984
			₱2.18	₱2,355,511
2016				
April 6	April 21	May 6	₱0.86	₱919,435
November 11	November 28	December 12	1.00	1,072,808
			₱1.86	₱1,992,243

An important part of the Jollibee Group’s growth strategy is the acquisition of new businesses in the Philippines and abroad. Examples were acquisitions of 85% of Yonghe King in 2004 in PRC (₱1,200.0 million), 100% of Red Ribbon in 2005 (₱1,700.0 million), the remaining 20% minority share in Greenwich in 2007 (₱384.0 million), the remaining 15% share of Yonghe King in 2007 (₱413.7 million), 100% of Hong Zhuang Yuan restaurant chain in PRC in 2008

(₱2,600.0 million), 70% of Mang Inasal in 2010 (₱2,976.2 million), 100% of Chowking US operations in 2011 (₱693.3 million), 48% of WJ Investments Limited in 2012 (₱98.0 million), 40% of SJBF LLC, the parent company of the entities comprising the Smashburger business in US (₱4,812.8 million), including transaction costs in 2015, the remaining 30% minority share each in Mang Inasal (₱2,000.0 million) and HBFPPL (₱514.9 million), acquisition of GSC (₱8.6 million) in 2016, the acquisition of additional 10% share in SuperFoods Group (₱2,712.7 million) in 2017 and acquisition of remaining 60% share in SJBF LLC (₱5,735.8 million) in 2018.

The Jollibee Group plans to continue to make substantial acquisitions in the coming years. The Jollibee Group uses its cash generated from operations to finance these acquisitions and capital expenditures. These limit the amount of cash dividends that it can declare and pay, making the level of the retained earnings higher than the paid-up capital stock.

On November 9, 2018, the BOD approved the following:

- Release of previously appropriated retained earnings amounting to ₱18,200.0 million as at September 30, 2018 related to the completed projects in 2013 to 2018.

- Appropriation of retained earnings amounting to ₱20,000.0 million. Details are as follows:

Projects	Timeline	Amount
Capital Expenditures	2019 - 2024	₱12,000,000
Acquisition of Businesses	2019 - 2024	8,000,000
		₱20,000,000

The unappropriated retained earnings of the Parent Company is also restricted to the extent of cost of common stock held in treasury amounting to ₱180.5 million as well as the undistributed retained earnings of its subsidiaries which amounted to ₱3,063.9 million, ₱3,525.2 million and ₱3,664.8 as at December 31, 2018, 2017 and 2016, respectively.

In relation with the SRC Rule 68, as Amended (2011), Annex 68-D, below is the summary of the Parent Company's track record of registration of securities.

	Number of Shares registered	Initial issue/offer price	Listing Date	Number of holders of securities as at December 31	
				2018	2017
Common shares	75,000,000	₱9	July 14, 1993	**3,023**	3,042

20. Royalty, Set-up Fees and Others

This account consists of:

	2018	2017	2016
Royalty fees	**₱7,043,891**	₱5,614,447	₱4,959,568
Set-up fees	**546,909**	424,217	309,354
Service fees	**489,359**	380,149	119,262
Scrap sales	**109,658**	199,077	154,628
Rent income (see Notes 13 and 29)	**53,322**	57,234	91,387
Other revenues	**231,931**	237,879	252,817
	₱8,475,070	₱6,913,003	₱5,887,016

The Jollibee Group has existing Royalty and Service Agreements with independent franchisees for the latter to operate quick service restaurant outlets under the "Jollibee", "Chowking", "Greenwich", "Red Ribbon", "Mang Inasal", "Yong He King", "Hong Zhuang Yuan", "Highlands Coffee", "Pho 24" and "Smashburger" concepts and trade names. In consideration thereof, the franchisees agree to pay set-up fees and monthly royalty fees equivalent to a certain percentage of the franchisees' net sales.

The Jollibee Group's franchisees pay service fees for various services, including repairs and maintenance services, rendered by the Jollibee Group's personnel.

Other revenues pertain to delivery fees and other miscellaneous revenues earned by the Jollibee Group.

21. **Direct Costs**

This account consists of:

	2018	2017 (As Restated)	2016 (As Restated)
Cost of Sales			
Cost of inventories	**₱74,995,446**	₱62,725,504	₱54,475,007
Personnel costs:			
Salaries, wages and other employee benefits	**14,878,078**	11,021,803	10,472,700
Pension expense (see Note 25)	**190,272**	168,059	171,515
Rent (see Note 29)	**12,151,194**	9,719,896	8,234,530
Contracted services	**8,847,468**	7,305,046	4,875,092
Depreciation and amortization (see Note 12)	**5,366,987**	4,307,821	3,542,624
Electricity and other utilities	**5,247,450**	4,587,166	4,022,779
Supplies	**3,150,090**	2,570,007	2,155,033
Repairs and maintenance	**1,578,608**	1,218,581	1,327,943
Security and janitorial	**983,306**	795,773	638,303
Communication	**289,677**	227,195	190,811
Professional fees	**169,531**	57,575	34,972
Representation and entertainment	**131,853**	39,191	33,181
Others	**3,391,257**	2,914,523	2,640,998
	131,371,217	107,658,140	92,815,488
Cost of Services			
Advertising expense (see Note 2)	**2,523,492**	2,036,535	1,802,072
	₱133,894,709	₱109,694,675	₱94,617,560

Others consist of delivery costs, insurance and other miscellaneous expenses.

22. **General and Administrative Expenses**

This account consists of:

	2018	2017	2016
Personnel costs:			
Salaries, wages and other employee benefits	**₱8,027,163**	₱6,850,398	₱5,543,159
Stock options expense (see Notes 19 and 26)	**311,964**	227,483	241,324
Pension expense (see Note 25)	**208,533**	194,781	192,266
Taxes and licenses	**1,561,687**	1,394,412	1,271,104
Professional fees	**1,018,320**	825,264	608,586
Transportation and travel	**748,856**	577,374	504,469
Rent (see Note 29)	**586,982**	516,717	470,004
Contracted services	**565,260**	474,622	499,533
Depreciation and amortization (see Notes 12, 14 and 15)	**542,773**	437,345	453,244
Reversals of provision for impairment on:			
Property, plant and equipment (see Note 12)	**(408,184)**	(2,111)	(2,000)
Receivables (see Note 7)	**(23,675)**	(20,705)	(3,188)
Inventories (see Note 8)	**(6,148)**	(53,819)	(18,129)
Repairs and maintenance	**279,891**	157,495	191,253
Corporate events	**234,865**	192,187	161,628
Membership and subscriptions	**160,414**	139,552	112,110
Communication	**158,430**	116,101	98,769
Training	**151,753**	134,448	161,683
Representation and entertainment	**121,306**	70,282	53,781
Donations	**101,118**	93,294	82,642
Supplies	**96,224**	89,641	78,769
Electricity and other utilities	**72,095**	55,806	52,596
Association dues	**69,569**	51,994	50,517
Loss (gain) on retirements and disposals of:			
Property, plant and equipment (see Note 12)	**45,540**	174,510	236,809
Investment properties (see Note 13)	**–**	(231,036)	–
Insurance	**41,179**	21,182	16,782
Security and janitorial	**26,053**	24,408	22,464
Impairment in value of:			
Receivables (see Note 7)	**10,188**	143,772	91,415
Inventories (see Note 8)	**8,278**	7,443	78,621
Property, plant and equipment (see Note 12)	**–**	431,939	42,731
Other assets	**–**	122,759	–
Others	**751,040**	688,307	568,498
	₱15,461,474	₱13,905,845	₱11,861,440

23. **Interest Income (Expense) and Other Income (Expense)**

	2018	2017	2016
Interest income:			
Cash and cash equivalents and short-term investments (see Note 6)	**₱313,273**	₱149,298	₱136,671
Loans and advances* (see Note 11)	**55,523**	77,120	125,070
Accretion of interest on security and other deposits and employee car plan receivables (see Note 15)	**46,589**	33,149	25,172
	₱415,385	₱259,567	₱286,913

**Including interest income of other subsidiaries other than those mentioned in Note 11.*

	2018	2017	2016
Interest expense:			
Long-term debt (see Note 18)	**(₱888,216)**	(₱392,589)	(₱247,036)
Accretion of customers' deposits (see Note 16)	**(627)**	(13,231)	(20,354)
Short-term debt (see Note 18)	**–**	–	(228)
	(₱888,843)	(₱405,820)	(₱267,618)

	2018	2017	2016
Other income (expense):			
Write-off of liabilities	**₱2,343,295**	₱1,547,166	₱1,111,924
Gain from the re-measurement of previously held interest (see Note 11)	**754,804**	1,328,733	–
Bank charges	**(317,791)**	(165,348)	(118,627)
Rebates and suppliers' incentives	**194,927**	189,452	206,712
Pre-termination of operating leases	**85,898**	15,884	9,528
Penalties and charges	**62,467**	69,610	53,274
Marked-to-market gain (loss) on derivatives (see Note 11)	**(49,791)**	(129,371)	3,298
Foreign exchange gain (loss) - net	**(34,597)**	(63,535)	41,485
Charges to franchisees	**24,679**	18,979	19,858
Reversal of impairment loss on interest in an associate (see Note 11)	**16,660**	–	–
Net unrealized gain on financial assets at FVTPL (see Note 10)	**9,980**	–	–
Other rentals	**8,662**	17,484	16,392
Provisions (see Note 17)	–	(794,609)	–
Divestment of subsidiaries and interest in a joint venture (see Note 11)	**–**	(116,207)	66,695
Insurance claims and others	**136,003**	180,515	172,384
	₱3,235,196	₱2,098,753	₱1,582,923

In the normal course of business, the Jollibee Group accrues liabilities based on management's best estimate of costs incurred, particularly in cases when the Jollibee Group has not yet received final billings from suppliers and vendors. There are also ongoing negotiations and reconciliations with suppliers and vendors on certain liabilities recorded. These balances are continuously reviewed by management and are adjusted based on these reviews, resulting to write-off of certain liabilities as other income.

24. **Income Taxes**

The Jollibee Group's provision for current income tax consists of the following:

	2018	2017	2016
Final tax withheld on:			
Royalty income	**₱1,512,611**	₱1,260,352	₱1,120,247
Interest income	**39,153**	16,349	16,135
RCIT:			
With itemized deduction	**511,077**	306,010	805,092
With Optional Standard Deduction (OSD)	**473,240**	369,839	214,249
MCIT	**286,011**	336,152	179,132
Capital gains	**–**	21,928	–
	₱2,822,092	₱2,310,630	₱2,334,855

RCIT consists of corporate income taxes from the Jollibee Group's operations in the Philippines, PRC, USA and Vietnam.

For the years ended December 31, 2018 and 2017, Grandworth and RRBH wholly-owned subsidiaries, elected to use OSD in computing for their taxable income. In 2018 and 2017, Zenith elected to use itemized deduction and OSD, respectively, in computing its taxable income. The net tax benefit (loss) from the availment of OSD amounted to ₱4.7 million and (₱15.3 million) in 2018 and 2017, respectively.

The components of the Jollibee Group's recognized net deferred tax assets as at December 31 follow:

	2018	2017
Deferred tax assets:		
MSOP and ELTIP	**₱1,312,022**	₱1,033,184
Accrued expenses of USA-based entities	**749,663**	497,590
Operating lease payables	**663,074**	566,066
Excess of MCIT over RCIT	**614,580**	513,072
NOLCO:		
Philippine-based entities	**311,331**	553,035
PRC-based entities	**190,154**	250,973
USA-based entities	**45,976**	7,218
Pension liability and other benefits	**504,790**	551,921
Accumulated impairment loss in value of receivables, inventories, property, plant and equipment and other nonfinancial assets	**108,432**	105,190
Unrealized foreign exchange loss	**85,708**	62,395

(Forward)

	2018	2017
Unaccreted discount on security deposits and employee car plan receivables	**₱36,978**	₱53,992
Unamortized past service costs	**15,408**	9,689
Others	**9,634**	15,136
	4,647,750	4,219,461
Deferred tax liabilities:		
Unrealized foreign exchange gain	**93,995**	57,342
Excess of fair value over book value of identifiable assets of acquired businesses	**80,243**	69,281
State income taxes	**49,157**	82,383
Prepaid rent	**36,953**	46,768
Unaccreted discount on employee car plan receivables and security deposits	**25,811**	23,172
Deferred rent expense	**19,316**	13,461
Operating lease receivables	**18,087**	17,049
Unrealized gain on change in fair value of financial assets at FVTPL/AFS financial assets	**1,192**	1,192
	324,754	310,648
Deferred tax assets – net	**₱4,322,996**	₱3,908,813

The components of the Jollibee Group's recognized net deferred tax liabilities as at December 31 follow:

	2018	2017
Deferred tax assets:		
Allowance for impairment loss on receivables and inventories	**₱85,494**	₱85,041
Pension liability and other benefits	**57,494**	40,905
MSOP and ELTIP	**27,639**	–
Operating lease payables	**16,474**	7,142
Unamortized past service costs	**3,436**	–
Unaccreted discount on security deposits and employee car plan receivables	**3,180**	1,790
Unrealized foreign exchange loss	**1,377**	14
Excess of MCIT over RCIT	**–**	18,359
	195,094	153,251
Deferred tax liabilities:		
Excess of fair value over book value of identifiable assets of acquired businesses	**3,703,679**	1,340,894
Unrealized foreign exchange gain	**2,028**	14
Unaccreted discount on employee car plan receivables, security and product security deposits	**1,640**	1,338
	3,707,347	1,342,246
Deferred tax liabilities – net	**₱3,512,253**	₱1,188,995

The rollforward analysis of the net deferred tax assets and liabilities of the Jollibee Group follows:

	2018	2017
Balance at beginning of year	**₱2,719,818**	₱2,078,918
Additions - net assets (liabilities)	**(1,880,459)**	685,089
Income tax effect of other remeasurements of net defined benefit plan	**(54,831)**	(59,440)
Translation adjustments	**26,215**	15,251
	₱810,743	₱2,719,818

OSD

The availment of the OSD method also affected the recognition of several deferred tax assets and liabilities. Deferred tax assets and liabilities, for which the related income and expense are not considered in determining gross income for income tax purposes, are not recognized. This is because the manner by which the Jollibee Group expects to recover or settle the underlying assets and liabilities, for which the deferred tax assets and liabilities were initially recognized, would not result to any future tax consequence under the OSD method. Meanwhile, deferred tax assets and liabilities, for which the related income and expense are considered in determining gross income for income tax purposes, are recognized only to the extent of their future tax consequence under OSD method. Hence, the tax base of these deferred tax assets and liabilities is reduced by the 40% allowable deduction provided for under the OSD method.

Accordingly, the Jollibee Group's deferred tax assets and liabilities, which were not recognized due to the use of the OSD method, are as follows:

	2018	2017
Deferred tax assets:		
Allowance for impairment losses on receivables and nonfinancial assets	**₱6,429**	₱30,421
Operating lease payables	**3,361**	13,429
Unaccredited discount on financial instruments and others	**504**	458
Pension liability and other benefits	**–**	23,121
Unamortized past service cost	**–**	139
	10,294	67,568
Deferred tax liabilities:		
Operating lease receivables	**4,963**	5,437
Others	**359**	551
	5,322	5,988
Deferred tax assets - net	**₱4,972**	₱61,580

As at December 31, 2018, NOLCO and excess of MCIT over RCIT of the Philippine-based entities that can be claimed as deductions from taxable income and income tax due, respectively, are as follows:

Year Incurred/Paid	Carryforward Benefit up to	NOLCO	Excess of MCIT over RCIT
2018	December 31, 2021	₱–	₱244,814
2017	December 31, 2020	–	190,633
2016	December 31, 2019	1,037,769	179,133
2015	December 31, 2018	895,999	161,665
		1,933,768	776,245
Utilized during the year		(829,757)	–
Write-off during the year		(66,242)	(161,665)
		₱1,037,769	₱614,580

The PRC enterprise income tax law provides that income tax rates are unified at 25%. As at December 31, 2018, NOLCO of the PRC-based entities that can be claimed as deductions from taxable income are as follows:

Year Incurred	Carryforward Benefit Up to	Tax Losses	Deferred Tax at 25%
2018	December 31, 2023	₱47,388	₱11,847
2017	December 31, 2022	39,200	9,800
2016	December 31, 2021	216,036	54,009
2015	December 31, 2020	235,992	58,998
2014	December 31, 2019	223,724	55,931
2013	December 31, 2018	288,944	72,236
		1,051,284	262,821
Write-off during the year		(169,740)	(42,435)
Utilized during the year		(126,184)	(31,546)
Translation adjustments		5,256	1,314
		₱760,616	₱190,154

As at December 31, 2018, NOLCO of the USA-based entities that can be claimed as deductions from taxable income are as follows:

Year Incurred	Tax Losses	Deferred Tax at 21%
2018	₱182,732	₱38,374
2017	34,370	7,218
Translation adjustments	1,830	384
	₱218,932	₱45,976

The following are the movements in deferred tax assets on NOLCO of the Jollibee Group:

	2018	2017	2016
Balance at beginning of year	**₱811,226**	₱1,083,447	₱782,610
Additions	**50,221**	172,041	355,025
Utilized during the year	**(253,376)**	(447,324)	(51,416)
Write-offs and expirations	**(62,308)**	(12,189)	–
Translation adjustments	**1,698**	15,251	(2,772)
	₱547,461	₱811,226	₱1,083,447

The following are the movements in deferred tax assets on Excess of MCIT over RCIT of the Jollibee Group:

	2018	2017	2016
Balance at beginning of year	**₱531,431**	₱484,930	₱318,340
Additions	**244,814**	190,633	179,224
Write-offs and expirations	**(161,665)**	(144,132)	(4,387)
Utilized during the year	**–**	–	(8,247)
	₱614,580	₱531,431	₱484,930

The net change in deferred tax liabilities recognized in equity amounted to (₱54.8 million), (₱59.4 million) and ₱29.6 million in 2018, 2017 and 2016, respectively.

The reconciliation of provision for income tax computed at the statutory income tax rates to provision for income tax as shown in the consolidated statements of comprehensive income are as follows:

	2018	2017	2016
Provision for income tax at various statutory income tax rates	**₱3,147,175**	₱2,501,853	₱2,388,798
Income tax effects of:			
Effect of different tax rate for royalty and interest income	**(772,111)**	(638,351)	(567,363)
Nontaxable income	**(556,487)**	(313,827)	–
Income tax effects of:			
Net movement in unrecognized DTA	**251,680**	(28,325)	34,549
Expired/written off NOLCO and excess of MCIT over RCIT	**198,101**	156,321	4,387
Intrinsic value of stock options exercised	**(156,848)**	(323,503)	(208,494)
Nondeductible expenses	**102,617**	35,754	74,371
Tax effect of MSOP and ELTIP	**(88,326)**	(175,401)	–
Difference between OSD and itemized deductions	**(5,004)**	12,621	(57,925)
Effect of different tax rates for capital gains tax	**(1,497)**	(47,382)	–
Others	**599,949**	487,168	8,288
	₱2,719,249	₱1,666,928	₱1,676,611

Provision for current income tax of foreign entities operating in United States, PRC and Singapore amounted to ₱41.0 million, ₱147.4 million and ₱1.2 million, respectively, in 2018, ₱55.1 million, ₱119.3 million and ₱2.3 million , respectively, in 2017, and ₱67.6 million, ₱99.7 million and ₱1.3 million , respectively, in 2016.

For Philippine-based entities, Republic Act (RA) No.10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect on January 1, 2018. Although the TRAIN changes existing tax law and includes several provisions that will generally affect businesses on a prospective basis, the management assessed that the same did not have any significant impact on the consolidated financial statement balances as of the reporting date.

For US-based entities, Tax Cuts and Jobs Act (the US Tax Reform) was signed into law on December 22, 2017, making the new law enacted by that date under Philippine Financial Reporting Standards (PFRSs) and therefore applicable as of the reporting date. The US Tax Reform resulted in the re-measurement of deferred tax assets and liabilities as a result of the change in the corporate income tax rate from 35% to 21%. The US-based entities recognized net deferred tax liabilities amounting to ₱1,650.9 million and net deferred tax assets amounting to ₱452.4 million as at December 31, 2018 and 2017, respectively.

25. **Pension Liability**

Defined Benefit Plan

The Parent Company and certain Philippine-based subsidiaries have funded, independently-administered, non-contributory defined benefit pension plan covering all permanent employees. The benefits are based on the employees' projected salaries and number of years of service.

The funds are administered by trustee banks. Subject to the specific instructions provided in writing, the Parent Company and certain Philippine-based subsidiaries direct the trustee banks to hold, invest and reinvest the funds and keep the same invested, in its sole discretion, without distinction between principal and income in, but not limited to, certain cash and other short-term deposits, investments in government and corporate debt securities and quoted equity securities.

Under the existing regulatory framework, Republic Act No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employees' retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of pension expense, included under "Cost of sales" and "General and administrative expenses" accounts in the consolidated statements of comprehensive income and pension liability in the consolidated statements of financial position, which are based on actuarial valuations.

Changes in pension liability of the Jollibee Group in 2018 are as follows:

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Pension Liability**
At January 1, 2018	**₱3,574,277**	**₱2,084,731**	**₱1,489,546**
Pension expense (see Notes 21 and 22):			
Current service cost	**290,935**	**–**	**290,935**
Net interest	**211,958**	**123,693**	**88,265**
Past service cost	**15,851**	**–**	**15,851**
Settlement loss	**3,754**	**–**	**3,754**
	522,498	**123,693**	**398,805**
Benefits paid	**(150,925)**	**(150,925)**	**–**
Settlement paid	**(28,400)**	**(28,400)**	**–**
Remeasurements in other comprehensive income:			
Return on plan assets (excluding amount included in net interest)	**–**	**(223,899)**	**223,899**
Actuarial changes arising from changes in financial assumptions	**(485,586)**	**–**	**(485,586)**
Actuarial changes due to experience adjustment	**68,003**	**–**	**68,003**
Actuarial changes due to demographic adjustment	**(14,921)**	**–**	**(14,921)**
	(432,504)	**(223,899)**	**(208,605)**
Contributions	**–**	**359,100**	**(359,100)**
At December 31, 2018	**₱3,484,946**	**₱2,164,300**	**₱1,320,646**

Changes in pension liability of the Jollibee Group in 2017 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2017	₱3,378,892	₱1,720,714	₱1,658,178
Pension expense (see Notes 21 and 22):			
Current service cost	279,419	–	279,419
Net interest	176,704	90,072	86,632
Past service cost	(3,211)	–	(3,211)
	452,912	90,072	362,840
Benefits paid	(103,553)	(103,553)	–

(Forward)

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
Remeasurements in other comprehensive income:			
Return on plan assets (excluding amount included in net interest)	₱–	₱52,498	(₱52,498)
Actuarial changes arising from changes in financial assumptions	(235,902)	–	(235,902)
Actuarial changes due to experience adjustment	81,928	–	81,928
	(153,974)	52,498	(206,472)
Contributions	–	325,000	(325,000)
At December 31, 2017	₱3,574,277	₱2,084,731	₱1,489,546

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The following table presents the carrying amounts, which approximate the estimated fair values, of the assets of the plan:

	2018	2017
Cash and cash equivalents	**₱638,046**	₱487,772
Investments in government and corporate debt securities	**1,043,573**	1,123,443
Investments in quoted equity securities:		
Holding firms	**186,312**	203,216
Property	**110,603**	117,714
Banks	**105,906**	115,258
Food and beverage	**51,292**	55,978
Electricity, energy, power and water	**26,223**	24,976
Telecommunications	**25,688**	32,531
Others	**35,772**	42,119
Interest and dividends receivable	**15,851**	15,478
Fund liabilities (Note 27)	**(74,966)**	(133,754)
	₱2,164,300	₱2,084,731

The plan assets consist of the following:

- Investments in government securities which consist of retail treasury bonds that bear interest ranging from 3.24%-7.38% and have maturities from August 2020 to October 2037 and fixed-rate treasury notes that bear interest ranging from 2.13%-11.70% and have maturities from June 2019 to October 2037.

- Investments in debt securities consist of long-term corporate bonds in the property sector, which bear interest ranging from 5.17%-5.35% maturing from March to May 2024.

- Investments in equity securities consist of investments in listed equity securities, including equity securities of the Parent Company, for certain retirement plans of the Jollibee Group (see Note 27).

- Other financial assets held by the retirement plan are primarily accrued interest income on cash and cash equivalents, debt instruments and other securities.

Pension expense as well as the present value of the pension liability is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension expense and liability for the defined benefit plans are shown below:

	December 31, 2018	December 31, 2017	December 31, 2016
Discount rate	**7.40%–7.80%**	5.90%–6.30%	5.20%–5.70%
Salary increase rate	**6.00%**	6.00%	6.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase	Philippine Plan		
	(Decrease)	**2018**	2017	2016
Discount rates	+0.50%	**(₱196,313)**	(₱142,506)	(₱156,602)
	-0.50%	**111,323**	195,703	169,836
Future salary increases	+0.50%	**112,745**	194,789	167,757
	-0.50%	**(198,792)**	(143,116)	(156,240)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2018	2017
Less than 1 year	**₱797,550**	₱705,649
More than 1 year to 5 years	**1,078,936**	1,000,883
More than 5 years to 10 years	**2,408,837**	2,328,122
More than 10 years to 15 years	**2,880,848**	2,533,937
More than 15 years to 20 years	**2,956,666**	2,638,048
More than 20 years	**10,074,315**	8,531,203

The Parent Company and certain Philippine-based subsidiaries do not have a formal asset-liability matching strategy. The overall investment policy and strategy of the retirement plans is based on the client suitability assessment, as provided by trustee banks, in compliance with the BSP requirements. Nevertheless, the Parent Company and certain Philippine-based subsidiaries ensure that there will be sufficient assets to pay the retirement benefits as they fall due while attempting to mitigate the various risks of the plans.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk. Liquidity risk pertains to the plans' ability to meet obligation to the employees upon retirement. To effectively manage liquidity risk, the trustee banks maintain assets in cash and short-term deposits. Price risk pertains mainly to fluctuation in market prices of the retirement funds' marketable securities. In order to effectively manage price risk, the trustee banks continuously assess these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

The Parent Company and certain Philippine-based subsidiaries expect to contribute ₱798.8 million to the defined benefit pension plans in 2019.

The average duration of the defined benefit obligation is 10 years as at December 31, 2018 and 2017.

Defined Contribution Plan
The employees of the PRC-domiciled and USA-based subsidiaries of the Jollibee Group are members of a state-managed pension benefit scheme operated by the national governments. These subsidiaries are required to contribute a specified percentage of their payroll costs to the pension benefit scheme to fund the benefits. The only obligation of these subsidiaries with respect to the pension benefit scheme is to make the specified contributions.

Pension expense under the defined contribution plan amounted to ₱595.5 million, ₱569.8 million and ₱603.7 million in 2018, 2017 and 2016, respectively.

26. Stock Options Plan

Senior Management Stock Option and Incentive Plan
On January 10, 2017 and December 17, 2002, the SEC approved the exemption requested by the Jollibee Group on the registration requirements of 31,500,000 and 101,500,000 options, respectively, underlying the Parent Company's common shares to be issued pursuant to the Jollibee Group's Senior Management Stock Option and Incentive Plan (the Plan). The Plan covers selected key members of management of the Jollibee Group and designated affiliated entities.

The Plan is divided into two programs, namely, the Management Stock Option Program (MSOP) and the Executive Long-term Incentive Program (ELTIP). The MSOP provides a yearly stock option grant program based on company and individual performance while the ELTIP provides stock ownership as an incentive to reinforce entrepreneurial and long-term ownership behavior of executive participants.

MSOP. The MSOP is a yearly stock option grant program open to members of the senior management committee of the Jollibee Group and members of the management committee, key talents and designated consultants of some of the business units.

Each MSOP cycle refers to the period commencing on the MSOP grant date and ending on the last day of the MSOP exercise period. Vesting is conditional on the employment of the employee-participants in the Jollibee Group within the vesting period. The options will vest at the rate of one-third of the total options granted on each anniversary of the MSOP grant date until the third anniversary.

The exercise price of the stock options is determined by the Jollibee Group with reference to prevailing market prices over the three months immediately preceding the date of grant for the 1st up to the 7th MSOP cycle. Starting with the 8th MSOP cycle, the exercise price of the option is determined by the Jollibee Group with reference to the market closing price at date of grant.

The options will vest at the rate of one-third of the total options granted from the start of the grant date on each anniversary date which will start after a year from the grant date. For instance, under the 1st MSOP cycle, the Compensation Committee of the Jollibee Group granted 2,385,000 options to eligible participants on July 1, 2004. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005. The exercise period for the 1st MSOP cycle was until June 30, 2012. From July 1, 2005 to July 3, 2017, the Compensation Committee granted series of MSOP grants under the 2nd to 14th MSOP cycle to eligible participants. Under the most recent grant (July 9, 2018), the 15th MSOP cycle, the Compensation Committee granted 3,308,050 options. These options vest similar to the 1st MSOP cycle.

The options under MSOP expire eight years after grant date. The 1st, 2nd, 3rd 4th, 5th, 6th and 7th MSOP cycles expired on June 30, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, respectively.

The Jollibee Group does not pay cash as a form of settlement.

The movements in the number of stock options outstanding under MSOP and related weighted average exercise prices (WAEP) for the years ended December 31, 2018, 2017 and 2016 follow:

	2018		2017		2016	
	Number of Options	**WAEP**	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning of year	**47,184,794**	**₱102.59**	42,986,294	₱92.47	40,120,794	₱82.22
Options granted during the year	**3,308,050**	**245.00**	4,198,500	206.20	2,865,500	236.00
Total options granted at end of year	**50,492,844**	**₱111.92**	47,184,794	₱102.59	42,986,294	₱92.47
Outstanding at beginning of year	**16,780,550**	**₱176.63**	15,256,198	₱159.46	14,868,437	₱133.32
Options granted during the year	**3,308,050**	**245.00**	4,198,500	206.20	2,865,500	236.00
Options exercised during the year	**(2,234,849)**	**145.31**	(2,672,040)	110.35	(2,259,125)	87.40
Options forfeited during the year	**(240,498)**	**204.03**	(2,108)	213.28	(218,614)	129.31
Outstanding at end of year	**17,613,253**	**₱193.07**	16,780,550	₱176.63	15,256,198	₱159.46
Exercisable at end of year	**10,612,036**	**₱169.70**	9,688,683	₱151.94	9,141,965	₱128.20

The weighted average share price of the Parent Company common shares is ₱278.16, ₱222.86 and ₱227.53 in 2018, 2017 and 2016, respectively. The weighted average remaining contractual life for the stock options outstanding as at December 31, 2018, 2017 and 2016 is 4.48 years, 5.21 years and 5.17 years, respectively.

The weighted average fair value of stock options granted in 2018, 2017 and 2016 is ₱58.42, ₱29.88, and ₱31.16, respectively. The fair value of share options as at the date of grant is estimated using the Black-Scholes Option Pricing Model, taking into account, the terms and conditions upon which the options were granted. The option style used for this plan is the American style because the option plan allows exercise before the expiry date.

The inputs in the valuation of the options granted on the dates of grant for each MSOP cycle are shown below:

MSOP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
1st	2004	1.72%	36.91%	6.20%	5-7 years	₱24.00	₱20.00
2nd	2005	1.72%	36.91%	6.20%	5-7 years	29.00	27.50
3rd	2006	1.72%	36.91%	6.20%	5-7 years	35.00	32.32
4th	2007	1.70%	28.06%	6.41%	3-4 years	52.50	50.77
5th	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
6th	2009	2.00%	30.37%	5.28%	3-4 years	48.00	45.45
7th	2010	2.00%	29.72%	5.25%	3-4 years	70.00	57.77
8th	2011	2.00%	34.53%	4.18%	3-4 years	89.90	89.90
9th	2012	2.00%	28.72%	3.50%	3-4 years	107.90	107.90
10th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00
11th	2014	2.00%	24.87%	2.64%	3-4 years	179.80	179.80
12th	2015	2.00%	18.94%	2.98%	3-4 years	180.00	180.00
13th	2016	2.00%	17.76%	2.63%	3-4 years	236.00	236.00
14th	2017	2.00%	16.70%	3.92%	3-4 years	206.20	206.20
15th	2018	2.00%	28.98%	4.95%	3-4 years	245.00	245.00

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

ELTIP. The ELTIP entitlement is given to members of the senior management committee and designated consultants of the Jollibee Group.

Each ELTIP cycle refers to the period commencing on the ELTIP entitlement date and ending on the last day of the ELTIP exercise period. Actual grant and vesting is conditional upon achievement of the Jollibee Group's medium to long-term goals and individual targets in a given period, and the employment of the employee-participants in the Jollibee Group within the vesting period. If the goals are achieved, the options will be granted. For the 3rd ELTIP cycle, a percentage of the options to be granted are based on the percentage of growth in annual earnings per share such that 100%, 50% or 25% of the options granted when percentage of growth in annual earnings per share are 12% and above, 10% to less than 12% or 8% to less than 10%, respectively. For the 4th ELTIP cycle, the percentage of the options to be granted and the targeted percentage of growth in annual earnings per share have been further revised such that 150%, 100% or 50% of the options granted when percentage of growth in annual earnings per share are 15% and above, 12% to less than 15% or 10% to less than 12%, respectively.

The exercise price of the stock options under ELTIP is determined by the Jollibee Group with reference to prevailing market prices over the three months immediately preceding the date of entitlement for the first and second ELTIP cycles. Starting with the 3rd ELTIP cycle, the exercise price of the option is determined by the Jollibee Group with reference to the closing market price as at the date of entitlement.

The options will vest at the rate of one-third of the total options granted on each anniversary date which will start after the goals are achieved. For instance, on July 1, 2004, the Compensation Committee gave an entitlement of 22,750,000 options under the 1st ELTIP cycle to eligible participants. One-third of the options granted, or 7,583,333 options, vested and were exercised starting July 1, 2007 until June 30, 2012. On July 1, 2008, October 19, 2012, August 25, 2015 and January 3, 2018, entitlement to 20,399,999, 24,350,000, 11,470,000 and 9,290,000 options were given to eligible participants under the 2nd, 3rd, 4th and 5th ELTIP cycles, respectively. The 1st and 2nd ELTIP cycles expired on June 30, 2012 and April 30, 2017, respectively. The stock options granted under the 3rd, 4th and 5th ELTIP cycles will expire in 2020, 2023 and 2026, respectively.

The Jollibee Group does not pay cash as a form of settlement.

The movements in the number of stock options outstanding for the 2nd to 4th ELTIP cycles and related WAEP for the years ended December 31, 2018, 2017 and 2016 follow:

	2018		2017		2016	
	Number of Options	**WAEP**	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning and end of year	**78,969,999**	**₱74.58**	78,969,999	₱74.58	78,969,999	₱74.58
Outstanding at beginning of year	**27,436,666**	**₱136.35**	35,118,896	₱122.65	38,344,999	₱117.74
Options exercised during the year	**(1,323,333)**	**111.99**	(7,682,230)	73.69	(2,892,770)	59.59
Options forfeited during the year	**(7,483,333)**	**180.00**	–	–	(333,333)	105.00
Outstanding at end of year	**18,630,000**	**₱120.55**	27,436,666	₱136.35	35,118,896	₱122.65
Exercisable at end of year	**15,683,333**	**₱109.38**	15,966,666	₱105.00	15,615,420	₱89.60

The weighted average remaining contractual life for the stock options outstanding as at 2018, 2017 and 2016 is 2.07 years, 3.59 years and 4.00 years, respectively.

The fair value of stock options granted is ₱26.13 in 2015. There were no additional stock option grants under ELTIP in 2018, 2017 and 2016. The fair value of share options as at the date of grant is estimated using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The option style used for this plan is the American style because this option plan allows exercise before the maturity date.

The inputs to the model used for the options granted on the dates of grant for each ELTIP cycle are shown below:

ELTIP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
1st	2004	1.72%	36.91%	6.20%	5 years	₱24.00	₱20.00
2nd	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
3rd	2012	2.00%	28.74%	3.60%	3-4 years	105.00	105.00
4th	2015	2.00%	18.94%	2.98%	3-4 years	180.00	180.00

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The cost of the stock options expense charged to operations for both MSOP and ELTIP in the "General and administrative expenses" account amounted to ₱312.0 million, ₱227.5 million and ₱241.3 million in 2018, 2017 and 2016, respectively (see Notes 19 and 22). Correspondingly, a credit was made to additional paid-in-capital (see Note 19).

27. Related Party Transactions

The Jollibee Group has transactions with related parties. Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Jollibee Group, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Jollibee Group. Individuals owning, directly or indirectly, an interest in the voting power of the Jollibee Group that give them significant influence over the enterprise; key management personnel, including directors and officers of the Jollibee Group, and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

Compensation of Key Management Personnel of the Jollibee Group

The aggregate compensation and benefits to key management personnel of the Jollibee Group in 2018, 2017 and 2016 are as follows:

	2018	2017	2016
Salaries and short-term benefits	**₱1,221,283**	₱1,107,515	₱1,001,048
Stock options expense (see Notes 22 and 26)	**311,964**	227,483	241,324
Net pension expense	**106,756**	65,075	59,701
Employee car plan and other long-term benefits	**58,859**	48,948	47,673
	₱1,698,862	₱1,449,021	₱1,349,746

Transactions with the Retirement Plans
As at December 31, 2018 and 2017, certain retirement funds of the Jollibee Group include investment in equity securities of the Parent Company with details as follows:

	2018	2017
Number of shares	**144,740**	163,150
Market value	**₱42,694**	₱41,277
Cost	**9,860**	9,417
Unrealized gain	**₱32,834**	₱31,860

The Jollibee Group's receivable from the retirement fund amounted to ₱72.8 million and ₱131.7 million as at December 31, 2018 and 2017, respectively (see Note 25). The receivable arose from benefit payments made by the Jollibee Group for and in behalf of the retirement plans. The receivable is noninterest-bearing.

Terms and Conditions of Transactions with other Related Parties
Transactions with related parties are made at market prices and are normally settled in cash. Other related party transactions between entities under the Jollibee Group are eliminated in the consolidation process.

28. **Earnings Per Share**

Basic and diluted EPS are computed as follows:

	2018	2017	2016
	(In Thousand pesos, except for shares data and EPS)		
(a) Net income attributable to the equity holders of the Parent Company	**₱8,329,884**	₱7,109,120	₱6,164,735
(b) Weighted average number of shares - basic	**1,087,093,411**	1,080,488,873	1,072,616,009
Weighted average number of shares outstanding under the stock options plan	**34,865,233**	32,366,508	38,387,061
Weighted average number of shares that would have been purchased at fair market value	**(18,607,619)**	(18,180,717)	(18,545,923)
(c) Adjusted weighted average shares - diluted	**1,103,351,025**	1,094,674,664	1,092,457,147
EPS:			
Basic (a/b)	**₱7.663**	₱6.580	₱5.747
Diluted (a/c)	**7.550**	6.494	5.643

Potential common shares for stock options under the 13th MSOP cycle were not included in the calculation of the diluted EPS in 2017 because they are antidilutive. Contingently issuable shares for stock options under the 4th ELTIP cycle have not been included in the calculation of the diluted EPS in 2017.

29. **Commitments and Contingencies**

a. Operating lease commitments - Jollibee Group as lessee

The Jollibee Group has various operating lease commitments for quick service restaurant outlets and offices. The noncancellable periods of the leases range from 3 to 20 years, mostly containing renewal options. Some of the leases contain escalation clauses. The lease contracts on certain sales outlets provide for the payment of additional rentals based on certain percentages of sales of the outlets. Contingent rent expense amounted to ₱2,425.8 million, ₱2,057.8 million and ₱1,703.3 million in 2018, 2017 and 2016, respectively (see Notes 21 and 22).

The future minimum lease payments for the noncancellable periods of the operating leases follow:

	2018	2017	2016
Within one year	**₱2,764,434**	₱2,229,282	₱1,546,661
After one year but not more than five years	**10,052,706**	8,405,865	5,916,716
More than five years	**11,890,105**	9,942,645	8,093,585
	₱24,707,245	₱20,577,792	₱15,556,962

Rent expense recognized on a straight-line basis amounted to ₱12,738.2 million, ₱10,236.6 million and ₱8,704.5 million in 2018, 2017 and 2016, respectively (see Notes 21 and 22). The difference of rent expense recognized under the straight-line method and the rent amounts due in accordance with the terms of the lease agreements are charged to "Operating lease payables" account which amounted to ₱3,016.9 million and ₱2,051.6 million as at December 31, 2018 and 2017, respectively.

b. Operating lease commitments - Jollibee Group as lessor

The Jollibee Group entered into commercial property leases for its investment property units and various sublease agreements. Noncancellable periods of the leases range from 3 to 20 years, mostly containing renewal options. Leases generally include a clause to enable upward revision of the rent charges on an annual basis based on prevailing market conditions.

The future minimum lease payments for the noncancellable periods of the operating leases, wherein Jollibee Group is the lessor, follow:

	2018	2017	2016
Within one year	**₱63,062**	₱174,333	₱142,011
After one year but not more than five years	**253,908**	500,520	393,154
More than five years	**33,271**	163,067	184,930
	₱350,241	₱837,920	₱720,095

Rent income recognized on a straight-line basis amounted to ₱53.3 million, ₱57.2 million and ₱91.4 million in 2018, 2017 and 2016, respectively (see Note 20). The difference of rent income recognized under the straight-line method and the rent amounts in accordance with the terms of the lease are included under "Operating lease receivables" which amounted to ₱31.6 million and ₱28.0 million as at December 31, 2018 and 2017, respectively.

c. Contingencies

The Jollibee Group is involved in litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Jollibee Group. Thus, other than the provisions in Note 17, there were no other provisions made for contingencies.

The Jollibee Group does not provide further information on these provisions and contingencies in order not to impair the outcome of the litigations, claims and disputes.

30. **Financial Risk Management Objectives and Policies**

The Jollibee Group is exposed to a variety of financial risks from its operating, investing and financing activities. The Jollibee Group's risk management policies focus on actively securing the Jollibee Group's short-term to medium-term cash flows by minimizing the exposure to financial markets.

The Jollibee Group's principal financial instruments comprise of cash and cash equivalents, short-term investments, receivables and long-term debts. The main purpose of these financial instruments is to obtain financing for the Jollibee Group's operations. The Jollibee Group has other financial assets and liabilities such as receivable from sale of business, security and other deposits, operating lease receivables and payables and trade payables and other current liabilities (excluding accrual for local and other taxes, liabilities to government agencies and unearned revenue from gift certificates) which arise directly from its operations.

The main risks arising from these financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The risk management policies reviewed regularly by the Parent Company's BOD and management for managing each of these risks are summarized as follows:

Interest Rate Risk
Interest rate risk arises from the possibility that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Jollibee Group's exposure to interest rate risk relates primarily to long-term debts with floating interest rates. Floating rate financial instruments are subject to cash flow interest rate risk. The Jollibee Group's interest rate exposure management policy centers on reducing the Jollibee Group's overall interest expense and exposure to changes in the interest rates.

To manage the interest rate risk related to the Jollibee Group's long-term debts, the Jollibee Group used a derivative instrument to fix the interest rate over the term of one of its long-term debts (see Note 18). With the Jollibee Group's Corporate Planning Team, it enters into loan contracts with variable interest rates and option to fix interest rates which can be availed to manage its loan risks.

There is minimal exposure on the other sources of the Jollibee Group's interest rate risk. These other sources are from the Jollibee Group's cash in banks, short-term deposits and short-term investments.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Jollibee Group's income before income tax as at December 31, 2018 and 2017. The impact on the Jollibee Group's income before income tax is due to changes in the fair value of floating interest rates.

Long-term Debt with Floating Interest Rates

	Increase/ Decrease in Basis Points	Effect in Profit or Loss Before Income Tax 2018	2017
PHP	+100	**(188,907)**	(80,599)
	-100	**188,907**	80,599
USD	+100	**(67,688)**	(64,245)
	-100	**67,688**	64,245
VND	+100	**(6,068)**	(4,167)
	-100	**6,068**	4,167

The assumed movement in basis point for interest rate sensitivity analysis is based on the currently observable market environment.

Foreign Currency Risk

The Jollibee Group's exposure to foreign currency risk arises from the Parent Company's investments outside the Philippines, which are mainly in PRC and USA. The net assets of foreign businesses account for only 6.06% and 2.55% of the consolidated net assets of the Jollibee Group as at December 31, 2018 and 2017, respectively, and the businesses have been rapidly growing.

The Jollibee Group also has transactional foreign currency exposures. Such exposure arises from the Jollibee Group's Philippine operations' cash and cash equivalents and receivables in foreign currencies.

The following table shows the Jollibee Group's Philippine operations' foreign currency-denominated monetary assets and liabilities and their peso equivalents as at December 31:

	2018			2017		
	USD	**RMB**	**PHP Equivalent**	USD	RMB	PHP Equivalent
Foreign currency denominated assets:						
Cash and cash equivalents	**71,661**	–	**3,767,938**	441	6	22,105
Receivables	**9,014**	–	**473,955**	6,841	–	341,590
Foreign currency denominated liability -	**80,675**	–	**4,241,893**	7,282	6	363,695
Accounts payable - trade	**(4,929)**	–	**(259,177)**	(1,155)	–	(57,669)
Foreign currency denominated assets - net	**75,746**	–	**3,982,716**	6,127	6	306,026

Foreign Currency Risk Sensitivity Analysis
The Jollibee Group has recognized in profit or loss, a net foreign exchange loss of ₱34.6 million and ₱63.5 million in 2018 and 2017, respectively, and net foreign exchange gain of ₱41.5 million in 2016 (see Note 23), included under "Other income" account. This resulted from the movements of the Philippine peso against the USD and RMB as shown in the following table:

	Peso to	
	USD	RMB
December 31, 2018	**52.58**	**7.68**
December 31, 2017	49.93	7.64

The following table demonstrates the sensitivity to a reasonably possible change in USD and RMB to Philippine peso exchange rate, with all other variables held constant, of the Jollibee Group's income before income tax (due to changes in the fair value of monetary assets and liabilities) as at December 31, 2018 and 2017:

	Appreciation (Depreciation) of ₱ against Foreign Currency	**2018** Effect on Income before Income Tax	Effect on Equity before Income Tax	2017 Effect on Income before Income Tax	Effect on Equity before Income Tax
USD	1.50	**(₱113,619)**	**(₱113,619)**	(₱9,191)	(₱9,191)
	(1.50)	**113,619**	**113,619**	9,191	9,191
	1.00	**(75,746)**	**(75,746)**	(6,127)	(6,127)
	(1.00)	**75,746**	**75,746**	6,127	6,127
RMB	0.95	–	–	(5.3)	(5.3)
	(0.95)	–	–	5.3	5.3
	0.63	–	–	(3.5)	(3.5)
	(0.63)	–	–	3.5	3.5

Credit Risk
Credit risk is the risk that a customer or counterparty fails to fulfill its contractual obligations to the Jollibee Group. This includes risk of non-payment by borrowers, failed settlement of transactions and default on outstanding contracts.

The Jollibee Group has a strict credit policy. Its credit transactions are with franchisees and customers that have gone through rigorous screening before granting them the franchise. The credit terms are very short, while deposits and advance payments are also required before rendering the services or delivering the goods, thus, mitigating the possibility of non-collection. In cases of non-collection, defaults of the debtors are not tolerated; the exposure is contained the moment a default occurs and transactions that will further increase the exposure of the Jollibee Group are discontinued.

The Jollibee Group has no significant concentration of credit risk with counterparty. The Jollibee Group's franchisee profile is such that no single franchisee accounts for more than 5% of the total system wide sales of the Jollibee Group.

The aging analysis of financial assets as at December 31, 2018 and 2017 are as follows:

	2018						
		Neither Past Due nor	Past Due but not Impaired (Age in Days)				
	Total	Impaired	1-30	31-60	61-120	Over 120	Impaired
Financial Assets at Amortized Cost			*(In Millions)*				
Cash and cash equivalents*	**₱22,805.0**	**₱22,805.0**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
Short-term investments	**883.2**	**883.2**	**–**	**–**	**–**	**–**	**–**
Receivables:							
Trade	**4,680.6**	**2,869.9**	**267.2**	**107.6**	**167.4**	**591.6**	**676.9**
Employee car plan receivables**	**260.3**	**260.3**	**–**	**–**	**–**	**–**	**–**
Advances to employees	**167.4**	**167.4**	**–**	**–**	**–**	**–**	**–**
Other receivables***	**151.6**	**93.1**	**0.7**	**1.7**	**2.1**	**54.0**	**–**
Security and other deposits**	**2,713.8**	**2,713.8**					
Other noncurrent assets -							
Operating lease receivables	**31.6**	**31.6**	**–**	**–**	**–**	**–**	**–**
	31,693.5	**29,824.3**	**267.9**	**109.3**	**169.5**	**645.6**	**676.9**
Financial Assets at FVTPL	**39.8**	**39.8**	**–**	**–**	**–**	**–**	**–**
	₱31,733.3	**₱29,864.1**	**₱267.9**	**₱109.3**	**₱169.5**	**₱645.6**	**₱676.9**

	2017						
		Neither Past Due nor	Past Due but not Impaired (Age in Days)				
	Total	Impaired	1-30	31-60	61-120	Over 120	Impaired
Loans and Receivables			*(In Millions)*				
Cash and cash equivalents*	₱20,762.5	₱20,762.5	₱–	₱–	₱–	₱–	₱–
Short-term investments	1,413.4	1,413.4	–	–	–	–	–
Receivables:							
Trade	4,077.5	2,380.2	488.8	150.1	134.7	233.6	690.1
Employee car plan receivables**	275.0	275.0	–	–	–	–	–
Advances to employees	144.8	144.8	–	–	–	–	–
Other receivables***	145.2	89.2	0.7	1.6	2.0	51.7	–
Security and other deposits**	2,465.0	2,465.0	–	–	–	–	–
Other noncurrent assets:							
Operating lease receivables	28.0	28.0	–	–	–	–	–
Receivable from sale of business	76.4	76.4	–	–	–	–	–
	29,387.8	27,634.5	489.5	151.7	136.7	285.3	690.1
AFS Financial Assets	29.9	29.9	–	–	–	–	–
	₱29,417.7	₱27,664.4	₱489.5	₱151.7	₱136.7	₱285.3	₱690.1

**Excluding cash on hand amounting to ₱480.9 million and ₱345.0 million in 2018 and 2017, respectively.*
***Including noncurrent portion of employee car plan receivables and security and other deposits.*
****Including interest receivable and excluding receivables from government agencies amounting to ₱41.6 million and ₱27.2 million in 2018 and 2017, respectively.*

Credit Risk Exposure. The tables below show the maximum exposure to credit risk of the Jollibee Group as at December 31, 2018 and 2017 without considering the effects of collaterals and other credit risk mitigation techniques:

	2018		
	Gross Maximum Exposure (a)	Fair Value and Financial Effect of Collateral or Credit Enhancement (b)	Net Exposure (c) = (a) - (b)
		(In Millions)	
Financial Assets at Amortized Cost			
Cash and cash equivalents*	**₱22,805.0**	**₱31.6**	**₱22,773.4****
Short-term investments	**883.2**	**–**	**883.2**
Receivables:			
Trade	**4,680.6**	**216.3**	**4,464.3*****
Employee car plan receivables	**260.3**	**–**	**260.3**
Advances to employees	**167.4**	**–**	**167.4**
Other receivables****	**151.6**	**–**	**151.6**

(Forward)

	2018		
	Gross Maximum Exposure (a)	**Fair Value and Financial Effect of Collateral or Credit Enhancement (b)**	**Net Exposure (c) = (a) - (b)**
Other noncurrent assets:			
Security and other deposits	**₱2,713.8**	**₱–**	**₱2,713.8**
Operating lease receivables	**31.6**	**–**	**31.6**
Financial assets at FVTPL	**39.8**	**–**	**39.8**
	₱31,733.3	**₱247.9**	**₱31,485.4**

	2017		
	Gross Maximum Exposure (a)	Fair Value and Financial Effect of Collateral or Credit Enhancement (b)	Net Exposure (c) = (a) - (b)
		(In Millions)	
Loans and Receivables			
Cash and cash equivalents*	₱20,762.5	₱150.1	₱20,612.4**
Short-term investments	1,413.4	–	1,413.4
Receivables:			
Trade	4,077.5	42.1	4,035.4***
Employee car plan receivables	275.0	–	275.0
Advances to employees	144.8	–	144.8
Other receivables****	145.2	–	145.2
Security and other deposits	2,465.0	–	2,465.0
Other noncurrent assets -			
Operating lease receivables	28.0	–	28.0
Receivable from sale of business			
(including current portion)	76.4	–	76.4
AFS financial asset	29.9	–	29.9
	₱29,417.7	₱192.2	₱29,225.5

** Excluding cash on hand amounting to ₱480.9 million and ₱345.0 million in 2018 and 2017, respectively.*
*** Gross financial assets after taking into account insurance bank deposits for cash and cash equivalents.*
**** Gross financial assets after taking into account payables to the same counterparty.*
***** Excluding receivables from government agencies amounting to ₱41.6 million and ₱27.2 million in 2018 and 2017, respectively.*

With respect to credit risk arising from financial assets of the Jollibee Group, the Jollibee Group's exposure to credit risk arises from default of the counterparty, with a gross maximum exposure equal to the carrying amount of these instruments.

Credit Quality (Applicable as at December 31, 2018). The financial assets of the Jollibee Group are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The table below shows determination of ECL stage of the Jollibee Group's financial assets:

	2018			
		Stage 1	**Stage 2**	**Stage 3**
	Total	12-month ECL	Lifetime ECL	Lifetime ECL
Financial Assets at Amortized Cost		*(in Millions)*		
Receivables				
Trade	**₱4,680.6**	**₱3,137.1**	**₱866.6**	**₱676.9**
Employee car plan receivables*	**260.3**	**260.3**	**–**	**–**
Advances to employees	**167.4**	**167.4**	**–**	**–**
Other receivables**	**151.6**	**93.8**	**57.8**	**–**
Financial Assets at FVTPL	**39.8**	**39.8**	**–**	**–**
	₱5,299.7	**₱3,698.4**	**₱924.4**	**₱676.9**

**Including noncurrent portion of employee car plan receivables.*
***Including interest receivable and excluding receivables from government agencies amounting to ₱41.6 million in 2018.*

Credit Quality (Applicable as at December 31, 2017). The tables below show the credit quality by class of financial assets that are neither past due nor impaired, based on the Jollibee Group's credit rating system as at December 31, 2017.

	2017				
		Neither Past Due nor Impaired			Past Due or
	Total	A	B	C	Impaired
Loans and Receivables		*(in Millions)*			
Receivables					
Trade	₱4,077.5	₱962.7	₱1,298.9	₱118.6	₱1,697.3
Employee car plan receivables*	275.0	275.0	–	–	–
Advances to employees	144.8	144.8	–	–	–
Other receivables**	145.2	89.2	–	–	56.0
Receivable from sale of business	76.4	76.4	–	–	–
AFS Financial Asset	29.9	29.9	–	–	–
	₱4,748.8	₱1,578.0	₱1,298.9	₱118.6	₱1,753.3

**Including noncurrent portion of employee car plan receivables.*
***Including interest receivable and excluding receivables from government agencies amounting to ₱27.2 million in 2017.*

The credit quality of financial assets is managed by the Jollibee Group using internal credit ratings, as shown below:

A - For counterparty that is not expected by the Jollibee Group to default in settling its obligations, thus, credit risk exposure is minimal. This counterparty normally includes financial institutions, certain related parties and customers who pay on or before due date.

B - For counterparty with tolerable delays (normally from 1 to 30 days) in settling its obligations to the Jollibee Group. The delays may be due to cut-off differences and/or clarifications on contracts/billings.

C - For counterparty who consistently defaults in settling its obligations, but with continuing business transactions with the Jollibee Group, and may be or actually referred to legal and/or subjected to Cash Before Delivery (CBD) scheme. Under this scheme, the customer's credit line is suspended and all subsequent orders are paid in cash before delivery. The CBD status will only be lifted upon full settlement of the receivables and approval by management. Thereafter, the regular credit term and normal billing and collection processes will resume.

Liquidity Risk

The Jollibee Group's exposure to liquidity risk refers to the risk that its financial liabilities are not serviced in a timely manner and that its working capital requirements and planned capital expenditures are not met. To manage this exposure and to ensure sufficient liquidity levels, the Jollibee Group closely monitors its cash flows to be able to finance its capital expenditures and to pay its obligations as and when they fall due.

On a weekly basis, the Jollibee Group's Cash and Banking Team monitors its collections, expenditures and any excess/deficiency in the working capital requirements, by preparing cash position reports that present actual and projected cash flows for the subsequent week. Cash outflows resulting from major expenditures are planned so that money market placements are available in time with the planned major expenditure. In addition, the Jollibee Group has short-term cash deposits and has available credit lines with accredited banking institutions, in case there is a sudden deficiency. The Jollibee Group maintains a level of cash and cash equivalents deemed sufficient to finance the operations. No changes were made in the objectives, policies or processes of the Jollibee Group during the years ended December 31, 2018 and 2017.

The Jollibee Group's financial assets, which have maturity of less than 12 months and are used to meet its short-term liquidity needs, are cash and cash equivalents, short-term investments and trade receivables amounting to ₱23,285.9 million, ₱883.2 million and ₱4,411.0 million, respectively, as at December 31, 2018 and ₱21,107.5 million, ₱1,413.4 million and ₱3,534.9 million, respectively, as at December 31, 2017.

The tables below summarize the maturity profile of the Jollibee Group's other financial liabilities based on the contractual undiscounted cash flows as at December 31, 2018 and 2017:

	2018				
	Due and Demandable	**Less than 1 Year**	**1 to 5 Years**	**Over 5 Years**	**Total**
			(in Millions)		
Financial Liabilities					
Trade payables and other current liabilities*	**₱7,174.5**	**₱18,808.7**	**₱–**	**₱–**	**₱25,983.2**
Long-term debt (including current portion)	**22.5**	**4,857.9**	**19,681.5**	**1,702.5**	**26,264.4**
Operating lease payables (including current portion)	**–**	**408.4**	**1,930.8**	**677.7**	**3,016.9**
Liability for acquisition of a business (including current portion)	**–**	**11.2**	**2.9**	**–**	**14.1**
Total Financial Liabilities	**₱7,197.0**	**₱24,086.2**	**₱21,615.2**	**₱2,380.2**	**₱55,278.6**

	2017				
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
			(in Millions)		
Financial Liabilities					
Trade payables and other current liabilities*	₱6,372.5	₱16,698.8	₱–	₱–	₱23,071.3
Long-term debt (including current portion)	73.9	1,801.6	12,897.7	1,344.1	16,117.3
Operating lease payables	–	277.7	1,313.0	460.9	2,051.6
Total Financial Liabilities	₱6,446.4	₱18,778.1	₱14,210.7	₱1,805.0	₱41,240.2

**Excluding statutory obligations such as local and other taxes payable, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates amounting to ₱2,733.6 million and ₱2,183.3 million as at December 31, 2018 and 2017, respectively.*

Equity Price Risk

The Jollibee Group is not exposed to significant equity price risk on its investment in quoted equity securities consisting of investment in club shares.

Capital Management Policy
Capital includes equity attributable to equity holders of the Parent Company.

The primary objective of the Jollibee Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Jollibee Group has sufficient capitalization.

The Jollibee Group generates cash flows from operations sufficient to finance its organic growth. It declares cash dividends representing at least one-third of its consolidated net income, a ratio that would still leave some additional cash for future expansion. If needed, the Jollibee Group would borrow money for acquisitions of new businesses.

As at December 31, 2018 and 2017, the Jollibee Group's debt ratio and net debt ratio are as follows:

Debt Ratio

	2018	2017
Total debt (a)	**₱63,933,671**	₱47,201,916
Total equity attributable to equity holders of the Parent Company	**48,363,550**	40,782,635
Total debt and equity attributable to equity holders of the Parent Company (b)	**₱112,297,221**	₱87,984,551
Debt ratio (a/b)	**57%**	54%

Net Debt Ratio

	2018	2017
Total debt	**₱63,933,671**	₱47,201,916
Less cash and cash equivalents and short-term investments	**24,169,115**	22,520,874
Net debt (a)	**39,764,556**	24,681,042
Total equity attributable to equity holders of the Parent Company	**48,363,550**	40,782,635
Net debt and equity attributable to equity holders of the Parent Company (b)	**₱88,128,106**	₱65,463,677
Net debt ratio (a/b)	**45%**	38%

31. **Fair Value of Financial Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

Financial Instruments Whose Carrying Amounts Approximate Fair Value. Management has determined that the carrying amounts of cash and cash equivalents, short-term investments, receivables, operating lease receivables, trade payables and other current liabilities and operating lease payables, based on their notional amounts, reasonably approximate their fair values because of their short-term nature or due to the immaterial effect of discounting when the present value of future cash flows from these instruments are calculated.

Financial Assets at FVTPL/AFS Financial Assets. The fair value of investments in quoted shares of stock is based on quoted prices. The Jollibee Group does not have the intention to dispose these financial assets in the near term.

Investment Properties. The fair value of the investment properties are determined by independent appraisers using the market data and cost approach, which considers the local market conditions, the extent, character and utility of the property, sales and holding prices of similar parcels of land and the highest and best use of the investment properties.

Security and Other Deposits, Employee Car Plan Receivables, Long-term Debt and Derivative Asset or Liability. Management has determined that the estimated fair value of security and other deposits, noncurrent portion of employee car plan receivables, long-term debt and derivative assets or liability are based on the discounted value of future cash flows using applicable rates as follows:

	2018	2017
Security and other deposits	**2.36%–8.20%**	2.44%–5.71%
Employee car plan receivables	**2.51%–8.23%**	2.50%–4.92%
Derivative assets	**2.50%–2.83%**	2.08%–4.09%
Long-term debt	**2.50%–4.07%**	2.56%–4.92%
Derivative liability	–	0.95%–1.05%

The following tables provide the fair value measurement hierarchy of the Jollibee Group's recurring financial assets and liabilities.

Quantitative disclosure fair value measurement hierarchy for assets as at December 31, 2018:

			Fair Value Measurement Using		
	Carrying Value	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets measured at fair value:					
Financial assets at FVTPL	**₱39,842**	**₱39,842**	**₱–**	**₱39,842**	**₱–**
Derivative asset - interest rate swap	**82,852**	**82,852**	**–**	**82,852**	**–**
Assets for which fair values are disclosed:					
Investment properties	**848,974**	**3,038,347**	**–**	**3,038,347**	**–**
Land	**848,974**	**2,083,920**	**–**	**2,083,920**	**–**
Buildings	**–**	**954,427**	**–**	**954,427**	**–**
Other noncurrent assets:					
Security and other deposits	**2,713,844**	**2,506,400**	**–**	**2,506,400**	**–**
Employee car plan receivables	**260,281**	**251,492**	**–**	**251,492**	**–**

Quantitative fair value measurement hierarchy for assets as at December 31, 2017:

			Fair Value Measurement Using		
	Carrying Value	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Available-for-sale financial assets					
Quoted equity shares - club shares	₱29,862	₱29,862	₱–	₱29,862	₱–
Derivative asset - interest rate swap	11,949	11,949	–	11,949	–
Assets for which fair values are disclosed:					
Investment properties:	848,974	3,038,347	–	3,038,347	–
Land	848,974	2,083,920	–	2,083,920	–
Buildings	–	954,427	–	954,427	–
Other noncurrent assets:					
Security and other deposits	2,464,995	2,506,400	–	2,506,400	–
Employee car plan receivables	186,000	251,492	–	251,492	–

Quantitative fair value measurement hierarchy for liabilities as at December 31, 2018:

			Fair Value Measurement Using		
	Date of Valuation	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Liabilities disclosed at fair value:					
Tenants' deposit	**December 31, 2018**	**₱5,907**	**₱–**	**₱5,907**	**₱–**
Long-term debt	**December 31, 2018**	**16,421,331**	**–**	**16,421,331**	**–**

Quantitative disclosure fair value measurement hierarchy for liabilities as at December 31, 2017:

			Fair Value Measurement Using		
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities measured at fair value:					
Derivative liability - put/call rights	December 31, 2017	₱51,042	₱–	₱51,042	₱–
Liabilities disclosed at fair value:					
Product security deposit	December 31, 2017	221,973	–	221,973	–
Tenants' deposit	December 31, 2017	8,339	–	8,339	–
Long-term debt	December 31, 2017	15,749,921	–	15,749,921	–

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements during the year.

Description of significant unobservable input to the measurement of the derivative liability – put/call rights as at December 31, 2017 is as follows:

	Valuation Technique	Significant Unobservable Input	Range of Input	Sensitivity of the Input to Fair Value
Derivative liability - put/call rights	Discounted cash flow method	Long-term growth rate used to calculate equity value	6.0% to 7.0%	Increase (decrease) in the long-term rate would increase (decrease) the fair value.

32. Reclassification

The current portion of security and other deposits and operating lease payables taken up as other noncurrent assets and noncurrent operating lease payables, respectively, in the 2017 statement of financial position and supporting note disclosures have been reclassified to other current assets and current portion of operating lease payables, respectively, to conform with the presentation used in the statement of financial position in 2018.

The reclassification did not affect the total assets, total liabilities and total equity in the statement of financial position as at December 31, 2017 and the net income and total comprehensive income in the statement of comprehensive income in 2017.

The effects of the reclassification in the 2017 statement of financial position are as follows:

Account	As Previously Reported	Reclassification	As Reclassified
Other current assets	₱3,843,555	₱187,904	₱4,031,459
Other noncurrent assets	3,698,422	(187,904)	3,510,518
Current portion of operating lease payables	–	252,235	252,235
Operating lease payables - net of current portion	2,051,567	(252,235)	1,799,332

33. Notes to the Statements of Cash Flows

In 2018 and 2017, movements in the Jollibee Group's liabilities and equity arising from financing activities follow:

	2018											
	January 1, 2018	Cash flows	Dividends declared (Note 19)	Acquisition of a subsidiary (Note 11)	Granted stock options to employees and subsidiaries	Deferred tax assets (Note 24)	Interest expense (Note 23)	Amortization of debt issue cost (Note 18)	Cumulative translation adjustments	Share in net losses of Non-controlling interest (Note 11)	Share in cumulative translation adjustments of Non-controlling interest (Note 11)	December 31, 2018
						(in Millions)						
Dividends payable (Note 16)	₱56.0	(₱2,667.0)	₱2,691.8	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱80.8
Long-term debt (Note 18)	16,117.3	5,601.7	–	4,119.3	–	–	–	14.9	411.2	–	–	26,264.4
Interest payable (Note 16)	83.1	(731.7)	–	–	–	–	888.2	–	–	–	–	239.6
Capital stock (Note 19)	1,101.7	3.5	–	–	–	–	–	–	–	–	–	1,105.2
Additional paid-in capital (Note 19)	7,520.4	472.0	–	–	312.0	334.1	–	–	–	–	–	8,638.5
Non-controlling interest (Note 11)	1,799.3	11.4	–	263.3	–	–	–	–	–	(555.5)	36.1	1,554.6
Total liabilities and equity on financing activities	₱26,677.8	₱2,689.9	₱2,691.8	₱4,382.6	₱312.0	₱334.1	₱888.2	₱14.9	₱411.2	(₱555.5)	₱36.1	₱37,883.1

	2017											
	January 1, 2017	Cash Flows	Dividends declared (Note 19)	Granted stock options to employees and Subsidiaries	Deferred tax assets (Note 24)	Interest expense (Note 23)	Amortization of debt issue cost (Note 18)	Foreign exchange loss	Acquisition of a subsidiary (Note 11)	Share in Net Losses of Non-controlling interest (Note 11)	Share in cumulative translation adjustments of Non-controlling interest (Note 11)	December 31, 2017
						(in Millions)						
Dividends payable (Note 16)	₱47.7	(₱2,347.2)	₱2,355.5	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱56.0
Long-term debt (Note 18)	12,155.4	3,909.7	–	–	–	–	3.2	49.0	–	–	–	16,117.3
Interest payable (Note 16)	51.4	(360.9)	–	–	–	392.6	–	–	–	–	–	83.1
Capital stock (Note 19)	1,091.3	10.4	–	–	–	–	–	–	–	–	–	1,101.7
Additional paid-in capital (Note 19)	5,660.1	850.8	–	227.5	782.0	–	–	–	–	–	–	7,520.4
Non-controlling interest (Note 11)	679.2	14.5	–	–	–	–	–	–	1,536.4	(436.5)	5.7	1,799.3
Total liabilities and equity on financing activities	₱19,685.1	₱2,077.3	₱2,355.5	₱227.5	₱782.0	₱392.6	₱3.2	₱49.0	₱1,536.4	(₱436.5)	₱5.7	₱26,677.8

34. **Event after the Reporting Period**

Dividend Declaration
On April 8, 2019, the BOD of the Parent Company approved a cash dividend of ₱1.23 per share of common stock to all stockholders of record as at April 26, 2019. Consequently, the cash dividend is expected to be paid out on May 9, 2019. The cash dividend is 7.9% higher than the ₱1.14 cash dividend per share declared on April 6, 2018.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Jollibee Foods Corporation
Doing business under the name and style of Jollibee
(formerly Jollibee Foods Corporation) and Subsidiaries
10/F Jollibee Plaza Building
10 F. Ortigas Jr. Ave., Ortigas Center
Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Jollibee Foods Corporation Doing business under the name and style of Jollibee (formerly Jollibee Foods Corporation) (the Parent Company) and its subsidiaries (the Jollibee Group) as at December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018 and have issued our report thereon dated April 8, 2019. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Jollibee Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Mariecris N. Barbaso

Mariecris N. Barbaso
Partner
CPA Certificate No. 97101
SEC Accreditation No. 1513-AR-1 (Group A),
November 16, 2018, valid until November 15, 2021
Tax Identification No. 202-065-716
BIR Accreditation No. 08-001998-108-2018,
February 14, 2018, valid until February 13, 2021
PTR No. 7332526, January 3, 2019, Makati City

April 8, 2019

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2018

** These schedules, which are required by SRC Rule 68.1, As Amended (2011), have been omitted because they are not applicable.*

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
SCHEDULE A: FINANCIAL ASSETS -Temporary Investments, Time Deposits and Financial Assets at Fair Value through Profit or Loss (FVTPL)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Name of Issuing Entity and Association of each use	Amount shown in the Consolidated Statement of Financial Position	Income Received and Accrued
		(Amounts in thousands)	
Financial Assets at Amortized Cost			
Cash in banks and cash equivalents	N/A	₱22,805,026	₱119,081
Short-term investments	N/A	883,200	194,192
Receivables:			
Trade	N/A	4,003,647	–
Employee car plan	N/A	91,172	–
Advances to employees	N/A	167,352	–
Others	N/A	193,201	–
Security and other deposits	N/A	2,713,844	–
Operating lease receivables	N/A	31,635	–
		30,889,077	313,273
***Financial Assets at FVTPL*:**			
Equity investments	Manila Polo Club	25,000	–
Equity investments	Tagaytay Highlands	7,800	–
Equity investments	Tagaytay Midlands	650	–
Equity investments	The Palms Country Club	600	–
Equity investments	The Rockwell Club	400	–
Equity investments	Valle Verde Country Club, Inc.	350	–
Equity investments	Club Filipino	250	–
Equity investments	Celebrity Sports Plaza	200	–
Equity investments	Tagaytay Country Club	150	–
Equity investments	Others	4,442	–
Derivative assets		82,852	–
		122,694	–
Total Financial Assets		**₱31,011,771**	**₱313,273**

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
SCHEDULE C: RECEIVABLE FROM RELATED PARTIES ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Name of Debtor	Balance at Beginning of Year	Additions	Amount Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Year
			(Amounts in thousands)				
Jollibee Foods Corporation	₱2,033,104	₱13,975,497	(₱14,835,548)	₱–	₱1,173,053	₱–	₱1,173,053
Freemont Foods Corporation	1,887,195	8,943,604	(9,340,643)	–	1,490,156	–	1,490,156
Zenith Foods Corporation	303,752	1,570,344	–	–	1,374,096	500,000	1,874,096
Grandworth Resources Corporation	1,815	3,501	(3,653)	–	1,663	–	1,663
Fresh N' Famous Foods, Inc.	1,010,315	3,631,214	(4,069,277)	–	572,252	–	572,252
Red Ribbon Bakeshop, Inc.	349,823	5,717	(66,571)	–	288,969	–	288,969
Mang Inasal Philippines Inc.	399,305	916,465	(1,131,928)	–	183,842	–	183,842
Honeybee Foods Corporation	2,778,559	2,113,904	(1,086,869)	–	3,805,594	–	3,805,594
Tokyo Teriyaki Corporation	675,323	560,145	(346,657)	–	888,811	–	888,811
Red Ribbon Bakeshop, Inc. (USA)	790,611	708,725	(445,393)	–	1,053,943	–	1,053,943
Jollibee Worldwide Pte. Ltd.	2,228,968	1,968,153	(1,614,530)	–	2,582,591	–	2,582,591
Jollibee Vietnam Corporation Ltd.	749,392	469,904	(331,231)	–	888,065	–	888,065
Jollibee (China) Food & Beverage Management Co. Ltd.	263,393	194,444	(187,226)	–	270,611	–	270,611
Golden Beeworks Pte. Ltd.	19,816	33,012	–	–	52,828	–	52,828
Burger King Entities	1,822,812	1,300,600	(964,339)	–	1,551,073	608,000	2,159,073
SuperFoods Group	1,679,397	1,679,397	(1,432,666)	–	1,926,128	–	1,926,128
JSF Investments Pte. Ltd.	1,567,116	1,567,116	(1,424,485)	–	1,709,747	–	1,709,747
Beijing Golden Coffee Cup Food & Beverage Management Co., Ltd.	634,922	635,498	(288,289)	–	982,131	–	982,131
Beijing Yong He King Food and Beverage Co., Ltd.	460,741	465,456	(227,080)	–	699,117	–	699,117
Shenzhen Yong He King Food and Beverage Co., Ltd.	223,827	226,991	(299,190)	–	151,628	–	151,628
Happy Bee Foods Processing (Anhui) Co. Ltd.	213,640	215,000	(422,276)	–	6,364	–	6,364
Others	113,924	139,086	–	–	253,010	–	253,010
Total	**₱20,207,750**	**₱41,323,773**	**(₱38,517,851)**	**₱–**	**₱21,905,672**	**₱1,108,000**	**₱23,013,672**

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
SCHEDULE D: INTANGIBLE ASSETS - OTHER ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

Description	Beginning Balance	Additions at cost	Charged to Cost and Expenses	Other Changes Additions (Deductions)	Ending Balance
			(Amounts in thousands)		
Trademark	₱6,149,269	₱10,414,000	₱–	₱–	₱16,563,269
Goodwill	9,050,223	5,345,494	–	–	14,395,717
Computer software	512,589	83,246	(78,860)	–	516,975
Other intangible assets	18,158	396,388	(60,529)	79	354,096
Total	**₱15,730,239**	**₱16,239,128**	**(₱139,389)**	**₱79**	**₱31,830,057**

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
SCHEDULE E: LONG - TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2018

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption Current Portion of Long-term Debt in Related Consolidated Statement of Financial Position	Amount Shown Under Caption Noncurrent Portion of Long-term Debt in Related Consolidated Statement of Financial Position
		(Amounts in thousands)	
US dollar-denominated:			
Ten-year unsecured loan	₱4,498,511	₱642,644	₱3,855,867
Eight-year unsecured loan	1,545,852	15,774	1,530,078
Five-year unsecured loan	412,227	4,206	408,021
Five-year unsecured loan	310,222	310,222	–
Vietnam dong-denominated:			
Five-year unsecured loan	79,296	22,656	56,640
Five-year unsecured loan	88,128	39,168	48,960
Five-year unsecured loan	137,088	84,480	52,608
Five-year unsecured loan	260,352	–	260,352
Five-year unsecured loan	41,951	–	41,951
Philippine peso-denominated:			
Five-year and six months unsecured loan	1,455,000	1,455,00	–
Five-year unsecured loan	800,000	800,000	–
Five-year unsecured loan	625,000	250,000	375,000
Five-year unsecured loan	1,600,000	400,000	1,200,000
Five-year unsecured loan	2,100,000	525,000	1,575,000
Five-year unsecured loan	800,000	200,000	600,000
Five-year unsecured loan	600,000	150,000	450,000
Seven-year unsecured loan	4,200,000	–	4,200,000
Seven-year unsecured loan	3,000,000	–	3,000,000
Seven-year unsecured loan	2,700,000	–	2,700,000
Five-year unsecured loan	110,000	–	110,000
Seven-year unsecured loan	1,000,000	–	1,000,000
Unamortized debt issue costs	(99,274)	(7,048)	(92,226)
Total	**₱26,264,353**	**₱4,892,102**	**₱21,372,251**

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE H: CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2018

Title of issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversions, and other rights	Number of Shares Held by		
				Affiliates	Directors, officers and employees	Others
Common Stock	1,450,000,000	1,088,052,815	16,447,340	186,211,998	24,800,501	402,378,992

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
FINANCIAL RATIOS: KEY PERFORMANCE INDICATORS
FOR THE YEARS ENDED DECEMBER 31, 2018, 2017 and 2016

			2018	2017	2016
i.	Current ratio	Current assets / Current liabilities	1.25:1	1.39:1	1.27:1
ii.	Asset to equity ratio	Total assets / Total equity	2.28	2.11	2.12
iii.	Debt ratio	Total Debt* / Total Debt + Equity Attributable to Equity Holders of the Parent Company	56.9%	53.6%	53.4%
iv.	Net Debt ratio	Total Debt* – Cash and cash equivalents – Short-term investments / (Total Debt* – Cash and cash equivalents – Short-term investments) + Equity attributable to Equity Holders of the Parent Company	45.1%	37.7%	38.4%
v.	Interest rate coverage ratio	Earnings before interest expense and taxes / Interest expense	12.8	22.3	17.8
vi.	Solvency ratio	Net income + Depreciation and Amortization / Total liabilities	0.21	0.24	0.26
vii.	Debt Service Coverage ratio	Net income / Total liabilities	0.12	0.14	0.16

**Including both total current and total noncurrent liabilities*

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2018

Unappropriated Retained Earnings, beginning	₱13,023,428,777
Adjustments:	
Deferred tax assets - net, beginning	(1,919,768,452)
Unrealized foreign exchange gain - net (except those attributable to Cash and cash equivalents), beginning	(112,754,679)
Accretion of interest on financial assets, beginning	(36,063,148)
Unappropriated Retained Earnings Available for Dividend Declaration, beginning	10,954,842,498
Add: Net income actually earned/realized during the period	
Net income of the Parent Company closed to Retained Earnings	6,533,944,540
Less: Non-actual/unrealized income	
Unrealized foreign exchange gain - net (except those attributable to Cash and cash equivalents)	(297,030,609)
Accretion of interest on financial assets	(13,190,522)
Unrealized gain on financial assets at fair value through profit or loss	(9,980,000)
Add: Provision for deferred income tax	42,469,628
Net income actually earned/realized during the year	6,256,213,037
Add (Less):	
Release of appropriation during the year	18,200,000,000
Appropriation during the year	(20,000,000,000)
Dividends declared during the year	(2,691,786,807)
Treasury shares	(180,511,491)
Unappropriated Retained Earnings Available for Dividend Declaration, ending	**₱12,538,757,237**

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS
DECEMBER 31, 2018

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards			✓
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2, Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4, Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 12	Income Taxes	✓		
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 19	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
PAS 23	Borrowing Costs	✓		
PAS 24	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Separate Financial Statements			✓
PAS 28	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property	✓		
	Amendments to PAS 40, Transfers of Investment Property	✓		
PAS 41	Agriculture			✓

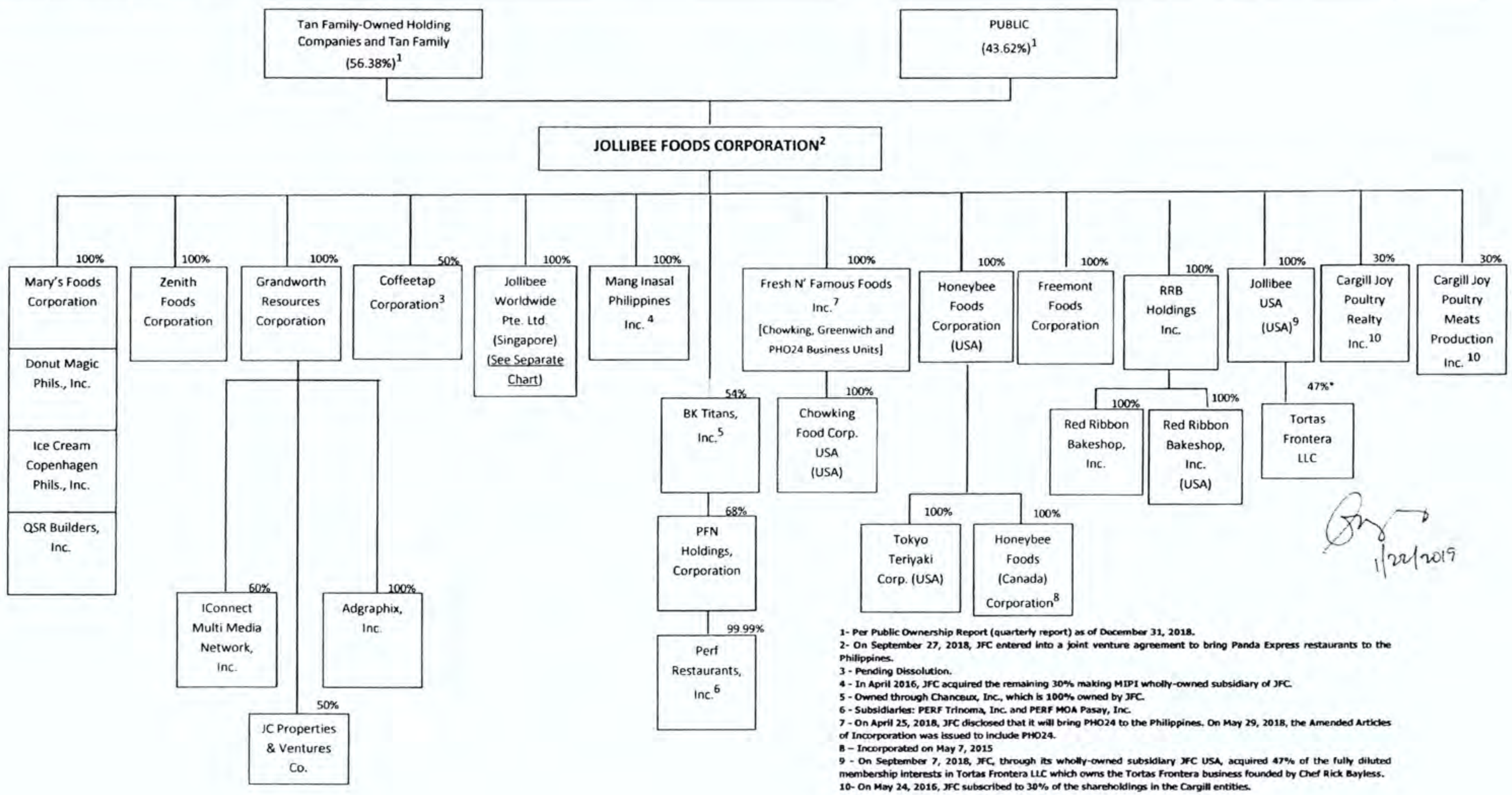
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		**Adopted**	**Not Adopted**	**Not Applicable**
Philippine Interpretations				
Philippine Interpretation IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
Philippine Interpretation IFRIC-2	Members' Shares in Co-operative Entities and Similar Instruments			✓
Philippine Interpretation IFRIC-4	Determining whether an Arrangement contains a Lease	✓		
Philippine Interpretation IFRIC-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
Philippine Interpretation IFRIC-6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
Philippine Interpretation IFRIC-7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
Philippine Interpretation IFRIC-12	Service Concession Arrangements			✓
Philippine Interpretation IFRIC-14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
Philippine Interpretation IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✓
Philippine Interpretation IFRIC-17	Distributions of Non-cash Assets to Owners			✓
Philippine Interpretation IFRIC-19	Extinguishing Financial Liabilities with Equity Instruments			✓
Philippine Interpretation IFRIC-20	Stripping Costs in the Production Phase of a Surface Mine			✓
Philippine Interpretation IFRIC-21	Levies	✓		
Philippine	Foreign Currency Transactions and Advance			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Interpretation IFRIC-22	Consideration			
Philippine Interpretation SIC-7	Introduction of the Euro			✓
Philippine Interpretation SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
Philippine Interpretation SIC-15	Operating Leases - Incentives	✓		
Philippine Interpretation SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
Philippine Interpretation SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
Philippine Interpretation SIC-29	Service Concession Arrangements: Disclosures			✓
Philippine Interpretation SIC-32	Intangible Assets - Web Site Costs			✓

**Standards and interpretations which will become effective subsequent to December 31, 2018.*

Note: Standards and interpretations tagged as "Not Applicable" are those standards and interpretations which were adopted but the entity has no significant covered transaction as at and for the year ended December 31, 2018.

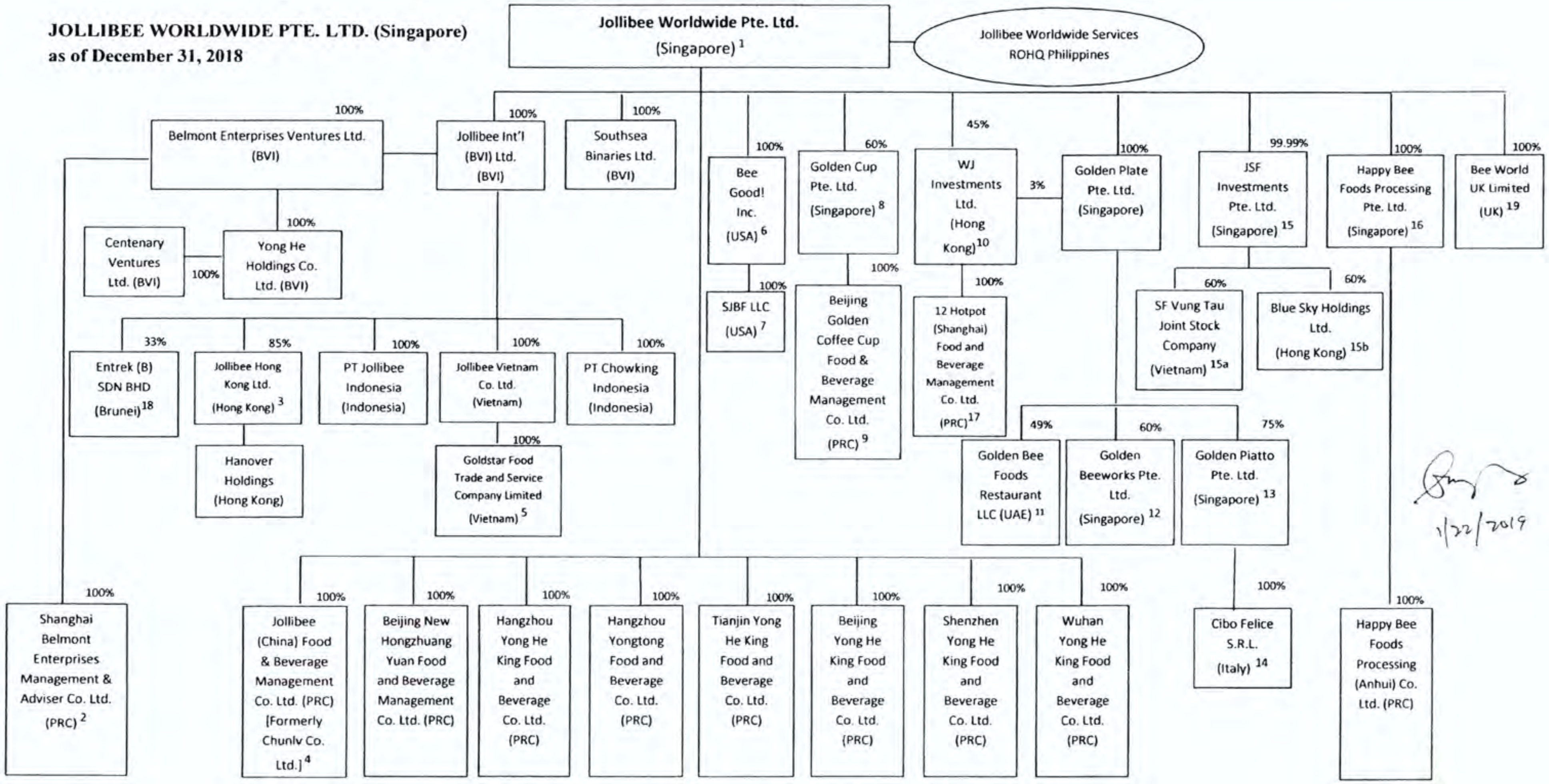
JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
CONGLOMERATE MAP as of December 31, 2018



1/22/2019

1- Per Public Ownership Report (quarterly report) as of December 31, 2018.
2- On September 27, 2018, JFC entered into a joint venture agreement to bring Panda Express restaurants to the Philippines.
3 - Pending Dissolution.
4 - In April 2016, JFC acquired the remaining 30% making MIPI wholly-owned subsidiary of JFC.
5 - Owned through Chanceux, Inc., which is 100% owned by JFC.
6 - Subsidiaries: PERF Trinoma, Inc. and PERF MOA Pasay, Inc.
7 - On April 25, 2018, JFC disclosed that it will bring PHO24 to the Philippines. On May 29, 2018, the Amended Articles of Incorporation was issued to include PHO24.
8 – Incorporated on May 7, 2015
9 - On September 7, 2018, JFC, through its wholly-owned subsidiary JFC USA, acquired 47% of the fully diluted membership interests in Tortas Frontera LLC which owns the Tortas Frontera business founded by Chef Rick Bayless.
10- On May 24, 2016, JFC subscribed to 30% of the shareholdings in the Cargill entities.

JOLLIBEE WORLDWIDE PTE. LTD. (Singapore)
as of December 31, 2018



Notes:

1. On December 23, 2016, JWPL completely divested its shareholdings in Chow Fun Holdings LLC (New Mexico).
   On December 30, 2016, JWPL completely divested its shareholdings in Guangxi San Pin Wang Food and Beverage Management Co. Ltd. (PRC).
   On May 8, 2018, JFC, through JWPL, invested up to SGD45Mn in Titan Dining LP, a private equity fund that has executed (through a wholly-owned subsidiary) a binding agreement for the acquisition of 100% of the Asia Pacific master franchise holder of the "Tim Ho Wan" brand, Tim Ho Wan Pte. Ltd. and its affiliate Dim Sum Pte. Ltd., which owns and operates Tim Ho Wan stores in Singapore.
2. As of February 28, 2015, Shanghai Belmont Enterprises Management & Adviser Co. Ltd. is pending de-registration.
3. Should be 100% per Corp. Audit (for confirmation).
4. On January 21, 2015, Shanghai Yong He King Food and Beverage Co. Ltd. merged with Jollibee (China) Food & Beverage Management Co. Ltd.
5. Per Enterprise Registration Certificate dated September 10, 2016.
6. On October 8, 2015, Bee Good! Inc. (USA) was incorporated.
7. Smashburger Master LLC (USA) owns the remaining 15% of SJBF LLC. On April 17, 2018, JFC disclosed that, through its wholly-owned subsidiary Bee Good! Inc., it completed acquisition of additional 45% share of SJBF LLC, increasing its ownership from 40% to 85%. With the completion of the acquisition, JFC shall include Smashburger in its financial consolidation starting April 17, 2018.
   On December 14, 2018, JFC disclosed that, through its wholly-owned subsidiary Bee Good! Inc., it acquired Smashburger Master LLC's 15% stake in SJBF LLC. JFC is now the sole owner of the Smashburger ® business.
8. On December 22, 2014, Golden Cup Pte. Ltd. (SG) was incorporated. Jasmine Asset Holding Ltd. (BVI) owns the remaining 40%.
9. On July 3, 2015, Beijing Golden Coffee Cup Food & Beverage Management Co. Ltd. was incorporated.
10. Shareholders of WJ Investments Pte. Ltd. are: Jollibee Worldwide Pte. Ltd. 45%, Golden Plate Pte. Ltd. 3%, Hoppime Ltd. 45%, WeiXiang Capital Limited 4% and Stanley Tsao 3%.
11. On January 28, 2015, Golden Bee Foods Restaurant LLC (UAE) was incorporated. Golden Crown Foods LLC (UAE) owns the remaining 51%.
12. On July 19, 2012, Golden Beeworks Pte. Ltd. (SG) was incorporated. Beeworks, Inc. (BVI) owns the remaining 40%.
13. On April 12, 2017, Golden Piatto Pte. Ltd. (SG) was incorporated. Blackbird Holdings Pte. Ltd. (SG) owns the remaining 25%.
14. On July 31, 2017, Cibo Felice S.R.L. was incorporated.
15. JWPL owns 99.99% of JSF Investments Pte. Ltd. Sky Apex Investments Limited owns 1 share in JSF Investments Pte. Ltd.
    On November 18, 2016, JSF entered into an agreement to increase its shareholding in SF Vung Tau Joint Stock Company (SFVT) to 60%, subject to completion of documentary requirements.
    On May 11, 2017, JFC disclosed that JSF owns 60% of SFVT. SFVT's books reflected JSF as 60% owner as of April 28, 2017.

1/22/2019

15.a. VTI Joint Stock, VTI Ltd. and Mr. Le Thai Anh collectively owns the remaining 40% of SF Vung Tau Joint Stock Company.
Subsidiaries of SF Vung Tau Joint Stock Company are Highlands Coffee Joint Stock Company, Quantum Corporation, Pho Viet Joint Stock Company, Pho 24 Corporation.

15.b. Sky Apex Investments Limited owns the remaining 40% of Blue Sky Holdings Ltd.
Subsidiaries of Blue Sky Holdings Ltd. are Blue Sky Holdings (Macau) Ltd. and Sino Ocean Asia Ltd.

16. Formerly Jollibee Foods Processing Pte. Ltd., amended name effective October 1, 2014. Effective November 23, 2016, JWPL owns 100% of Happy Bee Foods Processing Pte. Ltd. (SG).

17. On November 2, 2017, JFC disclosed that, effective October 31, 2017, 12 Hotpot (Shanghai) Food and Beverage Management Co. Ltd. (PRC) discontinued operations of the 12 Hotpot brand in the People's Republic of China.

18. Entrek (B) SDN BHD (Brunei) shareholders are: Jollibee International (BVI) Ltd. – 33.33%, Abdul Razak Holdings – 33.33%, Valencia Investments Limited – 33.33%

19. On April 16, 2018, Bee World UK Limited (UK) was incorporated.

List of Deregistered Entities:

1. On February 22, 2012 - Beijing Shang Shi Lin Food & Beverage Management Company Ltd. (PRC)
2. On March 29, 2013 - Kuai Le Feng Food and Beverage (Shenzhen) Co. Ltd. (PRC)
3. On May 1, 2013 - Colossus Global Limited (BVI), Granite Management Limited (BVI), Cosmic Resources Limited (BVI), All Great Resources Limited (BVI), Eastpower Resources Limited (BVI), Eaglerock Development Limited (BVI) and All Great Resources Limited (BVI)
4. On July 1, 2014 - Shanghai Yong He King Food and Beverage Co. Ltd.

1/22/2019

PARENT AFS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **JOLLIBEE FOODS CORPORATION** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2018 and 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2018 and 2017, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:

TONY TAN CAKTIONG
Chairman of the Board

ERNESTO TANMANTIONG
President and Chief Executive Officer

YSMAEL V. BAYSA
Chief Financial Officer

MARILOU N. SIBAYAN
Vice President and Comptroller - Worldwide

REPUBLIC OF THE PHILIPPINES)
CITY OF PASIG)S.S

Before me, a notary public in and for the city named above, personally appeared the following:

Name	Competent Evidence of Identity
~~Tony Tan Caktiong~~	~~SSS Number: 03-5003942-0~~
Ernesto Tanmantiong	SSS Number: 03-6292699-0
Ysmael V. Baysa	SSS Number: 03-4228219-1
Marilou N. Sibayan	SSS Number: 03-9964176-9

Who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took on oath before me as to such instrument.

Witness my hand and seal this APR 08 2019.

Doc. No. 319
Page No. 65
Book No. 9
Series of 2019

Vera Marie H. Bautista
Notary Public Pasig City

REPUBLIC OF THE PHILIPPINES)
PASIG CITY)S.S

Before me, a notary public in and for the city named above, personally appeared the following:

Name	Competent Evidence of Identity
Tony Tan Caktiong	Passport ID No. P3540198A, expiring on June 29, 2022

Who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took on oath before me as to such instrument.

Witness my hand and seal this APR 08 2019.

ATTY. JOHN EVAN BARON
NOTARY PUBLIC
UNTIL DECEMBER 31, 2019
ATTORNEY ROLL NO. 60622
PTR No. 3846305 PASIG CITY 2018
IBP No. 017272 RSM 2018
APPOINTMENT No. 22 (2018-2019)

Doc. No. 189;
Page No. 39;
Book No. 70;
Series of 2019

FS FOR FILING WITH SEC

AFTER THE BIR HAS DULY STAMPED "RECEIVED."

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

7 7 4 8 7

COMPANY NAME

JOLLIBEE FOODS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF JOLLIBEE (FORMERLY JOLLIBEE FOODS CORPORATION)

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

10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
www.jollibee.com.ph	(02) 634 – 1111	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
3,023	Any day in the month of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Ysmael V. Baysa	yvb@jollibee.com.ph	688-7104	–

CONTACT PERSON's ADDRESS

10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

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

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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Jollibee Foods Corporation
Doing business under the name and style of Jollibee
10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue, Ortigas Center
Pasig City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Jollibee Foods Corporation Doing business under the name and style of Jollibee (formerly Jollibee Foods Corporation) (the Company), which comprise the parent company statements of financial position as at December 31, 2018 and 2017, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

SGV

Building a better
working world

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Jollibee Foods Corporation Doing business under the name and style of Jollibee (formerly Jollibee Foods Corporation) in a separate schedule. Revenue Regulations 15-2010 requires the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Securities Regulation Code Rule 68, As Amended (2011). Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner on the audit resulting in this independent auditor's report is Mariecris N. Barbaso.

SYCIP GORRES VELAYO & CO.

Mariecris N. Barbaso

Mariecris N. Barbaso
Partner
CPA Certificate No. 97101
SEC Accreditation No. 1513-AR-1 (Group A),
November 16, 2018, valid until November 15, 2021
Tax Identification No. 202-065-716
BIR Accreditation No. 08-001998-108-2018,
February 14, 2018, valid until February 13, 2021
PTR No. 7332526, January 3, 2019, Makati City

April 8, 2019

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
LARGE TAXPAYERS ASSISTANCE DIVISION
Date APR 10 2019
RECEIVED

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Formerly Jollibee Foods Corporation)

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 30 and 31)	**₱8,336,465,913**	₱3,348,221,296
Receivables and contract assets (Notes 6, 28, 30, 31 and 35)	**7,943,612,184**	7,296,863,082
Inventories (Note 7)	**2,771,873,251**	2,003,996,852
Current portion of:		
Advances to related parties (Notes 28, 30, 31 and 35)	**2,318,044,400**	1,310,044,400
Operating lease receivables (Notes 28, 29, 30 and 31)	**3,078,294**	1,558,911
Other current assets (Note 8)	**1,811,238,302**	1,418,863,909
Total Current Assets	**23,184,312,344**	15,379,548,450
Noncurrent Assets		
Advances to related parties - net of current portion (Notes 28, 30, 31 and 35)	**300,000,000**	608,000,000
Financial assets at fair value through profit or loss (Notes 9, 30 and 31)	**38,048,040**	–
Available-for-sale financial assets (Notes 9, 30 and 31)	**–**	28,068,040
Investments in subsidiaries and interests in a joint venture and an associate (Note 10)	**42,688,396,268**	35,577,109,638
Property, plant and equipment (Note 11)	**4,312,277,357**	4,713,308,653
Intangible assets (Note 12)	**527,436,559**	530,747,655
Investment properties (Notes 13 and 31)	**1,261,535,674**	1,293,205,664
Operating lease receivables - net of current portion (Notes 28, 29, 30 and 31)	**30,355,876**	32,162,807
Deferred tax assets - net (Note 25)	**2,781,334,231**	2,672,448,309
Other noncurrent assets (Notes 14, 30 and 31)	**898,946,595**	961,561,094
Total Noncurrent Assets	**52,838,330,600**	46,416,611,860
	₱76,022,642,944	₱61,796,160,310
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 15, 28, 30 and 31)	**₱12,130,461,733**	₱11,247,129,726
Current portion of:		
Long-term debt (Notes 17, 30 and 31)	**3,772,951,515**	261,836,363
Due to related parties (Notes 28, 30 and 31)	**58,643,289**	958,643,289
Operating lease payables (Notes 28, 29, 30 and 31)	**70,420,462**	79,599,349
Total Current Liabilities	**16,032,476,999**	12,547,208,727
Noncurrent Liabilities		
Provisions (Note 16)	**30,500,639**	30,500,639
Noncurrent portion:		
Long-term debt (Notes 17, 30 and 31)	**14,015,247,161**	7,951,134,849
Due to related parties (Notes 28, 30 and 31)	**150,000,000**	150,000,000
Operating lease payables (Notes 28, 29, 30 and 31)	**855,769,887**	778,426,193
Pension liability (Note 26)	**729,911,608**	1,025,764,449
Total Noncurrent Liabilities	**15,781,429,295**	9,935,826,130
Total Liabilities (Carried Forward)	**31,813,906,294**	22,483,034,857

	December 31	
	2018	2017
Total Liabilities (Brought Forward)	**₱31,813,906,294**	₱22,483,034,857
Equity		
Capital stock - net of subscriptions receivable (Note 18)	**1,088,035,873**	1,084,477,691
Additional paid-in capital (Note 27)	**8,477,421,878**	7,469,375,069
Remeasurement loss on pension - net of tax (Note 26)	**(248,553,620)**	(290,402,093)
Net unrealized gain on available-for-sale financial assets - net of tax (Note 9)	**–**	6,757,500
Retained earnings (Note 19):		
Appropriated for future expansion	**20,000,000,000**	18,200,000,000
Unappropriated	**15,072,344,010**	13,023,428,777
	44,389,248,141	39,493,636,944
Less cost of common stock held in treasury (Notes 18 and 19)	**180,511,491**	180,511,491
Total Equity	**44,208,736,650**	39,313,125,453
	₱76,022,642,944	₱61,796,160,310

See accompanying Notes to Parent Company Financial Statements.

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

(Formerly Jollibee Foods Corporation)

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2018	2017 (As Restated)
REVENUES		
Net sales (Notes 20 and 28)	**₱55,980,924,562**	₱49,452,193,970
Royalty and set-up fees (Notes 20 and 28)	**5,724,770,556**	4,768,628,313
Rent income (Notes 13, 28 and 29)	**218,363,640**	232,538,949
Service revenue and others (Notes 28 and 35)	**4,012,428,452**	4,501,812,344
	65,936,487,210	58,955,173,576
PFRS 15 impact on system-wide advertising fees (Note 2)	**1,789,948,510**	1,514,423,650
	67,726,435,720	60,469,597,226
COST OF SALES AND SERVICES (Notes 21 and 28)		
Cost of sales	**51,474,454,259**	45,094,051,277
Cost of services	**2,656,685,145**	2,199,292,933
	54,131,139,404	47,293,344,210
GROSS PROFIT	**13,595,296,316**	13,176,253,016
EXPENSES		
General and administrative expenses (Notes 22 and 28)	**7,487,273,469**	7,114,305,954
Advertising and promotions (Note 28)	**827,556,132**	903,453,095
	8,314,829,601	8,017,759,049
INTEREST INCOME (EXPENSE) (Notes 23 and 28)		
Interest income	**188,007,000**	87,140,829
Interest expense	**(595,883,208)**	(143,758,652)
	(407,876,208)	(56,617,823)
OTHER INCOME - NET (Notes 24, 28 and 35)	**3,097,767,275**	3,336,598,443
INCOME BEFORE INCOME TAX	**7,970,357,782**	8,438,474,587
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 25)		
Current	**1,339,129,836**	1,127,814,134
Deferred	**97,283,406**	(73,562,092)
	1,436,413,242	1,054,252,042
NET INCOME	**6,533,944,540**	7,384,222,545
OTHER COMPREHENSIVE GAIN		
Item not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain on pension (Note 26)	**59,783,534**	123,438,188
Income tax effect	**(17,935,061)**	(37,031,456)
	41,848,473	86,406,732
Item to be reclassified to profit or loss in subsequent periods:		
Net unrealized gain on available-for-sale financial assets (Note 9)	–	3,200,000
Income tax effect	–	(733,000)
	–	2,467,000
TOTAL OTHER COMPREHENSIVE INCOME	**41,848,473**	88,873,732
TOTAL COMPREHENSIVE INCOME	**₱6,575,793,013**	₱7,473,096,277
Earnings Per Share for Net Income (Note 32)		
Basic	**₱7.663**	₱6.580
Diluted	**7.550**	6.494

See accompanying Notes to Parent Company Financial Statements.

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

(Formerly Jollibee Foods Corporation)

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Capital Stock (Note 18)	Subscriptions Receivable (Note 18)	Additional Paid-in Capital (Note 27)	Remeasurement Loss on Pension - Net of Tax (Note 26)	Net Unrealized Gain on Available-for-Sale Financial Assets - Net of Tax (Note 9)	Retained Earnings (Note 19) Appropriated for Future Expansion	Retained Earnings (Note 19) Unappropriated	Cost of Common Stock Held in Treasury (Notes 18 and 19)	Total Equity
Balances at January 1, 2018, as previously reported	**₱1,101,655,575**	**(₱17,177,884)**	**₱7,469,375,069**	**(₱290,402,093)**	**₱6,757,500**	**₱18,200,000,000**	**₱13,023,428,777**	**(₱180,511,491)**	**₱39,313,125,453**
Effect of adoption of new accounting standards (Note 2)	–	–	–	–	**(6,757,500)**	–	**6,757,500**	–	–
Balances at January 1, 2018, as adjusted	**1,101,655,575**	**(17,177,884)**	**7,469,375,069**	**(290,402,093)**	–	**18,200,000,000**	**13,030,186,277**	**(180,511,491)**	**39,313,125,453**
Net income during the year	–	–	–	–	–	–	**6,533,944,540**	–	**6,533,944,540**
Other comprehensive income	–	–	–	**41,848,473**	–	–	–	–	**41,848,473**
Total comprehensive income	–	–	–	**41,848,473**	–	–	**6,533,944,540**	–	**6,575,793,013**
Movements in other equity accounts:									
Issuances of capital stock	**3,558,182**	–	**705,627,178**	–	–	–	–	–	**709,185,360**
Cost of stock options granted to own employee (Notes 22, 25 and 27)	–	–	**277,773,865**	–	–	–	–	–	**277,773,865**
Cost of stock options granted to employees of subsidiaries (Notes 10 and 27)	–	–	**24,645,766**	–	–	–	–	–	**24,645,766**
Cash dividends (Note 19)	–	–	–	–	–	–	**(2,691,786,807)**	–	**(2,691,786,807)**
Appropriation during the year	–	–	–	–	–	**20,000,000,000**	**(20,000,000,000)**	–	–
Release of appropriation during the year	–	–	–	–	–	**(18,200,000,000)**	**18,200,000,000**	–	–
Balances at December 31, 2018	**₱1,105,213,757**	**(₱17,177,884)**	**₱8,477,421,878**	**(₱248,553,620)**	**₱–**	**₱20,000,000,000**	**₱15,072,344,010**	**(₱180,511,491)**	**₱44,208,736,650**
Balances at January 1, 2017	₱1,091,268,535	(₱17,177,884)	₱5,658,812,521	(₱376,808,825)	₱4,290,500	₱18,200,000,000	₱7,994,716,880	(₱180,511,491)	₱32,374,590,236
Net income during the year	–	–	–	–	–	–	7,384,222,545	–	7,384,222,545
Other comprehensive income	–	–	–	86,406,732	2,467,000	–	–	–	88,873,732
Total comprehensive income	–	–	–	86,406,732	2,467,000	–	7,384,222,545	–	7,473,096,277
Movements in other equity accounts:									
Issuances of capital stock	10,387,040	–	852,044,111	–	–	–	–	–	862,431,151
Cost of stock options granted to own employees (Notes 22 and 27)	–	–	940,742,904	–	–	–	–	–	940,742,904
Cost of stock options granted to employees of subsidiaries (Notes 10 and 27)	–	–	17,775,533	–	–	–	–	–	17,775,533
Cash dividends (Note 19)	–	–	–	–	–	–	(2,355,510,648)	–	(2,355,510,648)
Balances at December 31, 2017	₱1,101,655,575	(₱17,177,884)	₱7,469,375,069	(₱290,402,093)	₱6,757,500	₱18,200,000,000	₱13,023,428,777	(₱180,511,491)	₱39,313,125,453

See accompanying Notes to Parent Company Financial Statements.

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

(Formerly Jollibee Foods Corporation)

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱7,970,357,782**	₱8,438,474,587
Adjustments for:		
Dividend income (Notes 24 and 28)	**(1,550,000,000)**	(2,164,000,000)
Depreciation and amortization (Notes 11, 12, 13, 21 and 22)	**1,458,817,175**	1,356,348,131
Write-off of long-outstanding liabilities (Note 24)	**(1,178,987,282)**	(757,014,567)
Interest expense (Note 23)	**595,883,208**	143,758,652
Stock options expense (Notes 22 and 27)	**277,773,865**	209,707,270
Interest income (Note 23)	**(188,007,000)**	(87,140,829)
Straight-line amortization of rent expense (Note 29)	**68,164,807**	91,434,789
Net gain on disposals of:		
Property, plant and equipment (Notes 11 and 24)	**(58,537,274)**	(25,470,534)
Investment properties (Notes 13 and 24)	**–**	(231,035,934)
Net loss on retirement of property, plant and equipment (Note 11)	**27,993,261**	38,274,680
Net unrealized foreign exchange loss (gain)	**(26,940,562)**	14,376,541
Movements in pension liability (Note 26)	**(25,569,307)**	213,627,639
Amortization of debt issue costs (Note 17)	**14,477,964**	3,163,636
Gain on financial assets at fair value through profit or loss	**(9,980,000)**	–
Provisions (reversals) of impairment on:		
Receivables (Notes 6 and 22)	**(12,878,150)**	(784,741)
Inventories (Notes 7 and 22)	**576,650**	(43,543,322)
Straight line amortization of rent revenue (Note 29)	**287,548**	(22,640,636)
Income before working capital changes	**7,363,432,685**	7,177,535,362
Increase in:		
Receivables and contract assets	**(551,528,478)**	(3,327,751,491)
Inventories	**(768,453,049)**	(19,602,797)
Other current assets	**(392,374,393)**	(380,972,045)
Increase (decrease) in:		
Trade payables and other current liabilities	**1,939,470,262**	2,194,050,400
Due to related parties	**(900,000,000)**	(247,315,262)
Net cash generated from operations	**6,690,547,027**	5,395,944,167
Income taxes paid	**(1,339,129,836)**	(1,127,814,134)
Contributions to plan assets (Note 26)	**(210,500,000)**	(190,000,000)
Interest received	**170,493,314**	80,390,758
Net cash provided by operating activities	**5,311,410,505**	4,158,520,791
CASH FLOWS FROM INVESTING ACTIVITIES (Note 34)		
Additions to investments in subsidiaries and interests in a joint venture and an associate (Note 10)	**(7,086,640,864)**	(7,696,846,864)
Dividends received from subsidiaries (Notes 24 and 28)	**1,550,000,000**	2,164,000,000
Acquisitions of:		
Property, plant and equipment (Note 11)	**(1,305,260,102)**	(2,032,408,006)
Intangible assets (Note 12)	**(83,294,842)**	(69,633,935)
Available-for-sale financial assets (Note 9)	**–**	(450,000)
Increase (decrease) in:		
Advances to related parties	**(700,000,000)**	(675,968,940)
Other noncurrent assets	**75,805,021**	(39,884,404)
Proceeds from disposal of:		
Property, plant and equipment (Note 11)	**402,546,244**	60,204,660
Investment properties (Note 13)	**–**	365,490,000
Net cash used in investing activities	**(7,146,844,543)**	(7,925,497,489)

(Forward)

	Years Ended December 31	
	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES (Note 34)		
Payments of:		
Dividends (Note 19)	**(₱2,667,059,722)**	(₱2,347,163,507)
Interest (Notes 17 and 23)	**(545,316,567)**	(142,152,460)
Long-term debt (Note 17)	**(265,000,000)**	(140,000,000)
Debt issue cost (Note 17)	**(74,250,500)**	(25,500,000)
Proceeds from:		
Availment of long-term debt (Note 17)	**9,900,000,000**	5,100,000,000
Issuances of capital stock (Note 18)	**485,080,971**	862,431,151
Net cash provided by financing activities	**6,833,454,182**	3,307,615,184
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,998,020,144**	(459,361,514)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(9,775,527)**	(1,978,164)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,348,221,296**	3,809,560,974
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱8,336,465,913**	₱3,348,221,296

See accompanying Notes to Parent Company Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Formerly Jollibee Foods Corporation)

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Jollibee Foods Corporation Doing business under the name and style of Jollibee (formerly Jollibee Foods Corporation) (the Company/Parent Company) is a Philippine company primarily involved in the development, operations and franchising of Quick Service Restaurants (QSR) under the "Jollibee" trade name mainly in the Philippines. The operations and franchising of Jollibee QSR outside the Philippines are handled through the Company's subsidiaries, investees and franchisees. The Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 1978.

On June 29, 2018, the stockholders and Board of Directors (BOD) of the Company approved the change of the Company's name Jollibee Foods Corporation to Jollibee Foods Corporation Doing business under the name and style of Jollibee in compliance with the regulatory requirements. The SEC approved the amendment of the Company's articles of incorporation on October 12, 2018.

The Company has subsidiaries and investees also engaged in the development, operations and franchising of restaurants under the trade names "Greenwich", "Chowking", "Yonghe King", "Red Ribbon", "Hong Zhuang Yuan", "Mang Inasal", "Burger King", "Highlands Coffee", "Pho 24", "Hard Rock Cafe", "Dunkin Donuts", "Smashburger", "Tim Ho Wan" and "Tortas Frontera". Other subsidiaries are engaged in manufacturing and property leasing activities in support of the systems of the Company and its subsidiaries and in other business activities. The list of the Company's subsidiaries is presented in Note 10.

The Company's common shares are listed in the Philippine Stock Exchange.

The registered office address of the Company is 10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City.

The accompanying parent company financial statements were reviewed and recommended for approval by the Audit Committee as well as approved and authorized for issuance by the BOD on April 8, 2019.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies

Basis of Preparation
The accompanying parent company financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) in 2018 and available-for-sale (AFS) investments in 2017, which are measured at fair value. The parent company financial statements are presented in Philippine peso, which is the Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance
The accompanying parent company financial statements have been prepared in compliance with PFRS.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements starting January 1, 2018. Adoption of these pronouncements did not have any significant impact on the parent company statement of financial position and performance unless otherwise indicated.

- Amendments to PFRS 2, *Share-based Payment*, *Classification and Measurement of Share-based Payment Transactions*

  The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. Entities are required to apply the amendments to: (1) share-based payment transactions that are unvested or vested but unexercised as of January 1, 2018, (2) share-based payment transactions granted on or after January 1, 2018 and to (3) modifications of share-based payments that occurred on or after January 1, 2018. Retrospective application is permitted if elected for all three amendments and if it is possible to do so without hindsight.

  The Company's accounting policy for cash-settled share based payments is consistent with the approach clarified in the amendments. In addition, the Company has no share-based payment transaction with net settlement features for withholding tax obligations and has not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the parent company financial statements.

- PFRS 9, *Financial Instruments*

  PFRS 9, replaces Philippine Accounting Standard (PAS) 39, *Financial Instruments: Recognition and Measurement*, for annual periods beginning on or January 1, 2018, bringing together all these aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

  The Company applied PFRS 9 using modified retrospective approach, with an initial application date of January 1, 2018. The Company has not restated the comparative information, which continues to be reported under PAS 39. Differences arising from the adoption of PFRS 9 have been recognized directly in retained earnings and net unrealized gain on AFS financial assets. The effect of adopting PFRS 9 follows:

  (a) Classification and Measurement

  Under PFRS 9, debt instruments are subsequently measured at FVTPL, amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

  The assessment of the Company's business model was made as of the date of initial application, January 1, 2018, and then applied prospectively to those financial assets that were not derecognized before January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PFRS 9 did not have a significant impact on the Company. The Company continued measuring at fair value all financial assets previously held at fair value under PAS 39. The following are the changes in the classification of the Company's financial assets:

- Cash in banks, short-term deposits, receivables (excluding statutory receivables), operating lease receivables, advances to related parties and refundable deposits previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortized cost beginning January 1, 2018.

- Investments in golf and leisure club shares previously classified as AFS financial assets are now classified and measured as financial assets at FVTPL beginning January 1, 2018. As a result of the change in classification of the Company's investments in golf and leisure club shares, the net unrealized gain on AFS financial assets related to those investments that were previously presented under other comprehensive income (OCI), was reclassified to retained earnings as at January 1, 2018, resulting in a decrease in other components of equity and an increase in retained earnings of ₱6.8 million.

There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon adoption of PFRS 9, the Company had the following required or elected reclassifications as at January 1, 2018:

	Original Measurement Category under PAS 39	New Measurement Category under PFRS 9	Original Carrying Amount under PAS 39	New Carrying Amount under PFRS 9
Financial Assets				
Cash in banks and cash equivalents	Loans and receivables	Financial assets at amortized cost	₱3,229,586,169	₱3,229,586,169
Receivables and contract assets*	Loans and receivables	Financial assets at amortized cost	7,395,512,375	7,395,512,375
Operating lease receivables	Loans and receivables	Financial assets at amortized cost	33,721,718	33,721,718
Investments in golf and leisure club shares	AFS investments	Financial assets at FVTPL	28,068,040	28,068,040
Advances to related parties*	Loans and receivables	Financial assets at amortized cost	1,918,044,400	1,918,044,400
Refundable deposits	Loans and receivables	Financial assets at amortized cost	585,675,381	585,675,381
			₱13,190,608,083	₱13,190,608,083

**Including noncurrent portion.*

(b) Impairment

The adoption of PFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PFRS 9 requires the Company to record ECL for all debt instruments not held at FVTPL and contract assets.

Incurred Loss versus Expected Credit Loss Methodology. The application of ECL significantly changes the Company's credit loss methodology and models. ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The objective is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events over the expected life of a financial instrument. In comparison, the previous incurred loss model recognizes lifetime credit losses only when there is objective evidence of impairment while ECL model eliminated the threshold or trigger event required under incurred loss model, and lifetime ECL are recognized earlier.

Staging Assessment

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a SICR since initial recognition. The Company recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires a lifetime ECL for impaired financial instruments.

For cash in banks, short-term deposits, refundable deposits and advances to related parties, the Company has applied the General Approach and has calculated ECL based on 12-month ECL. For trade receivables and contract assets, and operating lease receivables, the Company applied the simplified approach permitted by PFRS 9, which requires lifetime ECL to be recognized from initial recognition. As at January 1, 2018, the Company assessed that there was no SICR related to its financial assets at amortized cost.

The adoption of ECL approach has no significant impact on the allowance for impairment losses recognized in the parent company financial statements.

- Amendments to PFRS 4, *Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts*

  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

  The amendments are not applicable to the Company since none of the Company's activities are predominantly connected with insurance or issue insurance contracts.

- PFRS 15, *Revenue from Contracts with Customers*

  PFRS 15 supersedes PAS 11, *Construction Contracts*, PAS 18, *Revenue*, and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

  PFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

  The Company adopted PFRS 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Company did not apply any of the other available optional practical expedients.

  The adoption of PFRS 15 did not have a material impact to the parent company statement of financial position, parent company statement of changes in equity, on OCI or on the Company's operating, investing and financing cash flows.

  The effect of adopting PFRS 15 on the parent company statements of comprehensive income as at December 31, 2017 resulted to an increase in:

REVENUE FROM CONTRACTS WITH CUSTOMERS	
Revenue from contracts with customers	₱1,514,423,650
COST OF SALES AND SERVICES	
Share on system-wide advertising fees	1,514,423,650
NET INCOME	₱–

  The reason for the changes in the parent company statement of comprehensive income for the year ended December 31, 2017 are described below:

  - *Principal versus Agent Consideration.* The Company's agreement with the franchisee includes the right to charge the franchisee its share and reimbursement of the Company's nationwide advertising and marketing efforts as well as fees for the Company's administration of various advertisements, network and media placements. Upon adoption of PFRS 15, the Company determined that it is acting as principal for the nationwide advertising because it is the Company who retains the right to direct the service provider of the advertisements, network and media placements, and has the discretion on how to price the advertising fee charges.

  Before the adoption of PFRS 15, contract asset is not presented separately from receivables. Under PFRS 15, the timing of revenue recognition, schedule of payment and cash collections results in billed accounts receivable (trade receivables) and accrued receivables (contract assets). Upon adoption of PFRS 15, the Company reclassified "Trade receivables" to "Contract assets" amounting to ₱550.9 million as at December 31, 2017.

- Amendments to PAS 28, *Investments in Associates and Joint Ventures*, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. Retrospective application is required.

  The Company has assessed that the adoption of these amendments has no significant impact on the parent company financial statements.

- Amendments to PAS 40, *Investment Property*, *Transfers of Investment Property*

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Retrospective application of the amendments is not required and is only permitted if this is possible without the use of hindsight.

  Since the Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its parent company financial statements upon adoption of these amendments.

- Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC)-22, *Foreign Currency Transactions and Advance Consideration*

  The interpretation clarifies that, in determining the spot Company rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transaction for each payment or receipt of advance consideration. Retrospective application of this interpretation is not required.

  Since the Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its parent company financial statements upon adoption of this interpretation.

Future Changes in Accounting Policies

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

The Company continues to assess the impact of adopting these pronouncements. The effects and required disclosures, if any, will be included in the parent company financial statements when these amendments are adopted.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

  Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

  The Company has assessed that the adoption of these amendments will not have any impact on the parent company financial statements.

- PFRS 16, *Leases*

  PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

  Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

  PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

  A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Company is currently assessing the impact of adopting PFRS 16.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

  The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

  - Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

  The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

  The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

  The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

  The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

  The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its parent company financial statements.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes,* and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Company is currently assessing the impact of adopting this interpretation.

- *Annual Improvements to PFRSs* 2015-2017 Cycle

  - Amendments to PFRS 3, *Business Combinations,* and PFRS 11, *Joint Arrangements*, *Previously Held Interest in a Joint Operation*

    The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

    A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

    An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments are currently not applicable to the Company but may apply to future transactions.

  - Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

    The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

    An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted. These amendments are not relevant to the

Company because dividends declared by the Company do not give rise to tax obligations under the current tax laws.

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

  The Company is currently assessing the impact of adopting this amendment.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  These amendments will apply on future business combinations of the Company.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, *Definition of Material*

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Summary of Significant Accounting Policies

Current versus Noncurrent Classification
The Company presents assets and liabilities in the parent company statement of financial position based on current/noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is classified as current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs. Where the Company has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same), the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible) and the cost approach (i.e., based on the amount required to replace the service capacity of an asset).

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement and non-recurring measurement. At each reporting date, management analyzes the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For short-term trade receivables and payables, the Company determines the fair value based on their invoice amount, when the effect of discounting is immaterial.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

<u>Cash and Cash Equivalents</u>
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and are subject to an insignificant risk of change in value.

<u>Financial Instruments</u>
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Company recognizes a financial asset or a financial liability in the parent company statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

<u>Financial Instruments - Initial Recognition and Subsequent Measurement</u>

Financial Assets

Effective beginning January 1, 2018 (Upon Adoption of PFRS 9)

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Company has no financial assets at FVOCI as at December 31, 2018.

Financial Assets at Amortized Cost (Debt Instruments). This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's cash in banks, short-term deposits, receivables (excluding statutory receivables), operating lease receivables, advances to related parties and refundable deposits are classified under this category as at December 31, 2018.

Financial Assets at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the parent company statement of financial position at fair value with net changes in fair value recognized in the parent company statement of comprehensive income.

The Company elected to classify irrevocably its investments in golf and leisure club shares under this category as at December 31, 2018.

Impairment of Financial Assets. The Company recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Company expects to receive discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For advances to related parties and refundable deposits, the Company applies the general approach and calculates ECL based on the 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instruments since initial recognition.

For cash in banks and short-term deposits, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company’s policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company assesses that there is significant increase in credit risk of a financial asset when default occurs. The Company uses the ratings from Moody’s to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, the Company has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

Based on the Company’s evaluation and assessment and after taking into consideration external actual and forecast information, the Company considers two or more economic scenarios and the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Company considers macro-economic factors such as gross domestic product growth rates and inflation rates in its analysis.

Effective before January 1, 2018

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as financial assets at FVTPL, loans and receivables, held-to-maturity (HTM) investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, except for financial assets at FVTPL, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets as at December 31, 2017 consist of loans and receivables and AFS financial assets. The Company has no financial assets at FVTPL and HTM investments as at December 31, 2017.

Subsequent Measurement

Loans and Receivables. This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is recognized as part of interest income. The losses arising from impairment are recognized as part of the "General and administrative expenses" account in the parent company statement of comprehensive income.

This category generally applies to the Company's cash in bank, short-term deposits, receivables (excluding statutory receivables), operating lease receivables, advances to related parties and refundable deposits as at December 31, 2017.

AFS Financial Assets. AFS financial assets include equity investments that are neither classified as held for trading nor designated at FVTPL.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized in OCI and retained in equity until the investment is derecognized, at which time, the cumulative gain or loss is recognized in profit or loss, or when the investment is determined to be impaired, wherein the cumulative loss is reclassified from equity to profit or loss. Dividends earned while holding AFS financial assets are recognized in profit or loss.

This category includes investments in golf and leisure club shares as at December 31, 2017.

Impairment of Financial Assets. The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

- *Financial Assets Carried at Amortized Cost*. For financial assets carried at amortized cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment. The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

  The carrying amount of the asset is reduced through the use of an allowance account and the impairment loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is recognized in profit or loss to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed.

- *AFS Financial Assets*. For AFS financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

  In the case of equity investments classified as AFS financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss, is removed from OCI and recognized in profit or loss. For unquoted equity investments that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such unquoted equity instruments, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

  Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized in OCI.

The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial Liabilities (Applies before and after January 1, 2018)

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables and other current liabilities (excluding local and other taxes payable, liabilities to government agencies and accrual for gift certificates), long-term debt, due to related parties and operating lease payables, which are all classified as loans and borrowings.

Subsequent Measurement

- *Loans and Borrowings, and Other Payables.* This is the category relevant to the Company. After initial recognition, interest-bearing loans and borrowings, and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs, including debt issue costs for the Company's debts that are an integral part of the EIR. The EIR amortization is included as interest expense in the parent company statement of comprehensive income.

- *Debt Issue Costs*. Debt issue costs are specific incremental costs, other than those paid to the lender, that are directly related to issuing a debt instrument. These are presented in the parent company statement of financial position as a reduction from the related debt instrument and are amortized through the EIR amortization process.

<u>Derecognition of Financial Assets and Liabilities (Applies to Financial Instruments before and after January 1, 2018)</u>

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

- The rights to receive cash flows from the asset have expired, or,

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

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

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

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

'Day 1 Difference'

Where the transaction price in a non-active market is different from the fair value based on other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1 difference') in the profit or loss unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is recognized in the profit or loss only when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1 difference' amount.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the parent company statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Contract Balances

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade Receivables. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Inventories
Inventories are valued at the lower of cost and net realizable value. Costs are accounted for as follows:

Processed inventories	- Standard costing, which is reviewed on a quarterly basis and revised as necessary to approximate current costs determined using first in, first out (FIFO). Cost includes direct materials, labor and a proportion of manufacturing overhead costs based on normal operating capacity.
Food supplies, packaging, store and other supplies, and novelty items	- Standard costing, which is reviewed on a quarterly basis and revised as necessary to approximate current costs determined using FIFO.

Net realizable value of processed inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Net realizable value of food supplies, packaging, store and other supplies is the current replacement cost.

Net realizable value of novelty items is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Other Current Assets
Other current assets include deposits which pertain to deposits to suppliers to be applied for future purchases; prepaid expenses which are expenses paid in advance and recorded as asset before they are utilized or expire; and creditable withholding taxes, which will be applied against the Company's corporate income tax due.

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost the asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

Property, Plant and Equipment
Property, plant and equipment, except land and construction in progress, are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of property, plant and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less any impairment in value.

The initial cost of property, plant and equipment consists of its purchase price, including import duties and nonrefundable taxes and any other costs directly attributable to bringing the asset to its working condition and location for its intended use. Cost also includes any related asset retirement obligation and interest incurred during the construction period on funds borrowed to finance the construction of the asset. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets:

Buildings, commercial condominium units and improvements	5 - 40 years
Leasehold rights and improvements	2 - 10 years or term of the lease, whichever is shorter
Office, store and food processing equipment	1 - 15 years
Furniture and fixtures	3 - 5 years
Transportation equipment	3 - 5 years

The residual values, if any, useful lives and depreciation and amortization method of the assets are reviewed at the end of each financial period and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are disposed or retired.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period the asset is derecognized.

Construction in progress represents assets under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Cost also includes interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for use.

Intangible Assets
Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment loss. The useful lives of intangible assets are assessed at the individual asset level as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At a minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The estimated useful lives used in amortizing the intangible assets are disclosed in Note 12.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Investment Properties

Investment properties consist of land and buildings and building improvements held by the Company for capital appreciation and rental purposes. Investment properties, except land, are carried at cost, including transaction costs, less accumulated depreciation and amortization and any impairment in value. Cost also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Land is carried at cost less any impairment in value.

The depreciation of buildings and building improvements are calculated on a straight-line basis over the estimated useful lives of the assets which are five (5) to twenty (20) years.

The residual values, if any, useful lives and method of depreciation and amortization of the assets are reviewed and adjusted, if appropriate, at each financial year-end.

Investment property is derecognized when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Transfers to investment property are made only when there is a change in use, evidenced by ending of ownership-occupation, or commencement of an operating lease to another party. Transfers from investment property are made only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

Investments in Subsidiaries

Investments in subsidiaries are accounted for at cost less any impairment in value. A subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Interests in a Joint Venture and an Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's interests in a joint venture and an associate are accounted for using the equity method based on the percentage share of ownership and capitalization. Interest in a joint venture is accounted for under the equity method from the date the joint control is obtained.

Under the equity method, the Company's interests in a joint venture and an associate are carried in the parent company statement of financial position at cost plus the Company's share in post-acquisition changes in the net assets of an associate or joint venture, less any impairment in value. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not amortized.

When the Company's share of losses in the associate or joint venture equals or exceeds its interest, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture. Where there has been a change recognized directly in the equity of the associate or joint venture, the Company recognizes its share in any changes and discloses this, when applicable, in the parent company statement of changes in equity.

The reporting dates of the Company and the associate or joint venture are identical and the latter's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

The Company ceases to use the equity method of accounting on the date from which it no longer has joint control in the joint ventures, no longer has significant influence over the associates, or when the interest becomes held for sale.

Upon loss of significant influence over the associate or joint control over the joint ventures, the Company measures and recognizes its remaining investment at its fair value. Any difference between the carrying amount of the former associate or former jointly controlled entities upon loss of significant influence or joint control, and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. When the remaining interest in the former jointly controlled entity constitutes significant influence, it is accounted for as interest in an associate.

Impairment of Nonfinancial Assets

The carrying values of investments in and advances to subsidiaries and interests in a joint venture and an associate, property, plant and equipment, intangible assets, investment properties and other noncurrent assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use.

The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value on a systematic basis over its remaining useful life.

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Additional paid-in capital is also credited for the cost, including income tax effect, of the Company's equity-settled share-based payments to its employees and employees of its subsidiaries.

Subscriptions Receivable. Subscriptions receivable represents common stock subscribed and issued by the Parent Company but payment from the shareholders has not yet been received.

Retained Earnings. Retained earnings represent the Company's accumulated earnings, net of dividends declared.

Dividends. The Company recognizes a liability to make cash distribution to its equity holders when the distribution is authorized by the BOD and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the reporting period.

Other Comprehensive Income. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss. These include unrealized gains or losses on AFS financial assets, remeasurement gains or losses on pension and their income tax effects.

Treasury Shares. Acquisitions of treasury shares are recorded at cost. The total cost of treasury shares is shown in the parent company statement of financial position as a deduction from the total equity. Upon re-issuance or resale of the treasury shares, cost of common stock held in treasury account is credited for the cost of the treasury shares determined using the simple average method. Gain on sale is credited to additional paid-in capital. Losses are charged against additional paid-in capital but only to the extent of previous gain from original issuance, sale or retirement for the same class of stock. Otherwise, losses are charged directly to retained earnings.

<u>Revenue from Contracts with Customers</u>

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Company has concluded that it is acting as principal in majority of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods. Revenue from sale of goods is recognized at the point in time when control is transferred to the customer, which is normally upon delivery. Sales returns and discounts are deducted from sales to arrive at net sales shown in the parent company statement of comprehensive income.

Royalty Fees. Revenue from royalty fees is recognized as the royalty accrues based on certain percentages of the franchisees' net sales.

Set-up Fees. Revenue from set-up fees is recognized on a straight-basis over the term of the franchise agreement and when performance obligations relating to the payment of set-up fees have been satisfied.

System-wide Advertising Fee. Revenues consisting of reimbursements of network advertising and promotional costs from franchisees are recognized upon performance of service.

Service Fees. Revenue is recognized in the period in which the service has been rendered.

Management Fees. Revenue is recognized in the period in which the administration services has been rendered based on a certain percentage of the total costs incurred.

Other Revenues
The following specific recognition criteria must also be met before other revenue is recognized:

Dividend Income. Dividend income is recognized when the Company's rights as a shareholder to receive the payment is established.

Rent Income. Rent income from operating leases is recognized on a straight-line basis over the lease terms.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Company through an increase in asset or reduction in liability and that can be measured reliably.

Cost and Expenses
Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases in assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost and expenses are recognized as incurred.

Advertising and promotions expenses include costs incurred for advertising schemes and promotional activities for new products.

Pension Benefits
The pension liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Pension expense comprise the following:
- Service cost; and
- Net interest on the pension liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as part of pension expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the pension liability is the change during the period in the liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the pension liability. Net interest on the pension liability is recognized under "Cost of sales and services" and "General and administrative expenses" in the parent company statement of comprehensive income as part of pension expense.

Remeasurements comprising actuarial gains and losses, return on plan assets (excluding net interest) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting pension asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Employee Leave Entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The Company recognizes undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period.

Share-based Payments
The Company has stock option plans granting management, consultants and selected employees an option to purchase a fixed number of the Company's shares of stock at a stated price during a specified period ("equity-settled transactions").

The cost of the options granted to the Company's management, consultants and employees that become vested is recognized in profit or loss with an equivalent credit to additional paid-in capital over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cost of the options granted to management, consultants and employees of subsidiaries, on the other hand, is recognized as additional investment in those subsidiaries.

The fair value is determined using the Black-Scholes Option Pricing Model. The cumulative expense recognized for share-based transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit in profit or loss or the investment account for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, provided that all other performance conditions are satisfied.

Where the terms of a share-based award are modified, as a minimum, an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification, which increases the total fair value of the share-based payment agreement, or is otherwise beneficial to management and employees as measured at the date of modification.

Where a share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if there were a modification of the original award.

Research Costs
Research costs are expensed as incurred.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the agreement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

Company as Lessee. Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Variable rents are recognized as expense in the period in which they are incurred.

Company as Lessor. Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rent income. Rent income from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Foreign Currency Denominated Transactions
Transactions in foreign currencies are recorded in Philippine peso using the Company rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate of Company at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the Company rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the Company rates at the date when the fair value was determined.

Taxes
Current Tax. Current tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at reporting date.

Current income tax relating to items recognized directly in equity is recognized directly in equity (not in profit or loss). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided, using the balance sheet liability method, on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transactions, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in a joint venture and an associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward benefits of excess MCIT over RCIT and NOLCO can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in a joint venture and an associate, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at reporting date.

Deferred tax relating to items recognized outside profit or loss are recognized also outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax. Revenue, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of “Trade payables and other current liabilities” account in the parent company statement of financial position. When VAT passed on from purchases of gods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as part of “Other current assets” account in the parent company statement of financial position.

Earnings per Share (EPS) Attributable to Equity Holders of the Parent Company
Basic EPS is calculated by dividing the net income for the year attributable to the equity holders of the Parent Company by the weighted average number of common shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any.

Diluted EPS is computed by dividing the net income for the year attributable to the equity holders of the Parent Company by the weighted average number of common shares outstanding during the period, adjusted for any potential common shares resulting from the assumed exercise of outstanding stock options. Outstanding stock options will have dilutive effect under the treasury stock method only when the average market price of the underlying common share during the period exceeds the exercise price of the option.

Where the EPS effect of the shares to be issued to management and employees under the stock option plan would be anti-dilutive, the basic and diluted EPS would be stated at the same amount.

For the parent company financial statements, the EPS is presented on the basis of the consolidated net income.

Contingencies
Contingent liabilities are not recognized in the parent company financial statements. These are disclosed in the notes to the parent company financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but disclosed in the notes to the parent company financial statements when an inflow of economic benefits is probable.

Business Segments
The Company is organized and managed separately according to the nature of business. The three major operating businesses of the Company are food service, franchising and leasing. These operating businesses are the basis upon which the Company reports its operating segment information presented in the consolidated financial statements filed with the SEC.

Events after the Reporting Period
Post year-end events that provide additional information about the parent company financial position at the reporting date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the parent company financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the parent company financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

The Company believes the following represents a summary of these significant judgments, estimates and assumptions and the related impact and associated risks on the parent company financial statements.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognized in the parent company financial statements:

Revenue Contracts with Customers - Determining the Timing of Satisfaction of Set-up Fees. The Company undertakes activities prior to store opening (e.g., initial training, site development, systems set-up, etc.) as indicated in the franchise agreement. The Company determines whether these activities are capable of being distinct (i.e., whether the franchisee can benefit on each of these activities on a standalone basis) and whether these activities are distinct within the context of the franchise agreement (i.e., whether these activities can be separated from the franchise license granted to the franchisee).

The Company determined that revenue from set-up fees should be recognized on a straight-basis over the term of the franchise agreement and when performance obligations relating to the payment of set-up fees have been satisfied.

Principal versus Agent Consideration. The Company's agreement with the franchisee includes the right to charge the franchisee its share in the Company's nationwide advertising and marketing efforts as well as fees for the Company's administration of various advertisements, network and media placements. The Company determined that it is acting as principal for the nationwide advertising because it is the Company who retains the right to direct the service provider of the advertisements, network and media placements, and has the discretion on how to price the advertising fee charges. The Company considers both the legal form and the substance of its agreement to determine each party's respective roles in the agreement.

Operating Lease Commitments - Company as Lessor. The Company has entered into commercial property leases on its investment property portfolio and subleased properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all significant risks and benefits of these properties which are being leased out. Accordingly, the leases are accounted for as operating leases.

Rent income amounted to ₱218.4 million and ₱232.5 million in 2018 and 2017, respectively (see Note 29).

Operating Lease Commitments - Company as Lessee. The Company has entered into commercial property leases for its QSR outlets and offices as the lessee. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that all significant risks and benefits of ownership of these properties remain with the lessors. Accordingly, the leases are accounted for as operating leases.

Rent expense amounted to ₱2,020.0 million and ₱1,855.0 million in 2018 and 2017, respectively (see Notes 21, 22 and 29).

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the parent company financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of Receivables (Upon Adoption of PFRS 9). The Company uses a provision matrix to calculate ECLs for its receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forward-looking information, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Provision for impairment loss on receivables amounted to ₱0.9 million in 2018. Reversal of impairment loss amounted to ₱13.8 million in 2018 (see Notes 6 and 22). The carrying value of receivables and contract assets amounted to ₱7,943.6 million as at December 31, 2018 (see Note 6).

Impairment of Receivables (Prior to Adoption of PFRS 9). The Company maintains an allowance for impairment loss at a level considered adequate to provide for potential uncollectible receivables. The level of allowance is evaluated on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with the customers and counterparties, average age of accounts, collection experience and average actual write-off. The Company performs a regular review of the age and status of these accounts, designed to identify accounts with objective evidence of impairment and provide the appropriate allowance for impairment loss. The review is done annually using specific and collective assessments, respectively. The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different methodologies. An increase in allowance account would increase the Company's general and administrative expenses and decrease current assets.

There was no provision for impairment loss on receivables in 2017. Reversal of allowance for impairment loss on receivables amounted to ₱0.8 million in 2017 (see Notes 6 and 22). The carrying value of receivables and contract assets amounted to ₱7,296.9 million as at December 31, 2017 (see Note 6).

Net Realizable Value of Inventories. The Company writes down inventories to net realizable value, through the use of an allowance account, whenever the net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to be realized. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date. The allowance account is reviewed on a regular basis to reflect the accurate valuation in the financial records.

Provision for inventory obsolescence amounted to ₱0.6 million and nil in 2018 and 2017, respectively (see Notes 7 and 22). Reversal of allowance for inventory obsolescence amounted to nil and ₱43.5 million in 2018 and 2017, respectively (see Notes 7 and 22).

The carrying value of inventories amounted to ₱2,771.9 million and ₱2,004.0 million as at December 31, 2018 and 2017, respectively (see Note 7).

Impairment of Property, Plant and Equipment, Intangible Assets and Investment Properties. The Company performs annual impairment review of property, plant and equipment, intangible assets and investment properties when certain impairment indicators are present. Determining the fair value of assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the parent company financial statements. Future events could cause the Company to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and performance.

The aggregate carrying amounts of property, plant and equipment, intangible assets and investment properties as at December 31 follow:

	2018	2017
Property, plant and equipment (see Note 11)	**₱4,312,277,357**	₱4,713,308,653
Intangible assets (see Note 12)	**527,436,559**	530,747,655
Investment properties (see Note 13)	**1,261,535,674**	1,293,205,664
	₱6,101,249,590	₱6,537,261,972

Estimating Useful Lives of Depreciable Property, Plant and Equipment, Intangible Assets and Depreciable Investment Properties. The Company estimates the useful lives of depreciable property, plant and equipment, intangible assets and depreciable investment properties based on the period over which the assets are expected to be available for use and based on the collective assessment of the industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of depreciable property, plant and equipment, intangible assets with finite useful life and depreciable investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits in the use of the assets as applicable. However, it is possible that future financial performance could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recording of depreciation and amortization for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of depreciable property, plant and equipment, intangible assets with finite useful lives and depreciable investment properties would increase the recorded depreciation and amortization and decrease noncurrent assets.

There were no changes in the estimated useful lives of depreciable property, plant and equipment, intangible assets and depreciable investment properties in 2018 and 2017.

Impairment of Investments in Subsidiaries and Interests in a Joint Venture and in an Associate. An impairment test of investments in subsidiaries and interests in a joint venture and an associate is performed when events or changes in circumstances indicate that the carrying value may not be recoverable. This requires management to make an estimate of the expected long-term growth rates and earnings before interest, taxes, depreciation and amortization (EBITDA) from the subsidiaries, joint venture and associate, and also consider market data in determining a discount rate in order to calculate the present value of those cash flows.

There were no provisions for impairment losses on investments in subsidiaries and interests in a joint venture and an associate in 2018 and 2017. The carrying values of investments in subsidiaries and interests in a joint venture and an associate as at December 31 follow:

	2018	2017
Investment in subsidiaries (see Note 10)	**₱42,444,404,768**	₱35,333,118,138
Interests in (see Note 10):		
Joint venture	**233,406,000**	233,406,000
Associate	**10,585,500**	10,585,500
	₱42,688,396,268	₱35,577,109,638

Realizability of Deferred Tax Assets. The carrying amount of deferred tax assets at each reporting date is reviewed and reduced to the extent that sufficient taxable profits will not be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets is based on forecasted taxable income. This forecast is based on future expectations on revenue and expenses as well as management's plans and strategies.

The carrying amount of deferred tax assets amounted to ₱2,937.8 million and ₱2,774.1 million as at December 31, 2018 and 2017, respectively (see Note 25). There were no unrecognized deferred tax assets as at December 31, 2018 and 2017.

Pension Benefits. The pension expense as well as the present value of the defined benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Future salary increases are based on budgeted salary increases.

Pension liability amounted to ₱729.9 million and ₱1,025.8 million as at December 31, 2018 and 2017, respectively. The Company recognized net pension income of ₱25.6 million in 2018 and net pension expense of ₱213.6 million in 2017 (see Notes 21, 22, 24 and 26).

Share-based Payments. The Company measures the cost of its equity-settled transactions with management and employees by reference to the fair value of the equity instruments at the grant date. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about these inputs. The fair value of the share option is being determined using the Black-Scholes Option Pricing Model. The expected life of the stock options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of the Company.

Total expense arising from share-based payments recognized by the Company amounted to ₱277.8 million and ₱209.7 million in 2018 and 2017, respectively (see Notes 22 and 27).

Provisions and Contingencies. The Company is currently involved in litigations, claims and disputes which are normal to its business. Cost estimates for the resolution of these claims has been developed in consultation with the Company's legal counsels and based upon an analysis of potential results. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and application of laws and rulings. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and performance of the Company.

The carrying amount of the Company's provisions for litigations, claims and disputes amounted to ₱30.5 million as at December 31, 2018 and 2017 (see Notes 16 and 29).

5. Cash and Cash Equivalents

This account consists of:

	2018	2017
Cash on hand	**₱114,041,754**	₱118,635,127
Cash in banks	**1,840,908,913**	1,398,200,689
Short-term deposits	**6,381,515,246**	1,831,385,480
	₱8,336,465,913	₱3,348,221,296

Cash in banks earn interest at the respective savings or special demand deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. Interest income earned from cash in banks and short-term deposits amounted to ₱100.9 million and ₱26.9 million in 2018 and 2017, respectively (see Note 23).

6. Receivables and Contract Assets

This account consists of:

	2018	2017
Trade receivables from:		
Franchisees and customers	**₱2,293,589,367**	₱1,859,596,743
Related parties (see Notes 28 and 35)	**4,569,658,490**	4,799,744,817
	6,863,247,857	6,659,341,560
Less allowance for impairment loss	**194,210,358**	207,088,508
	6,669,037,499	6,452,253,052
Employee advances	**47,595,221**	57,393,854
Current portion of employees' car plan receivables (see Note 14)	**45,088,625**	52,333,175
Interest receivable	**6,217,512**	1,894,348
Others (see Note 28)	**129,372,877**	182,135,780
	6,897,311,734	6,746,010,209
Contract assets (see Note 28)	**1,046,300,450**	550,852,873
	₱7,943,612,184	₱7,296,863,082

The terms and conditions of the receivables are as follows:

- Trade receivables from franchisees and customers are noninterest-bearing and are generally collectible on a 14-day term. Upon adoption of PFRS 15, the Company classified accrued receivables as contract assets.
- The terms and conditions of receivables from related parties are discussed in Note 28.
- Employee advances, current portion of employees' car plan receivables, interest receivable, and other receivables are expected to be collected within the next financial year.
- Other receivables consist of receivables from the retirement plan, from the Social Security System (SSS) and insurance claims.

The movements in allowance for impairment loss on trade receivables as at December 31 follow:

	2018	2017
Balance at beginning of year	**₱207,088,508**	₱207,873,249
Reversal (see Note 22)	**(13,798,568)**	(784,741)
Provision (see Note 22)	**920,418**	–
Balance at end of year	**₱194,210,358**	₱207,088,508

The provision in 2018 were based on the Company's ECLs.

7. **Inventories**

This account consists of the following items:

	2018	2017
At cost:		
Food supplies and processed inventories	**₱2,535,327,848**	₱1,789,551,914
Packaging, store and other supplies	**123,103,700**	193,689,356
At net realizable value -		
Novelty items	**113,441,703**	20,755,582
	₱2,771,873,251	₱2,003,996,852

The Company assesses the age of novelty items on hand in determining the amount of provision for inventory obsolescence or reversal to be recognized. Based on this assessment, the Company recognized a provision for inventory obsolescence amounting to ₱0.6 million in 2018 and a reversal of allowance for inventory obsolescence of ₱43.5 million in 2017 (see Note 22).

The cost of novelty items carried at net realizable value amounted to ₱130.2 million and ₱37.0 million as at December 31, 2018 and 2017, respectively.

The movements in the allowance for inventory obsolescence on novelty items as at December 31 follow:

	2018	2017
Balance at beginning of year	**₱16,248,751**	₱59,792,073
Provision (reversal) for the year (see Note 22)	**576,650**	(43,543,322)
Balance at end of year	**₱16,825,401**	₱16,248,751

8. Other Current Assets

This account consists of:

	2018	2017
Prepaid expenses:		
Taxes	**₱1,324,033,064**	₱967,348,178
Car plan benefits	**54,675,639**	59,565,454
Rent	**33,031,475**	48,536,758
Other prepayments	**45,324,104**	55,114,934
Deposits to suppliers and others	**354,174,020**	288,298,585
	₱1,811,238,302	₱1,418,863,909

Terms and conditions of other current assets are as follows:

- Prepaid taxes represent creditable withholding taxes that the Company can apply against its corporate income tax in the following year and prepaid real property taxes.

- Prepaid rent pertains to the rent of store and office spaces that are paid in advance.

- Other prepayments consist of unused office and operating supplies and the unexpired portion of advertising, insurance and other expenses paid in advance.

- Deposits to suppliers are generally applied to purchases of inventories and services within the next financial year.

9. Financial Assets at Fair Value through Profit or Loss/Available-for-Sale Financial Assets

This account consists of investment in shares of stocks of Manila Polo Club, Tagaytay Highlands and other golf and leisure clubs.

Due to the adoption of PFRS 9, the Company classified its investments in golf and leisure club shares as financial assets at FVTPL as at January 1, 2018.

Financial Assets at FVTPL
The movements in financial assets at FVTPL in 2018 are as follows:

Balance at beginning of year, as previously reported	₱–
Reclassification from AFS financial assets	28,068,040
Balance at beginning of year, as adjusted	28,068,040
Market-to-market gain on financial assets at FVTPL (see Note 24)	9,980,000
Balance at end of year	₱38,048,040

AFS Financial Assets

The movements of AFS financial assets in 2017 are as follows:

Cost	
Balance at beginning of year	₱19,668,040
Additions	450,000
Balance at end of year	20,118,040
Cumulative Unrealized Gain on AFS Financial Assets	
Balance at beginning of year	4,750,000
Unrealized gain due to change in fair value	3,200,000
Balance at end of year	7,950,000
	₱28,068,040

The fair value of financial assets at FVTPL/AFS financial assets have been determined directly by reference to quoted prices in active market or inputs other than quoted prices that are directly or indirectly observable (see Note 31).

10. Investments in Subsidiaries and Interests in a Joint Venture and an Associate

The carrying values of investments are as follows:

	2018	2017
Subsidiaries:		
Jollibee Worldwide Pte. Ltd. (JWPL)	**₱28,834,556,512**	₱22,409,663,919
Mang Inasal Philippines Inc. (Mang Inasal)	**4,983,929,357**	4,981,172,389
RRB Holdings, Inc. (RRBHI)	**2,530,011,408**	2,527,979,245
Fresh N' Famous Foods Inc. (Fresh N' Famous)	**2,353,224,764**	2,345,600,212
Honeybee Foods Corporation (HFC)	**1,675,106,684**	1,671,659,097
Zenith Foods Corporation (Zenith)	**999,192,210**	997,633,612
Jollibee Foods Corporation (Jollibee USA)	**671,479,000**	2,800,000
Grandworth Resources Corporation (Grandworth)	**270,000,000**	270,000,000
BKTitans Inc.* (BKTitans)	**66,974,275**	66,679,106
Freemont Foods Corporation (Freemont)	**59,930,558**	59,930,558
	42,444,404,768	35,333,118,138
Joint Venture -		
C-Joy Poultry Meats Production Inc. (C-Joy Poultry)	**233,406,000**	233,406,000
Associate -		
Cargill Joy Poultry Realty Inc. (Cargill Realty)	**10,585,500**	10,585,500
	₱42,688,396,268	₱35,577,109,638

**Owned through Chanceux, Inc., which is wholly owned by the Company.*

The movements in this account are as follows:

	2018	2017
Investments in subsidiaries:		
Balance at beginning of year	**₱35,346,233,138**	₱27,409,830,358
Additional investments	**7,086,640,864**	7,918,627,247
Share-based payments to employees of subsidiaries (see Note 27)	**24,645,766**	17,775,533
Balance at end of year	**42,457,519,768**	35,346,233,138
Less allowance for impairment loss	**13,115,000**	13,115,000
	42,444,404,768	35,333,118,138
Interests in a joint venture and an associate - Balance at beginning and end of year	**243,991,500**	243,991,500
	₱42,688,396,268	₱35,577,109,638

Investments in JWPL

The Company made additional cash investments of ₱6,418.0 million and ₱7,696.8 million in 2018 and 2017, respectively. These additional investments were used to finance JWPL's financing and investing activities in 2018 and 2017.

In 2017, the Company's advances to JWPL of ₱221.8 million in relation to the transaction costs of Bee Good! Inc.'s (BGI) investment in SJBF LLC were converted into additional investment to JWPL.

Investments in Jollibee Foods Corporation (USA)

The Company made additional investments of ₱668.7 million to Jollibee USA in 2018. On December 21, 2018, upon fulfillment of the closing conditions, Jollibee USA invested US$12.6 million (₱668.7 million) in Tortas Frontera LLC in consideration for the 47% fully-diluted membership interests therein.

Stock Option Grants to Employees of Subsidiaries

The Company has stock option grants to the employees of its subsidiaries under the Management Stock Option Program (MSOP). Details about the MSOP are disclosed in Note 27. The cost of those stock option grants for the years ended December 31, 2018 and 2017 were charged to the investment in the relevant subsidiary as follows:

	2018	2017
Fresh N' Famous	**₱7,624,552**	₱6,345,470
JWPL	**6,930,729**	7,133,338
HFC	**3,447,587**	816,720
Mang Inasal	**2,756,968**	760,562
RRBHI	**2,032,163**	1,659,058
Zenith	**1,558,598**	859,667
BKTitans	**295,169**	200,718
	₱24,645,766	₱17,775,533

The Company's subsidiaries as at December 31, 2018 and 2017 include the following:

			2018		2017	
	Country of Incorporation	Principal Activities	**Direct Ownership**	**Indirect Ownership**	Direct Ownership	Indirect Ownership
Fresh N' Famous Foods Inc. (Fresh N' Famous) -	Philippines	Food service	**100**	**–**	100	–
Chowking Food Corporation USA	United States of America (USA)	Holding company	**–**	**100**	–	100
Zenith Foods Corporation (Zenith)	Philippines	Food service	**100**	**–**	100	–
Freemont Foods Corporation (Freemont)	Philippines	Food service	**100**	**–**	100	–
RRB Holdings, Inc. (RRBH):	Philippines	Holding company	**100**	**–**	100	–
Red Ribbon Bakeshop, Inc. (RRBI)	Philippines	Food service	**–**	**100**	–	100
Red Ribbon Bakeshop, Inc. USA (RRBI USA)	USA	Food service	**–**	**100**	–	100
Mang Inasal Philippines Inc. (Mang Inasal)	Philippines	Food service	**100**	**–**	100	–
Grandworth Resources Corporation (Grandworth):	Philippines	Leasing	**100**	**–**	100	–
Adgraphix, Inc. (Adgraphix)	Philippines	Digital printing	**–**	**100**	–	100
IConnect Multi Media Network, Inc. (IConnect)	Philippines	Advertising	**–**	**60**	–	60
JC Properties & Ventures Co.	Philippines	Dormant	**–**	**50**	–	50
Honeybee Foods Corporation (HFC):	USA	Food service	**100**	**–**	100	–
Tokyo Teriyaki Corporation (TTC)	USA	Food service	**–**	**100**	–	100
Honeybee Foods (Canada) Corporation (HFCC)	Canada	Food service	**–**	**100**	–	100
Jollibee Worldwide Pte. Ltd. (JWPL):	Singapore	Holding company	**100**	**–**	100	–
Regional Operating Headquarters of JWPL (JWS)	Philippines	Financial accounting, human resources and logistics services	**–**	**100**	–	100
Golden Plate Pte., Ltd. (GPPL):	Singapore	Holding company	**–**	**100**	–	100
- Golden Beeworks Pte. Ltd.	Singapore	Food service	**–**	**60**	–	60
- Golden Piatto Pte. Ltd. [(e)]	Singapore	Holding company	**–**	**75**	–	75
• Cibo Felice S.R.L. [(c)]	Italy	Food service	**–**	**100**	–	100
Golden Cup Pte.Ltd.	Singapore	Holding company	**–**	**60**	–	60
- Beijing Golden Coffee Cup Food & Beverage Management Co., Ltd.	People's Republic of China (PRC)	Food service	**–**	**100**	–	100
Beijing New Hongzhuangyuan Food and Beverage Management Co., Ltd. (Hong Zhuang Yuan)	PRC	Food service	**–**	**100**	–	100
Southsea Binaries Ltd. (Southsea)	British Virgin Island (BVI)	Holding company	**–**	**100**	–	100
Beijing Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Shenzhen Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Hangzhou Yongtong Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Hangzhou Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Wuhan Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Tianjin Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Happy Bee Foods Processing Pte. Ltd. (HBFPPL)	Singapore	Holding company	**–**	**100**	–	100
- Happy Bee Foods Processing (Anhui) Co. Ltd.	PRC	Food service	**–**	**100**	–	100
JSF Investments Pte. Ltd. (JSF):	Singapore	Holding company	**–**	**99**	–	99
- SF Vung Tau Joint Stock Company [(d)]	Vietnam	Holding company	**–**	**60**	–	60
• Highland Coffee Service Joint-stock Company	Vietnam	Food service	**–**	**100**	–	100
• Quantum Corporation	Vietnam	Food service	**–**	**100**	–	100
· Pho Viet Joint Stock Company	Vietnam	Food service	**–**	**100**	–	100
· Pho 24 Service Trade Manufacture Corporation	Vietnam	Food service	**–**	**100**	–	100
- Blue Sky Holdings Limited [(d)]	Hong Kong	Holding company	**–**	**60**	–	60
• Sino Ocean Limited	Hong Kong	Food service	**–**	**100**	–	100
• Blue Sky Holdings (Macau) Limited	Macau	Food service	**–**	**100**	–	100
Jollibee (China) Food & Beverage Management Co. Ltd.	PRC	Management company	**–**	**100**	–	100
Jollibee International (BVI) Ltd. (JIBL):	BVI	Holding company	**–**	**100**	–	100
- Jollibee Vietnam Corporation Ltd.	Vietnam	Food service	**–**	**100**	–	100
• Goldstar Food Trade and Service Company Ltd (GSC)	Vietnam	Food service	**–**	**100**	–	100
- PT Chowking Indonesia	Indonesia	Food service	**–**	**100**	–	100
- PT Jollibee Indonesia	Indonesia	Dormant	**–**	**100**	–	100
- Jollibee (Hong Kong) Limited and Subsidiaries	Hong Kong	Dormant	**–**	**85**	–	85
- Belmont Enterprises Ventures Limited (Belmont):	BVI	Holding company	**–**	**100**	–	100
• Shanghai Belmont Enterprises Management and Adviser Co., Ltd. (SBEMAC)	PRC	Business management service	**–**	**100**	–	100
• Yong He Holdings Co., Ltd.	BVI	Holding company	**–**	**100**	–	100
· Centenary Ventures Ltd.	BVI	Holding company	**–**	**100**	–	100
Bee Good! Inc. (BGI)	USA	Holding company	**–**	**100**	–	100
- SJBF LLC (SJBF)[(a)]	USA	Food service	**–**	**100**	–	40
Bee World UK Limited (UK) [(b)]	UK	Holding company	**–**	**100**	–	–
Chanceux, Inc.	Philippines	Holding company	**100**	**–**	100	–
BKTitans Inc. (BKTitans)	Philippines	Holding company	**–**	**54**	–	54
- PFN Holdings Corporation	Philippines	Holding company	**–**	**99**	–	99
• PERF Restaurants, Inc.	Philippines	Food service	**–**	**100**	–	100
· PERF Trinoma	Philippines	Food service	**–**	**100**	–	100
· PERF MOA	Philippines	Food service	**–**	**100**	–	100
Jollibee Foods Corporation (USA)	USA	Holding company	**100**	**–**	100	–
Donut Magic Phils., Inc. (Donut Magic)[(f)]	Philippines	Dormant	**100**	**–**	100	–
Ice Cream Copenhagen Phils., Inc. (ICCP)[(f)]	Philippines	Dormant	**100**	**–**	100	–
Mary's Foods Corporation (Mary's)[(f)]	Philippines	Dormant	**100**	**–**	100	–
QSR Builders, Inc.	Philippines	Dormant	**100**	**–**	100	–

(a) On April 17, 2018, the Jollibee Group, through BGI completed the acquisition of additional 45% share of SJBF, increasing its ownership from 40% to 85%. Subsequently, on December 14, 2018, the Jollibee Group, through BGI acquired the remaining 15% share resulting to 100% share in SJBF.
(b) On April 16, 2018, Bee World UK Limited (UK) was incorporated.
(c) On July 31, 2017, the Jollibee Group, through Golden Piatto Pte. Ltd. incorporated Cibo Felice in Italy.
(d) On May 10, 2017, the Jollibee Group, through JSF increased its shareholding in SF Vung Tau Joint Stock Company (SFVT) and Blue Sky Holdings Limited (Blue Sky) to 60%.
(e) On April 12, 2017, the Jollibee Group, through GPPL, incorporated Golden Piatto Pte. Ltd. to own and operate Jollibee restaurants in Italy.
(f) On June 18, 2004, the stockholders of the Jollibee Group approved the Plan of Merger of the three (3) dormant companies. The application is pending approval from the SEC as at December 31, 2018.

11. **Property, Plant and Equipment**

The rollforward analysis of this account follows:

	2018							
	Land	Buildings, Commercial Condominium Units and Improvements	Leasehold Rights and Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱28,586,733	₱491,329,392	₱4,652,349,250	₱4,730,974,112	₱506,119,417	₱507,107,587	₱219,479,795	₱11,135,946,286
Additions	–	301,966	155,286,204	366,050,348	41,887,903	33,977,875	707,755,806	1,305,260,102
Retirements and disposals	–	–	(385,474,294)	(378,290,430)	(31,176,610)	(10,343,508)	(79,157,984)	(884,442,826)
Reclassifications	–	19,924,965	301,994,301	242,547,108	29,347,303	1,828,571	(595,642,248)	–
Balance at end of year	28,586,733	511,556,323	4,724,155,461	4,961,281,138	546,178,013	532,570,525	252,435,369	11,556,763,562
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	426,344,623	2,311,814,052	3,024,110,036	333,898,559	326,470,363	–	6,422,637,633
Additions (see Notes 21 and 22)	–	15,479,885	491,446,837	680,337,271	84,834,713	68,442,541	–	1,340,541,247
Retirements and disposals	–	–	(214,841,226)	(272,680,198)	(23,304,164)	(7,867,087)	–	(518,692,675)
Reclassifications	–	–	25,800	(25,800)	–	–	–	–
Balance at end of year	–	441,824,508	2,588,445,463	3,431,741,309	395,429,108	387,045,817	–	7,244,486,205
Net Book Value	₱28,586,733	₱69,731,815	₱2,135,709,998	₱1,529,539,829	₱150,748,905	₱145,524,708	₱252,435,369	₱4,312,277,357

	2017							
	Land	Buildings, Commercial Condominium Units and Improvements	Leasehold Rights and Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱28,586,733	₱453,814,275	₱3,912,033,337	₱4,058,310,544	₱418,426,555	₱449,756,791	₱141,726,113	₱9,462,654,348
Additions	–	109,186	206,547,097	374,947,913	32,061,675	57,350,796	1,361,391,339	2,032,408,006
Retirements and disposals	–	–	(200,291,966)	(143,363,490)	(13,785,667)	–	(1,674,945)	(359,116,068)
Reclassifications	–	37,405,931	734,060,782	441,079,145	69,416,854	–	(1,281,962,712)	–
Balance at end of year	28,586,733	491,329,392	4,652,349,250	4,730,974,112	506,119,417	507,107,587	219,479,795	11,135,946,286
Accumulated Depreciation and Amortization								
Balance at beginning of year		413,523,153	1,967,461,408	2,526,160,205	274,485,082	264,245,793	–	5,445,875,641
Additions (see Notes 21 and 22)	–	12,821,470	477,910,837	621,029,679	71,740,714	62,224,570	–	1,245,727,270
Retirements and disposals	–	–	(133,558,193)	(123,112,392)	(12,294,693)	–	–	(268,965,278)
Reclassifications	–	–	–	32,544	(32,544)	–	–	–
Balance at end of year	–	426,344,623	2,311,814,052	3,024,110,036	333,898,559	326,470,363	–	6,422,637,633
Net Book Value	₱28,586,733	₱64,984,769	₱2,340,535,198	₱1,706,864,076	₱172,220,858	₱180,637,224	₱219,479,795	₱4,713,308,653

The construction in progress account as at December 31, 2018 and 2017 mainly pertains to costs incurred for the building of new stores and renovation of old stores. The outstanding projects as at December 31, 2018 are expected to be completed within the next financial year. Reclassifications from construction in progress account to the property, plant and equipment accounts mainly arise from the completion of the construction of new stores. As at December 31, 2018 and 2017, no borrowing costs have been capitalized.

Net loss on retirement of property, plant and equipment amounted to ₱27.9 million and ₱38.3 million in 2018 and 2017, respectively. The Company disposed property, plant and equipment with carrying amount of ₱337.8 million and ₱28.3 million for a total consideration of ₱443.8 million and ₱60.2 million in 2018 and 2017, respectively. Net gain on sale amounting to ₱58.5 million and ₱25.5 million in 2018 and 2017, respectively, were recognized on the disposal of property, plant and equipment (see Note 24).

In 2018 and 2017, no items of property, plant and equipment have been pledged as security or collateral for any of the Company's liabilities.

No impairment of property, plant and equipment was recognized by the Company in 2018 and 2017.

12. **Intangible Assets**

This account consists of:

	2018	2017
Cost		
Balance at beginning of year	**₱796,089,274**	₱726,455,339
Additions	**83,294,842**	69,633,935
Balance at end of year	**879,384,116**	796,089,274
Accumulated Amortization		
Balance at beginning of year	**265,341,619**	186,390,748
Amortization (see Note 22)	**86,605,938**	78,950,871
Balance at end of year	**351,947,557**	265,341,619
Net Book Value	**₱527,436,559**	₱530,747,655

Intangible assets mainly pertain to computer software relating to the Company's Enterprise Resource Planning (ERP) application which the Company started using on August 1, 2014. The useful life of the computer software is ten years. In 2018 and 2017, the Company continued to capitalize costs for new functionalities in the software.

The Company's intangible assets also include trademarks and patents amortized over its useful life of five years with net book value of ₱10.5 million and ₱18.2 million as at December 31, 2018 and 2017, respectively.

13. **Investment Properties**

The rollforward analysis of this account follows:

	2018		
	Land	**Buildings and Building Improvements**	**Total**
Cost			
Balance at beginning and end of year	**₱624,727,733**	**₱985,738,865**	**₱1,610,466,598**
Accumulated Depreciation			
Balance at beginning of year	**–**	**317,260,934**	**317,260,934**
Additions (see Notes 21 and 22)	**–**	**31,669,990**	**31,669,990**
Balance at end of year	**–**	**348,930,924**	**348,930,924**
Net Book Value	**₱624,727,733**	**₱636,807,941**	**₱1,261,535,674**

	2017		
	Land	Buildings and Building Improvements	Total
Cost			
Balance at beginning and end of year	₱759,181,799	₱985,738,865	₱1,744,920,664
Disposals	(134,454,066)	–	(134,454,066)
Balance at end of year	624,727,733	985,738,865	1,610,466,598
Accumulated Depreciation			
Balance at beginning of year	–	285,590,944	285,590,944
Additions (see Notes 21 and 22)	–	31,669,990	31,669,990
Balance at end of year	–	317,260,934	317,260,934
Net Book Value	₱624,727,733	₱668,477,931	₱1,293,205,664

Rent income derived from income-generating properties amounted to ₱197.2 million and ₱210.2 million in 2018 and 2017, respectively, recorded under "Rent income" account. Direct operating costs relating to the investment properties, which include depreciation and maintenance expenses, totaled ₱67.9 million and ₱40.0 million in 2018 and 2017, respectively.

In 2017, the Company sold its investment properties in Sta. Rosa, Laguna and Luisita Industrial Park, Tarlac for a total consideration of ₱365.5 million. Net gain arising from the disposals of these investment properties amounted to ₱231.0 million (see Note 24).

In 2015, the Company entered into an agreement to develop a commercial and office condominium building (the "Project") in a parcel of its land in consideration for cash and assigned units in the Project. The completion of the transaction is conditional upon fifty percent (50%) completion of the Project, as certified by the general contractor of the Project, and when all of the assigned units are fully constructed. As at December 31, 2018 and 2017, the Project is still under development.

No investment properties have been pledged as security or collateral as at December 31, 2018 and 2017.

The Company's investment properties have an aggregate fair value of ₱2,397.1 million as at December 31, 2017 as determined by independent appraisers who holds a recognized and relevant professional qualification. The fair value represents the amount at which the assets and liabilities can be exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions in accordance with International Valuation Standards. In determining the fair value of the investment properties, the independent appraisers used the market data approach for land and cost approach for buildings and building improvements. For land, fair value is based on sales and listings of comparable properties within the vicinity after adjustments for differences in location, size and shape of the lot, time elements and other factors between the properties and their comparable properties. For buildings and building improvements, fair value is based on the current cost to replace the properties in accordance with prevailing market prices for materials, labor, contractors' overhead, profit and fees in the locality after adjustments for depreciation due to physical deterioration, and functional and economic obsolescence based on personal inspection of the buildings and building improvements and in comparison, to similar new properties.

While the fair value of the investment properties was not determined as at December 31, 2018, the Company's management believes that there were no conditions present in 2018 that would significantly reduce the fair value of the investment properties from that determined in the most recent valuation.

14. **Other Noncurrent Assets**

This account consists of:

	2018	2017
Refundable deposits	**₱608,970,803**	₱585,675,381
Noncurrent portion of:		
Prepaid rent	**90,145,295**	107,358,108
Employees' car plan receivables	**81,676,061**	107,288,228
Prepaid car plan	**67,676,896**	98,671,409
Deferred rent and compensation	**43,240,791**	53,885,598
Others	**7,236,749**	8,682,370
	₱898,946,595	₱961,561,094

The terms and conditions of other noncurrent assets are as follows:

- Refundable deposits represent security deposits for operating leases entered into by the Company as a lessee (see Note 29). The refundable deposits are recoverable from the lessors at the end of the related lease terms and are presented at amortized cost. The discount rates used range from 2% to 22% in 2018 and 2017. The difference between the fair value at initial recognition and the notional amount of the refundable deposits is recognized as deferred rent and amortized on a straight-line basis over the lease terms. Accretion of interest pertaining to refundable deposits amounted to ₱5.6 million and ₱7.2 million in 2018 and 2017, respectively (see Note 23).

- Prepaid rent pertains to the rent of store and office spaces that are paid in advance which is net of current portion.

- Employees' car plan receivables are presented at amortized cost. The difference between the fair value at initial recognition and the notional amount of the employees' car plan receivables is recognized as deferred compensation and amortized on a straight-line basis over the credit period. Accretion of interest pertaining to employees' car plan receivables amounted to ₱7.6 million and ₱5.5 million in 2018 and 2017, respectively (see Note 23).

15. Trade Payables and Other Current Liabilities

This account consists of:

	2018	2017
Trade payables:		
Suppliers	**₱5,439,474,540**	₱4,438,358,684
Related parties (see Note 28)	**960,873,167**	924,429,772
Accruals for:		
Advertising and promotions	**1,039,758,936**	987,893,457
Salaries, wages and employee benefits	**680,769,739**	593,875,367
Rent	**272,766,096**	264,618,191
Gift certificates	**160,055,628**	141,066,583
Corporate events and research	**150,486,514**	263,293,436
Repairs, maintenance and security	**125,600,128**	101,580,978
Accruals for:		
Professional fees	**84,663,844**	131,224,196
Electricity, other utilities and communication	**83,186,666**	97,157,272
Supplies	**70,709,729**	91,410,004
Interest (see Notes 17 and 34)	**64,917,601**	14,350,960
Novelties	**48,692,594**	57,821,828
Delivery expenses	**34,626,806**	79,832,154
Retention	**32,641,536**	49,019,137
Store operations	**22,670,694**	135,475,182
Trainings and seminars	**21,522,135**	91,244,276
Insurance	**4,008,969**	3,408,926
Transportation and travel	**1,175,746**	9,765,722
Others	**375,129,634**	543,353,820
Local and other taxes payable	**1,115,279,732**	1,265,257,471
Happy plus liabilities	**714,840,716**	541,874,914

(Forward)

	2018	2017
Customers' deposits	**₱146,166,832**	₱85,668,086
Dividends payable (see Note 34)	**80,779,640**	56,052,555
Other current liabilities	**399,664,111**	279,096,755
	₱12,130,461,733	₱11,247,129,726

The terms and conditions of the above liabilities are as follows:

- Trade payables are noninterest-bearing and are generally settled within a 30-day term.
- The terms and conditions of payables to related parties are discussed in Note 28.
- Accruals, local and other taxes payable and dividends payable are noninterest-bearing and are normally settled within the next financial year.
- Other accruals generally consist of amounts payable for representation and various activities of the Company.
- Happy plus liabilities pertain to the Company's customer loyalty program and are generally applied to customer purchases or reimbursed to franchisees, depending on the actual usage, within the next financial year.
- Customers' deposits pertain to security deposits from operating leases with franchisees and subsidiaries, which are refundable at the end of the lease term and deposits for kiddie party packages. Accretion of interest pertaining to customers' deposits from operating leases amounted to nil and ₱0.4 million in 2018 and 2017 (see Note 23).
- Other current liabilities consist of staled checks, amounts payable for mascots and various subscriptions in newspapers given to customers as a complementary to their meals.

16. Provisions

The Company has outstanding provisions amounting to ₱30.5 million as at December 31, 2018 and 2017, consisting mainly of provisions for asserted claims which are normal to its business. These include estimates of legal services, settlement amounts and other costs of claims made against the Company. Other information on the claims are not disclosed as this may prejudice the Company's position on such claims (see Note 29).

17. Long-term Debt

The long-term debt account consists of the following:

₱1,500.0 Million Metropolitan Bank and Trust Company (MBTC) Loan

On December 9, 2013, the Company refinanced a 2011 loan from MBTC amounting to ₱1,500.0 million. The new loan is payable over five years and six months from the date of drawdown with annual principal repayments of ₱15.0 million starting on the 30th month from the date of drawdown and ₱1,455.0 million upon maturity. The loan is subject to a variable interest rate based on three-month Philippine Dealing System Treasury Fixing (PDST-F) rate plus spread of 1.25%, which is payable and is reset on a quarterly basis, and to an interest rate floor based on the Bangko

Sentral ng Pilipinas (BSP) Overnight Reverse Repurchase Agreement Rate. The loan was drawn on December 16, 2013 and will mature on June 17, 2019. The Company incurred debt issue costs of ₱7.5 million, representing documentary stamp tax, in relation to this loan in 2013.

Under the loan agreement with MBTC, the Company has an option to convert the variable interest rate into a fixed interest rate on any interest payment date based on the PDST-F rate for the remaining term of the loan and the spread of 1.00%. The Company also has an option to prepay the loan in full or in multiples of ₱10.0 million on any interest payment date.

₱800.0 Million Bank of the Philippine Islands (BPI) Loan

On April 21, 2014, the Company obtained an unsecured loan from BPI amounting to ₱800.0 million. The principal is payable after five years upon maturity on April 21, 2019. The loan is subject to a variable interest rate based on three-month PDST-F rate plus spread of 1.00%, which is payable and is reset on a quarterly basis, and to an interest rate floor based on the BSP Special Deposit Account (SDA) Rate plus spread of 1.00% or BSP Overnight Borrowing rate plus spread of 1.00%. The Company incurred debt issue costs of ₱4.0 million, representing documentary stamp tax, in relation to this loan.

Under the loan agreement with BPI, the Company has an option to convert the variable interest rate into a fixed interest rate based on a five-year treasury securities benchmark yield plus spread of 1.00% on the date the option to convert is exercised, subject to an annual interest rate floor of 4.75%. The Company also has an option to prepay the loan, wholly or partially, without penalty at any time during the term of the loan subject to certain conditions.

₱1,000.0 Million MBTC Loan

On April 22, 2016, the Company obtained an unsecured loan from MBTC amounting to ₱1,000.0 million. The loan is payable over five years from the date of drawdown with quarterly principal payments of ₱62.5 million starting on the 15th month from the date of drawdown. The loan is subject to a variable interest rate based on three-month Philippine Dealing System Treasury - Reference Rate Two (PDST-R2) plus spread of 0.55%, which is payable and is repriced on a quarterly basis, and to an interest rate floor of BSP SDA Rate. The loan will mature on April 22, 2021. The Company incurred debt issue cost of ₱5.0 million representing documentary stamp tax, in relation to this loan.

Under the loan agreement with MBTC, the Company has an option to convert the variable interest rate into a fixed interest rate on any interest payment date but in no case later than 730 days from drawdown date. The conversion to fixed interest rate is based on the applicable PDST-R2 rate plus spread of 2% if the option is exercised from day 1 to day 365 from drawdown date and based on the applicable PDST-R2 rate plus spread of 2.75% if the option is exercised from day 366 to day 730 from drawdown date. The Company also has an option to prepay the loan in part or in full on any interest payment date.

₱1,600.0 Million MBTC Loan

On December 22, 2017, the Company obtained an unsecured loan from MBTC amounting to ₱1,600.0 million. The loan is payable over five years from the date of drawdown with quarterly principal payments of ₱100.0 million starting on the 15th month from the date of drawdown. The loan is subject to a variable interest rate based on the simple average of the preceding five (5) days of the three-month PDST-R2 plus spread of 0.50%, which is payable and is repriced on a quarterly basis, and to an interest rate floor of 2.70%. The loan will mature on December 22, 2022. The Company incurred debt issue cost of ₱8.0 million representing documentary stamp tax, in relation to this loan.

Under the loan agreement with MBTC, the Company has an option to convert the variable interest rate into a fixed interest rate on any interest payment date but in no case later than 365 days from drawdown date. The conversion to fixed interest rate is based on the simple average of the applicable "Done" PDST-R2 rate within the preceding 5 consecutive business days plus spread of 0.60%. The Company also has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

₱2,100.0 Million BPI Loan

On December 22, 2017, the Company obtained an unsecured loan from BPI amounting to ₱2,100.0 million. The principal is payable after five years upon maturity on December 22, 2022. The loan is subject to a variable interest rate based on the simple average of five (5) trading days of the three-month Treasury Securities Benchmark Yield, as published in the PDST-R2 page of the PDEX preceding and inclusive of the Interest Rate Setting Date plus spread of 0.50%, which is payable and is reset on a quarterly basis. The Company incurred debt issue costs of ₱10.5 million, representing documentary stamp tax, in relation to this loan.

Under the loan agreement with BPI, the Company has an option to convert the variable interest rate into a fixed interest rate based on the interpolated treasury securities benchmark yield on the remaining tenor of the loan plus spread of 0.50%. The Company also has an option to prepay the loan, wholly or partially, without penalty at any time during the term of the loan subject to certain conditions.

₱800.0 Million Bank of Tokyo-Mitsubishi UFJ, LTD. (MUFG) Loan

On December 22, 2017, the Company obtained an unsecured loan from MUFG amounting to ₱800.0 million. The principal is payable after five years upon maturity on December 22, 2022 with quarterly principal payments of ₱50.0 million starting on the 15th month from the date of drawdown. The loan is subject to a variable interest rate based on the simple average of the preceding five (5) days of the three-month PDST-R2 rate plus spread of 0.50%, which is payable and is reset on a quarterly basis, and to an interest rate floor based on Overnight Deposit Facility Rate of the BSP. The Company incurred debt issue costs of ₱4.0 million representing documentary stamp tax, in relation to this loan.

Under the loan agreement with MUFG, the Company has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

₱600.0 Million Citibank (Citi) Loan

On December 27, 2017, the Company obtained an unsecured loan from Citi amounting to ₱600.0 million. The principal is payable after five years upon maturity on December 27, 2022 with quarterly principal payments of ₱37.5 million starting on the 15th month from the date of drawdown. The loan is subject to a variable interest rate based on three-month PDST-R2 rate plus spread of 0.50%, which is payable and is reset on a quarterly basis, and to an interest rate floor based on Overnight Deposit Facility Rate of BSP plus 0.50%. The Company incurred debt issue costs of ₱3.0 million representing documentary stamp tax, in relation to this loan.

Under the loan agreement with Citi, the Company has an option to convert the variable interest rate into a fixed interest rate on any interest payment date but in no case later than 365 days from drawdown date. The conversion to fixed interest rate is based on a five year PDST-R2 rate plus spread of 0.75%. The Company also has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

₱4,200.0 Million MBTC Loan
On March 27, 2018, the Company obtained an unsecured loan from Metrobank amounting to ₱4,200.0 million. The principal is payable after seven years upon maturity on March 27, 2025 with quarterly principal payments of ₱210.0 million starting on the 27th month from the date of drawdown. The loan is subject to a variable interest rate based on simple average of the preceding five (5) days of three-month PDST-R2 rate plus spread of 0.40%, which is payable and is reset on a quarterly basis, and to an interest rate floor of 3%. The Company incurred debt issue costs of ₱31.5 million representing documentary stamp tax, in relation to this loan.

Under the loan agreement with MBTC, the Company has an option to convert the variable interest rate into a fixed interest rate on any interest payment date but in no case later than 365 days from drawdown date. The conversion to fixed interest rate is based on the sum of simple average of the five (5) "Done" 5Y PDST-R2 rate over the preceding five (5) consecutive business days plus spread of 0.60%. The Company also has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

₱3,000.0 Million BPI Loan
On May 11, 2018, the Company obtained an unsecured loan from BPI amounting to ₱3,000.0 million. The principal is payable after seven years upon maturity on May 11, 2025 with quarterly principal payments of ₱150.0 million starting on the end of the eighth quarter from the drawdown date. The loan is subject to a floating interest rate based on the applicable five (5) trading day (inclusive of the Interest Rate Setting Date) simple average of the three-month Treasury Securities Benchmark Yield, as published in the PDST-R2 rate plus spread of 0.5% which is payable and is reset on a quarterly basis. The Company incurred debt issue costs of ₱22.5 million representing documentary stamp tax, in relation to this loan.

Under the loan agreement with BPI, the Company has an option to convert the floating interest rate into a fixed interest rate on any interest payment date but in no case later than 365 days from drawdown date. The conversion to fixed interest rate is based on the interpolated Treasury Securities Benchmark Yield in the PDST-R2 based on the remaining tenor rate plus spread of 0.50%. The Company also has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

₱2,700.0 Million BPI Loan
On August 15, 2018, the Company obtained an unsecured loan from BPI amounting to ₱2,700.0 million. The principal is payable after seven years upon maturity on August 15, 2025 with quarterly principal payments of ₱135.0 million starting on the 27th month from the drawdown date. The loan is subject to a variable interest rate based on the last five (5) day average of the PDST-R2 rate plus spread of 0.5% which is payable and is reset on a quarterly basis. The Company incurred debt issue costs of ₱20.3 million representing documentary stamp tax, in relation to this loan.

Under the loan agreement with BPI, the Company has an option to convert the variable interest rate into a fixed interest rate on any interest payment date but in no case later than 365 days from drawdown date. The conversion to fixed interest rate is based on the applicable interpolated PDST-R2 based on the remaining tenor rate plus spread of 0.5%. The Company also has an option to prepay the loan in part or in full on any interest payment date subject to certain conditions.

The balance of the Company's long-term debt as at December 31 is as follows:

	2018	2017
Principal	**₱17,880,000,000**	₱8,245,000,000
Unamortized debt issue cost	**(91,801,324)**	(32,028,788)
	17,788,198,676	8,212,971,212
Less current portion:		
Principal	**3,780,000,000**	265,000,000
Unamortized debt issue cost	**(7,048,485)**	(3,163,637)
	3,772,951,515	261,836,363
Noncurrent portion - net of debt issue cost	**₱14,015,247,161**	₱7,951,134,849

Debt Issue Cost
The movements in unamortized debt issue cost in 2018 and 2017 are as follows:

	2018	2017
Balance at beginning of year	**₱32,028,788**	₱9,692,424
Additions	**74,250,500**	25,500,000
Amortization	**(14,477,964)**	(3,163,636)
Balance at end of year	**₱91,801,324**	₱32,028,788

The future expected principal settlements of the long-term debt as at December 31 follow:

	2018	2017
2018	**₱–**	₱265,000,000
2019	**3,780,000,000**	3,780,000,000
2020	**2,590,000,000**	1,525,000,000
2021	**3,380,000,000**	1,400,000,000
2022	**3,255,000,000**	1,275,000,000
2023	**1,980,000,000**	–
2024	**1,980,000,000**	–
2025	**915,000,000**	–
	₱17,880,000,000	₱8,245,000,000

Interest expense incurred related to long-term debt amounted to ₱582.5 million and ₱116.0 million in 2018 and 2017, respectively, which include amortization of debt issue cost amounting to ₱14.5 million and ₱3.2 million in 2018 and 2017, respectively (see Note 23).

Accrued interest expense included in "Trade payables and other current liabilities" account amounted to ₱64.9 million and ₱14.4 million as at December 31, 2018 and 2017, respectively (see Note 15).

Debt Covenants
The Company's ₱1,500.0 million, ₱1,000.0 million and ₱1,600.0 million and ₱4,200.0 million loans with MBTC are subject to affirmative debt covenants, including maintaining business, maintaining property insurance, paying taxes, notifying MBTC of material legal proceedings and agreements, and maintaining accurate accounting records, among others. They are also subject to negative debt covenants, including not making material changes in business, not permitting material changes in ownership and voting control, and not guaranteeing debt of non-subsidiaries and non-affiliates, among others. Noncompliance with these debt covenants may result to the acceleration of the maturity of the loans. In addition, the Company is required not to exceed a Debt-to-Equity ratio and

Debt-to-EBITDA ratio of 3.0. The Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

The Company's ₱800.0 million, ₱2,100.0 million, ₱3,000.0 million and ₱2,700.0 million loans with BPI are subject to affirmative debt covenants, including maintaining and preserving corporate existence, rights, privileges and franchises, keeping proper and adequate accounting records, complying with laws, and furnishing BPI with audited financial statements and interim financial reporting statements, among others. They are also subject to negative covenants, including not making material changes in business, not making material changes in its ownership, engaging in business not authorized by its articles of incorporation, and assigning, transferring or conveying any right to receive income or revenues except in the ordinary course of business, among others. In addition, the Company is required not to exceed a Debt-to-Equity ratio of 3.0 and to maintain a Debt Service Coverage ratio of at least 1.3. The Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

The Company's ₱800.0 million loan with MUFG is subject to affirmative debt covenants, including maintaining business, maintaining property insurance, paying taxes, notifying MUFG of material legal proceedings and agreements, and maintaining accurate accounting records, among others. It is also subject to negative debt covenants, including not making material changes in business, not permitting material changes in ownership and voting control, and not guaranteeing debt of non-subsidiaries and non-affiliates, among others. In addition, the Company is required not to exceed a Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0. The Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

The Company's ₱600.0 million loan with Citi is subject to affirmative debt covenants, including maintaining business, maintaining property insurance, compliance with law, paying all indebtedness and contractual obligations, paying taxes, notifying Citi of material legal proceedings and agreements, maintaining accurate accounting records, and furnishing Citi with audited financial statements and interim financial reporting statements, among others. It is also subject to negative debt covenants, including not making material changes in business, not permitting material changes in ownership and voting control, and not guaranteeing debt of non-subsidiaries and non-affiliates, among others. In addition, the Company is required not to exceed a Debt-to-Equity ratio and Debt-to-EBITDA ratio of 3.0 and to maintain a Debt Service Coverage ratio of at least 1.3. The Company is in compliance with these debt covenants as at December 31, 2018 and 2017.

18. **Capital Stock**

The movements in this account are as follows:

	2018	2017
Authorized - ₱1 par value		
1,450,000,000 shares	**₱1,450,000,000**	₱1,450,000,000
Issued and subscribed 1,088,052,815 shares in 2018 and 1,085,323,400 shares in 2017:		
Balance at beginning of the year	**₱1,101,655,575**	₱1,091,268,535
Issuances during the year	**3,558,182**	10,387,040
Balance at end of year	**1,105,213,757**	1,101,655,575
Subscriptions receivable	**(17,177,884)**	(17,177,884)
	₱1,088,035,873	₱1,084,477,691

The Company's common stock held in treasury consists of 16.4 million shares costing ₱180.5 million as at December 31, 2018 and 2017.

As required by SRC Rule 68, as Amended (2011), Annex 68-D, below is the summary of the Company's track record of registration of securities.

	Number of shares registered	Issue/offer price	Date of approval	Number of holders of securities as at December 31 2018	2017
Common shares	75,000,000	₱9	June 21, 1993	**3,023**	3,042

19. Retained Earnings

Cash dividend declarations for 2018 and 2017 follow:

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
2018				
April 6	April 24	May 9	**₱1.14**	**₱1,236,518,182**
November 9	November 26	December 10	**1.34**	**1,455,268,625**
			₱2.48	**₱2,691,786,807**
2017				
April 5	April 21	May 5	₱1.00	₱1,077,526,675
November 10	November 27	December 11	1.18	1,277,983,973
			₱2.18	₱2,355,510,648

The Company has a cash dividend policy of declaring one-third of its net income for the year as cash dividends. It uses its best estimate of its net income as basis for declaring such cash dividends. Actual cash dividends per share declared as a percentage of the consolidated basic earnings per share of the Jollibee Group are 32.4% and 33.1% in 2018 and 2017, respectively.

An important part of the Company's growth strategy is the acquisition of new businesses in the Philippines and abroad. Examples were acquisitions of 85% of Yonghe King in 2004 in PRC (₱1,200.0 million), 100% of Red Ribbon in 2005 (₱1,700.0 million), the remaining 20% minority share in Greenwich in 2007 (₱384.0 million), the remaining 15% share of Yonghe King in 2007 (₱413.7 million), 100% of Hong Zhuang Yuan restaurant chain in PRC in 2008 (₱2,600.0 million), 70% of Mang Inasal in 2010 (₱2,976.2 million), 100% of Chowking US operations in 2011 (₱693.3 million), 48% of WJ Investments Limited in 2012 (₱98.0 million), 40% of SJBF LLC, the parent company of the entities comprising the Smashburger in USA in 2015 (₱4,812.8 million, including transaction costs), the remaining 30% minority share each in Mang Inasal (₱2,000.0 million) and HBFPPL (₱514.9 million) in 2016, 30% of C-Joy Poultry in 2016 (₱233.4 million), 30% of Cargill Realty in 2016 (₱10.6 million), 100% of GSC in 2016 (₱8.6 million), acquisition of additional 10% of SuperFoods Group in 2017 (₱2,712.7 million), the remaining 60% of SJBF LLC in 2018 (₱5,735.8 million).

The Company plans to continue to make substantial acquisitions in the coming years. The Company uses its cash generated from operations and from debt financing to finance these acquisitions and capital expenditures. These limit the amount of cash dividends that the Company can declare and pay, resulting to a level of retained earnings higher than the paid-in capital stock.

On November 9, 2018, the BOD of the Company approved the following:

- Release of previously approved appropriated retained earnings amounting to a total of ₱18,200.0 million related to the completed projects in 2013 to 2018.

- Appropriation of retained earnings amounting to ₱20,000.0 million, details of which are as follows:

Projects	Timeline	Amount
Capital expenditures	2019-2024	₱12,000,000,000
Acquisition of businesses	2019-2024	8,000,000,000
		₱20,000,000,000

The unappropriated retained earnings of the Company is also restricted for the payment of dividends to the extent of the cost of common stock held in treasury amounting to ₱180.5 million as at December 31, 2018 and 2017. The Company's retained earnings available for dividend declaration, determined based on the guidelines provided by the SEC, is presented in the consolidated financial statements filed with the SEC.

20. Revenues

Set out below is the disaggregation of the Company's revenue from contracts with customers for the year ended December 31:

		2018	
Revenue Source	**Food Service**	**Franchising**	**Total**
Sale of goods	**₱55,980,924,562**	**₱–**	**₱55,980,924,562**
Royalty and set-up fees	**–**	**5,724,770,556**	**5,724,770,556**
Service revenue and others	**4,012,428,452**	**–**	**4,012,428,452**
	59,993,353,014	**5,724,770,556**	**65,718,123,570**
PFRS 15 impact on system-wide advertising fees	**–**	**1,789,948,510**	**1,789,948,510**
Total revenue from contracts with customers	**₱59,993,353,014**	**₱7,514,719,066**	**₱67,508,072,080**

Timing of recognition:	
Goods transferred at a point in time	**₱67,364,072,080**
Services transferred over time	**144,000,000**
	₱67,508,072,080

		2017	
Revenue Source	Food Service	Franchising	Total
Sale of goods	₱49,452,193,970	₱–	₱49,452,193,970
Royalty and set-up fees	–	4,768,628,313	4,768,628,313
Service revenue and others	4,501,812,344	–	4,501,812,344
	53,954,006,314	4,768,628,313	58,722,634,627
PFRS 15 impact on system-wide advertising fees	–	1,514,423,650	1,514,423,650
Total revenue from contracts with customers	₱53,954,006,314	₱6,283,051,963	₱60,237,058,277

Timing of recognition:	
Goods transferred at a point in time	₱60,150,658,277
Services transferred over time	86,400,000
	₱60,237,058,277

Net Sales. Net sales pertain to sale of inventories less sales discounts for the years ended December 31, 2018 and 2017.

Royalty and Set-up Fees. The Company has existing Royalty and Service Agreements with certain subsidiaries and independent franchisees for the latter to operate QSR outlets under the "Jollibee" concept and trade name. In consideration thereof, the franchisees agree to pay set-up fees and monthly royalty fees equivalent to a certain percentage of the subsidiaries' and independent franchisees' net sales.

21. Cost of Sales and Services

This account consists of:

	2018	2017
Cost of Sales		
Cost of inventories (see Note 28)	**₱37,580,305,029**	₱32,460,538,607
Contracted services	**2,528,447,279**	2,287,867,795
Freight	**1,934,865,442**	1,382,028,512
Personnel expenses:		
Salaries, wages and employee benefits	**1,861,851,527**	1,738,553,813
Pension expense (see Note 26)	**57,144,515**	53,835,478
Rent (see Notes 28 and 29)	**1,829,298,408**	1,690,639,319
Electricity and other utilities	**1,280,880,753**	1,175,387,899
Service fees (see Note 28)	**1,162,537,019**	974,931,161
Depreciation and amortization (see Notes 11 and 13)	**1,083,647,442**	1,005,245,072
Supplies	**659,171,243**	593,064,159
Security and janitorial	**273,006,511**	236,915,627
Repairs and maintenance	**187,001,907**	443,719,501
Transportation and travel	**106,552,252**	103,117,796
Taxes and licenses	**57,207,066**	84,518,463
Communication	**32,908,608**	35,281,583
Representation and entertainment	**17,465,538**	17,470,647
Professional fees	**459,473**	1,170,874
Others	**821,704,247**	809,764,971
	51,474,454,259	45,094,051,277
Cost of Services		
Advertising expense (see Note 2)	**1,789,948,510**	1,514,423,650
Cost of labor and materials	**629,619,481**	483,607,194
Rent (see Note 29)	**69,402,039**	67,759,624
Professional fees	**65,459,259**	–
Service fees (see Note 28)	**54,946,212**	58,728,510
Depreciation and amortization (see Notes 11 and 13)	**35,577,348**	36,181,348
Taxes and licenses	**9,156,594**	32,416,313
Others	**2,575,702**	6,176,294
	2,656,685,145	2,199,292,933
	₱54,131,139,404	₱47,293,344,210

Others consist of delivery costs, supplies and Company's share in common usage area and insurance.

22. **General and Administrative Expenses**

This account consists of:

	2018	2017
Personnel expenses:		
Salaries, wages and employee benefits	**₱3,264,371,184**	₱3,257,364,826
Stock options expense (see Note 27)	**277,773,865**	209,707,270
Pension expense (see Note 26)	**–**	159,792,161
Service and management fees (see Note 28)	**764,420,797**	625,852,030
Taxes and licenses	**565,630,989**	480,292,229
Professional fees	**502,034,284**	504,752,429
Depreciation and amortization (see Notes 11, 12 and 13)	**339,592,385**	314,921,711
Corporate events and research	**290,328,200**	307,794,106
Transportation and travel	**266,717,202**	245,627,105
Repairs and maintenance	**148,806,765**	101,224,306
Subscriptions	**127,385,037**	130,993,834
Rent (see Notes 28 and 29)	**121,328,218**	96,601,988
Trainings and seminars	**102,690,889**	87,660,185
Donations (see Note 28)	**101,042,645**	93,291,215
Communication	**75,657,228**	66,620,525
Contracted services	**42,131,481**	67,884,933
Electricity and other utilities	**40,567,036**	25,809,539
Association dues	**36,347,944**	49,659,225
Delivery charges	**36,026,886**	41,846,599
Supplies	**32,678,199**	35,013,847
Representation and entertainment	**30,194,806**	32,716,686
Insurance	**13,053,323**	12,890,987
Security and janitorial	**8,729,320**	8,124,160
Net provision (reversal) of impairment losses on:		
Trade receivables (see Note 6)	**(12,878,150)**	(784,741)
Inventories (see Note 7)	**576,650**	(43,543,322)
Others	**312,066,286**	202,192,121
	₱7,487,273,469	₱7,114,305,954

23. **Interest Income (Expense)**

The Company's interest income and expenses consist of:

	2018	2017
Interest income:		
Cash and cash equivalents (see Note 5)	**₱100,928,122**	₱26,939,234
Advances to related parties (see Note 28)	**73,888,356**	47,461,370
Accretion of interest on refundable deposits and employees' car plan receivables (see Note 14)	**13,190,522**	12,740,225
	188,007,000	87,140,829

(Forward)

	2018	2017
Interest expense:		
Long-term debt (see Note 17)	**(₱582,548,296)**	(₱116,034,762)
Due to related parties (see Note 28)	**(13,334,912)**	(27,371,529)
Accretion of interest on customers' deposits (see Note 15)	**–**	(352,361)
	(595,883,208)	(143,758,652)
	(₱407,876,208)	(₱56,617,823)

24. **Other Income - Net**

This account consists of:

	2018	2017
Dividend income (see Note 28)	**₱1,550,000,000**	₱2,164,000,000
Write-off of long-outstanding liabilities	**1,178,987,282**	757,014,567
Pension income (see Note 26)	**82,713,822**	–
Net gain on disposals of:		
Property, plant and equipment (see Note 11)	**58,537,274**	25,470,534
Investment properties (see Note 13)	**–**	231,035,934
Guarantee fee income (see Note 28)	**56,275,492**	–
Net unrealized gain on financial assets at FVTPL (see Note 9)	**9,980,000**	–
Net foreign exchange gain (loss) (see Note 30)	**7,895,945**	(46,343,220)
Others	**153,377,460**	205,420,628
	₱3,097,767,275	₱3,336,598,443

In the normal course of business, the Company accrues liabilities based on management's best estimate of costs incurred, particularly in cases when the Company has not yet received final billings from suppliers and vendors. There are also ongoing negotiations and reconciliations with suppliers and vendors on certain liabilities recorded. These balances are continuously reviewed by management and are adjusted based on these reviews, resulting to write-off of certain liabilities as other income.

Others consist mainly of income from charges to truckers and suppliers, insurance claims and salary charges for borrowed staff.

25. **Income Taxes**

The provision for current income tax consists of the following:

	2018	2017
Final taxes on:		
Royalty fees	**₱1,076,609,106**	₱910,934,190
Interest income	**17,706,839**	4,316,941
MCIT	**244,813,891**	190,633,603
Capital gains tax	**–**	21,929,400
	₱1,339,129,836	₱1,127,814,134

The details of the Company's deferred tax assets and liabilities are as follows:

	2018	2017
Deferred tax assets:		
Cost of stock options	**₱1,209,630,625**	₱937,754,762
Excess of MCIT over RCIT	**614,579,804**	513,071,720
NOLCO	**311,330,585**	539,488,164
Operating lease payables	**277,857,105**	250,684,147
Pension liability	**218,973,482**	307,729,335
Provision for bonus	**121,445,386**	94,289,045
Unrealized foreign exchange loss	**84,625,058**	38,414,640
Allowance for impairment losses on:		
Receivables	**58,263,107**	62,126,552
Inventories	**5,047,620**	4,874,625
Non-performing assets	**3,053,002**	4,077,786
Unamortized past service cost	**11,632,605**	2,789,642
Unaccreted discount on:		
Refundable deposits	**9,186,432**	6,355,755
Employees' car plan receivables	**2,994,323**	3,263,261
Provisions	**9,150,192**	9,150,192
	2,937,769,326	2,774,069,626
Deferred tax liabilities:		
Unrealized foreign exchange gain	**92,707,227**	34,101,678
Prepaid rent	**36,953,031**	46,768,460
Operating lease receivables	**10,030,251**	3,393,000
Deferred rent expense	**9,752,127**	11,390,999
Deferred compensation expense	**4,302,959**	4,774,680
Net unrealized gain on financial assets at FVTPL/AFS financial assets	**2,689,500**	1,192,500
	156,435,095	101,621,317
	₱2,781,334,231	₱2,672,448,309

The net change in net deferred tax assets recognized in additional paid-in capital and other comprehensive income amounted to ₱224.1 million and ₱17.9 million in 2018, respectively, and ₱731.0 million and ₱37.8 million in 2017, respectively.

As at December 31, 2018, the Company's NOLCO and excess MCIT over RCIT, which can be carried forward and claimed as deduction against regular taxable income and as tax credit against RCIT due, respectively, are as follows:

Year Incurred	Expiry	NOLCO	MCIT
2016	2019	₱1,037,768,615	₱179,132,310
2017	2020	–	190,633,603
2018	2021	–	244,813,891
		₱1,037,768,615	₱614,579,804

The movements in NOLCO and MCIT are as follows:

	2018	2017
NOLCO:		
Balance at beginning of year	**₱1,798,293,880**	₱2,675,907,355
Utilization	**(694,283,554)**	(877,613,475)
Expired	**(66,241,711)**	–
Balance at end of year	**₱1,037,768,615**	₱1,798,293,880
MCIT:		
Balance at beginning of year	**₱513,071,720**	₱451,273,321
Additions	**244,813,891**	190,633,603
Expired	**(143,305,807)**	(128,835,204)
Balance at end of year	**₱614,579,804**	₱513,071,720

The reconciliation between provision for income tax computed using income before income tax at the statutory tax rate of 30% with the provision for income tax as shown in the parent company statement of comprehensive income are as follows:

	2018	2017
Provision for income tax at statutory tax rate of 30%	**₱2,391,107,335**	₱2,531,542,376
Tax effects of:		
Effect of different tax rates for royalty fees and interest income	**(550,206,006)**	(457,801,073)
Dividend income	**(465,000,000)**	(649,200,000)
Expired MCIT and NOLCO	**163,178,320**	128,835,204
Intrinsic value of stock options exercised	**(148,573,492)**	(310,585,216)
Nondeductible expenses	**95,175,559**	5,875,679
Tax effect of MSOP and ELTIP	**(47,771,474)**	(147,033,547)
Effect of different tax rates for capital gains	**(1,497,000)**	(47,381,381)
	₱1,436,413,242	₱1,054,252,042

Republic Act (RA) No.10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018. Although the TRAIN changes existing tax law and includes several provisions that will generally affect businesses on a prospective basis, the management has assessed that the same did not have any significant impact on the financial statement balances as of the reporting date.

26. Pension Benefits

The Company has a funded, independently-administered, non-contributory defined benefit retirement plan covering all regular and permanent employees with benefits based on years of service and latest compensation. The plan provides for a lump sum benefit payment upon retirement.

The funds are administered by a trustee bank. Subject to the specific instructions provided by the Company in writing, the Company directs the trustee bank to hold, invest and reinvest the funds, and keep the same invested, in its sole discretion, without distinction between principal and income, but not limited to, certain government securities and bonds, quoted equity securities, and short-term fixed income securities.

The existing regulatory framework, Republic Act No. 7641, Retirement Pay Law, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of "Pension expense (income)", included under "Cost of sales and services", "General and administrative expenses" and "Other income" accounts in the parent company statement of comprehensive income and "Pension liability" account in the parent company statement of financial position, which are based on the latest actuarial valuation.

Changes in pension liability of the Company in 2018 are as follows:

	Present Value of Defined Benefit Plan	**Fair Value of Plan Assets**	**Pension Liability**
At January 1, 2018	**₱2,364,167,643**	**₱1,338,403,194**	**₱1,025,764,449**
Net pension expense (income) (see Notes 21, 22 and 24):			
Current service cost	**167,416,276**	**–**	**167,416,276**
Net interest	**134,463,158**	**78,965,788**	**55,497,370**
Settlement loss	**2,444,748**	**–**	**2,444,748**
Transferred out (see Note 28)	**(253,578,196)**	**–**	**(253,578,196)**
Transferred in	**2,650,495**	**–**	**2,650,495**
	53,396,481	**78,965,788**	**(25,569,307)**
Benefits paid	**(68,594,621)**	**(68,594,621)**	**–**
Settlements paid from plan assets	**(26,188,403)**	**(26,188,403)**	**–**
Remeasurements in OCI:			
Actuarial changes due to experience	**47,235,307**	**–**	**47,235,307**
Actuarial changes arising from changes in financial assumptions	**(246,452,811)**	**–**	**(246,452,811)**
Actuarial changes arising in demographic assumptions	**(9,799,364)**	**–**	**(9,799,364)**
Return on plan assets (excluding amount included in net interest)	**–**	**(149,233,334)**	**149,233,334**
	(209,016,868)	**(149,233,334)**	**(59,783,534)**
Contributions	**–**	**210,500,000**	**(210,500,000)**
At December 31, 2018	**₱2,113,764,232**	**₱1,383,852,624**	**₱729,911,608**

Changes in pension liability of the Company in 2017 are as follows:

	Present Value of Defined Benefit Plan	Fair Value of Plan Assets	Pension Liability
At January 1, 2017	₱2,232,950,397	₱1,107,375,399	₱1,125,574,998
Net pension expense (see Notes 21 and 22):			
Current service cost	166,884,948	–	166,884,948
Net interest	115,946,440	57,583,521	58,362,919
Transferred out	(16,832,224)	–	(16,832,224)
Transferred in	5,211,996	–	5,211,996
	271,211,160	57,583,521	213,627,639
Benefits paid	(59,080,953)	(59,080,953)	–
(Forward)			

	Present Value of Defined Benefit Plan	Fair Value of Plan Assets	Pension Liability
Remeasurements in OCI:			
Actuarial changes due to experience	₱60,075,006	₱–	₱60,075,006
Actuarial changes arising from changes in financial assumptions	(140,987,967)	–	(140,987,967)
Return on plan assets (excluding amount included in net interest)	–	42,525,227	(42,525,227)
	(80,912,961)	42,525,227	(123,438,188)
Contributions	–	190,000,000	(190,000,000)
At December 31, 2017	₱2,364,167,643	₱1,338,403,194	₱1,025,764,449

The actual return on plan assets amounted to ₱70.3 million and ₱100.1 million in 2018 and 2017, respectively.

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions. The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Company expects to contribute to its defined benefit retirement plan in 2019 the amount of ₱378.7 million.

The following table sets forth the fair values, which are equal to the carrying values, of the plan assets recognized as at December 31:

	2018	2017
Cash and cash equivalents:		
Cash in banks	**₱10,729**	₱–
Short-term deposits	**436,389,000**	316,628,000
Investments in Philippine government securities:		
Fixed-rate treasury notes	**284,675,758**	482,292,765
Retail treasury bonds	**153,450,444**	195,831,722
Treasury bills	**60,000,000**	–
Investment in debt securities	**127,956,880**	50,347,932
Investments in quoted equity securities:		
Holding firms	**125,514,640**	136,932,692
Property	**73,591,250**	78,727,340
Banks	**71,533,750**	79,638,920
Food and beverage	**40,329,440**	45,331,000
Services	**18,085,640**	19,643,300
Telecommunication	**18,047,500**	22,930,000
Electricity, energy, power and water	**16,148,000**	15,229,300
Others	**3,457,500**	6,309,700
Interest and dividends receivable	**10,858,531**	12,311,986
Fund liabilities (see Note 28)	**(56,196,438)**	(123,751,463)
	₱1,383,852,624	₱1,338,403,194

The plan's assets and investments consist of the following:

- Cash and cash equivalents include regular savings and time deposits.
- Investments in government securities which consist of retail treasury bonds that bear interest ranging from 3.25%-7.38% and have maturities from April 2020 to March 2032, fixed-rate treasury notes that bear interest ranging from 2.13%-8.5% and have maturities from February 2019 to November 2032 and treasury bills that have maturities from March 2019 to September 2019;
- Investments in debt securities consist of long-term corporate bonds in the property sector, which bear interest ranging from 5.17%-6.08% maturing from March 2025;
- Investments in shares of stocks listed in the Philippine Stock Exchange; and,
- Other financial assets held by the retirement plan are primarily accrued interest and dividends receivables.
- Fund liabilities pertain to the advances made by the Company for payments made to retired employees and accruals for trust fees (see Note 28).

The principal assumptions used to determine pension liability as at December 31 are as follows:

	2018	2017
Discount rate	**7.40%**	5.90%
Salary increase rate	**6.00%**	6.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (Decrease) in Basis Points	**2018**	2017
Discount rate	50	**(₱73,672,270)**	(₱92,072,131)
	(50)	**79,037,592**	99,171,574
Salary increase rate	50	**79,729,842**	98,591,661
	(50)	**(74,952,879)**	(92,408,556)

The Company does not have a formal asset-liability matching strategy. The overall investment policy and strategy of the retirement plan is based on the client suitability assessment, as provided by its trustee bank, in compliance with the Bangko Sentral ng Pilipinas requirements. It does, however, ensure that there will be sufficient assets to pay the retirement benefits as they fall due while attempting to mitigate the various risks of the plan.

The average duration of the defined benefit obligation is 10 years as at December 31, 2018 and 2017.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2018	2017
Less than 1 year	**₱658,907,307**	₱594,799,765
More than 1 year to 5 years	**645,400,099**	644,006,284
More than 5 years to 10 years	**1,376,272,493**	1,521,166,552
More than 10 years to 15 years	**1,521,976,274**	1,529,249,784
More than 15 years to 20 years	**1,361,323,459**	1,455,919,417
More than 20 years	**4,360,481,640**	4,106,279,313

27. Stock Options Plan

Senior Management Stock Option and Incentive Plan
On January 10, 2017 and December 17, 2002, the SEC approved the exemption requested by the Company on the registration requirements of 31,500,000 and 101,500,000 options, respectively, underlying the Company's common shares to be issued pursuant to the Company's Senior Management Stock Option and Incentive Plan (the Plan). The Plan covers selected key members of management of the Company, certain subsidiaries and designated affiliated entities.

The Plan is divided into two programs, namely, the Management Stock Option Program (MSOP) and the Executive Long-term Incentive Program (ELTIP). The MSOP provides a yearly stock option grant program based on company and individual performance while the ELTIP provides stock ownership as an incentive to reinforce entrepreneurial and long-term ownership behavior of participants.

MSOP. The MSOP is a yearly stock option grant program open to members of the senior corporate management committee of the Company and members of the management committee, key talents and designated consultants of some of the business units.

Each MSOP cycle refers to the period commencing on the MSOP grant date and ending on the last day of the MSOP exercise period. Vesting is conditional on the employment of the employee-participants in the Company within the vesting period. The options will vest at the rate of one-third of the total options granted on each anniversary of the MSOP grant date until the third anniversary.

The exercise price of the stock options is determined by the Company with reference to the prevailing market prices over the three months immediately preceding the date of grant for the 1st to the 7th MSOP cycle. Starting with the 8th MSOP cycle, the exercise price of the option is determined by the Company with reference to the closing market price as at date of grant.

The options will vest at the rate of one-third of the total options granted from the start of the grant date on each anniversary date which will start after a year from the grant date. For instance, under the 1st MSOP cycle, the Compensation Committee of the Company granted 2,385,000 options to eligible participants on July 1, 2004. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005. The exercise period for the 1st MSOP cycle was until June 30, 2012. From July 1, 2005 to July 3, 2017, the Compensation Committee granted series of MSOP grants under the 2nd to 14th MSOP cycle to eligible participants. Under the most recent grant (July 9, 2018), the 15th MSOP cycle, the Compensation Committee granted 3,308,050 options. These options vest similar to the 1st MSOP cycle.

The options under MSOP expire eight years after grant date. The 1st, 2nd, 3rd 4th, 5th, 6th and 7th MSOP cycles expired on June 30, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, respectively.

The Company does not pay cash as a form of settlement.

The movements in the number of stock options outstanding under MSOP and related weighted average exercise prices (WAEP) for the years ended December 31, 2018 and 2017 follow:

	2018		2017	
	Number of options	**WAEP**	Number of options	WAEP
Total options granted as at beginning of year	**47,184,794**	**₱102.59**	42,986,294	₱92.47
Options granted during the year	**3,308,050**	**245.00**	4,198,500	206.20
Total options granted as at end of year	**50,492,844**	**₱111.92**	47,184,794	₱102.59
Outstanding at beginning of year	**16,780,550**	**₱176.63**	15,256,198	₱159.46
Options granted during the year	**3,308,050**	**245.00**	4,198,500	206.20
Options exercised during the year	**(2,234,849)**	**145.31**	(2,672,040)	110.35
Options forfeited during the year	**(240,498)**	**204.03**	(2,108)	213.28
Outstanding at end of year	**17,613,253**	**₱193.07**	16,780,550	₱176.63
Exercisable at end of year	**10,612,036**	**₱169.70**	9,688,683	₱151.94

The weighted average share price was ₱278.16 and ₱222.86 in 2018 and 2017, respectively. The weighted average remaining contractual life for the stock options outstanding is 4.48 years and 5.21 years as at December 31, 2018 and 2017, respectively.

The weighted average fair value of stock options granted is ₱58.42 and ₱29.88 in 2018 and 2017, respectively. The fair value of the share options as at grant date is estimated using the Black-Scholes Option Pricing Model, taking into account, the terms and conditions upon which the options were granted. The option style used for this plan is the American style because this option plan allows exercise before the expiry date.

The inputs to the model used for the options granted on the dates of grant for each MSOP cycle are shown below:

MSOP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
1st	2004	1.72%	36.91%	6.20%	5-7 years	₱24.00	₱20.00
2nd	2005	1.72%	36.91%	6.20%	5-7 years	29.00	27.50
3rd	2006	1.72%	36.91%	6.20%	5-7 years	35.00	32.32
4th	2007	1.70%	28.06%	6.41%	3-4 years	52.50	50.77
5th	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
6th	2009	2.00%	30.37%	5.28%	3-4 years	48.00	45.45
7th	2010	2.00%	29.72%	5.25%	3-4 years	70.00	57.77
8th	2011	2.00%	34.53%	4.18%	3-4 years	89.90	89.90
9th	2012	2.00%	28.72%	3.50%	3-4 years	107.90	107.90
10th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00
11th	2014	2.00%	24.87%	2.64%	3-4 years	179.80	179.80
12th	2015	2.00%	18.94%	2.98%	3-4 years	180.00	180.00
13th	2016	2.00%	17.76%	2.63%	3-4 years	236.00	236.00
14th	2017	2.00%	16.70%	3.92%	3-4 years	206.20	206.20
15th	2018	2.00%	28.98%	4.95%	3-4 years	245.00	245.00

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

ELTIP. The ELTIP entitlement is given to members of the management committee.

Each ELTIP cycle refers to the period commencing on the ELTIP entitlement date and ending on the last day of the ELTIP exercise period. Actual grant and vesting is conditional upon achievement of the Jollibee Group's medium to long-term goals and individual targets in a given period, and the employment of the employee-participants in the Company within the vesting period. If the goals are achieved, the options will be granted. For the 3rd ELTIP cycle, a percentage of the options to be granted are based on the percentage of growth in annual earnings per share such that 100%, 50% or 25% of the options are granted when percentage of growth in annual earnings per share are 12% and above, 10% to less than 12% or 8% to less than 10%, respectively. For the 4th ELTIP cycle, the percentage of the options to be granted and the target percentage of growth in annual earnings per share have been revised such that 150%, 100% or 50% of the options granted when percentage of growth in annual earnings per share are 15% and above, 12% to less than 15% or 10% to less than 12%, respectively.

The exercise price of the stock options under ELTIP is determined by the Company with reference to the prevailing market prices over the three months immediately preceding the date of entitlement for the 1st and 2nd ELTIP cycles. Starting with the 3rd ELTIP cycle, the exercise price of the option is determined by the Company with reference to the closing market price as at date of the entitlement.

The options will vest at the rate of one-third of the total options granted on each anniversary date which will start after the goals are achieved. For instance, on July 1, 2004, the Compensation Committee gave an entitlement of 22,750,000 options under the 1st ELTIP cycle to eligible participants. One-third of the options granted, or 7,583,333 options, vested and were exercised starting July 1, 2007 until June 30, 2012. On July 1, 2008, October 19, 2012, August 25, 2015 and January 3, 2018, entitlement to 20,399,999, 24,350,000, 11,470,000 and 9,290,000 options were given to eligible participants under the 2nd, 3rd, 4th and 5th ELTIP cycles, respectively.

The stock options granted under the 1st and 2nd ELTIP cycles expired on June 30, 2012 and April 30, 2017, respectively, while the stock options granted under the 3rd, 4th and 5th ELTIP cycles will expire in 2020, 2023 and 2026, respectively.

The Company does not pay cash as a form of settlement.

The movements in the number of stock options outstanding for the 2nd to 4th ELTIP cycles and related WAEP for the years ended December 31, 2018 and 2017 follow:

	2018		2017	
	Number of options	**WAEP**	Number of options	WAEP
Total options granted as at beginning and end of year	**78,969,999**	**₱74.58**	78,969,999	₱74.58
Outstanding at beginning of year	**27,436,666**	**₱136.65**	35,118,896	₱122.65
Options exercised during the year	**(1,323,333)**	**111.99**	(7,682,230)	73.69
Options forfeited during the year	**(7,483,333)**	**180.00**	–	–
Outstanding at end of year	**18,630,000**	**₱120.55**	27,436,666	₱136.35
Exercisable at end of year	**15,683,333**	**₱109.38**	15,966,666	₱105.00

The weighted average remaining contractual life for the stock options outstanding is 2.07 years and 3.59 years as at December 31, 2018 and 2017, respectively.

The fair value of stock options granted is ₱26.13 in 2015. There were no additional stock option grants under ELTIP in 2018 and 2017. The fair value of share options as at grant date is estimated using the Black-Scholes Option Pricing Model, taking into account, the terms and conditions upon which the options were granted. The option style used for this plan is the American style because this option plan allows exercise before the maturity date.

The inputs to the model used for the options granted on the dates of grant for each ELTIP cycle are as shown below:

ELTIP cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
1st	2004	1.72%	36.91%	6.20%	5 years	₱24.00	₱20.00
2nd	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
3rd	2012	2.00%	28.74%	3.60%	3-4 years	105.00	105.00
4th	2015	2.00%	18.94%	2.98%	3-4 years	180.00	180.00

The cost of the stock options charged to operations under "General and administrative expenses" account for both MSOP and ELTIP amounted to ₱277.8 million and ₱209.7 million in 2018 and 2017, respectively (see Note 22). The cost of share options for employees of the subsidiaries amounted to ₱24.6 million and ₱17.8 million in 2018 and 2017, respectively, and was recognized as additional investments in subsidiaries (see Note 10).

28. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Individuals owning, directly or indirectly, an interest in the voting power of the Company that give them significant influence over the enterprise; key management personnel, including directors and officers of the Company; and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In the normal course of business, the Company engages in transactions with its subsidiaries and other related parties.

The following table provides the summary of transactions that have been entered into with related parties as at and for the years ended December 31, 2018 and 2017:

	Volume of Transactions		Outstanding Receivable (Payable)			
Category	**2018**	2017	**2018**	2017	**Terms**	**Conditions**
Subsidiaries						
Fresh N' Famous (FNF)						
Sales	**₱64,782,213**	₱95,191,557	**₱18,290,365**	₱12,184,871	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**707,391,245**	969,437,698	**236,756,924**	408,637,474	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**32,047,865**	29,674,230	**679,382**	383,091	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue – deferred	**1,078,811**	–	**1,078,811**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Management fee revenue	**416,768,560**	432,186,807	**43,414,200**	378,342,241	On demand; Noninterest-bearing	Unsecured; No impairment
Dividend income	**700,000,000**	849,000,000	**–**	–	–	–
Purchases	**9,217,735**	23,101,909	**–**	–	–	–
Interest expense	**2,441,096**	10,793,175	**–**	(2,664,329)	Monthly; Floating interest rate	Unsecured
Management fee expense	**–**	876	**–**	–	–	–
Due to FNF	**–**	–	**–**	(300,000,000)	5-years term; Floating interest rate	Unsecured
Pass-on charges – Receivables	**–**	–	**30,787,359**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges – Payables	**–**	–	**(136,663)**	(662,545)	On demand; Noninterest-bearing	Unsecured
Zenith						
Sales	**8,137,616**	11,876,441	**31,332**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**266,289,386**	250,482,893	**173,255,014**	80,588,524	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**31,404,379**	21,114,381	**3,046,563**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue - deferred	**(1,558,910)**	27,416,243	**32,162,808**	33,721,718	On demand; Noninterest-bearing	Unsecured; No impairment
Management fee revenue	**191,696,195**	183,775,308	**75,241,766**	168,010,246	On demand; Noninterest-bearing	Unsecured; No impairment
Interest income	**19,552,055**	2,802,740	**21,794,247**	2,242,192	On demand; Noninterest-bearing	Unsecured; No impairment
Dividend income	**–**	480,000,000	**–**	–	–	–
Purchases	**10,183,636,078**	8,953,475,187	**(365,449,073)**	(560,281,976)	On demand; Noninterest-bearing	Unsecured
Service fee expense	**32,677,591**	30,827,916	**–**	–	–	–
Due from Zenith	**500,000,000**	500,000,000	**1,000,000,000**	500,000,000	6-month term; Fixed interest rate	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**367,403,122**	46,607,544	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Payables	**–**	–	**(1,150,089)**	–	On demand; Noninterest-bearing	Unsecured
RRBI						
Sales	**11,390,866**	10,069,436	**2,996,733**	624,626	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**265,100,481**	360,463,720	**133,795,088**	192,860,018	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**18,993,327**	19,108,075	**–**	–	–	–
Rent revenue – deferred	**192,551**	–	**192,551**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Management fee revenue	**142,538,268**	140,332,190	**50,669,640**	109,161,584	On demand; Noninterest-bearing	Unsecured; No impairment
Purchases	**68,867,715**	60,008,691	**(4,131,492)**	(9,166,697)	On demand; Noninterest-bearing	Unsecured
Management fee expense	**51,327**	–	**–**	–	–	–

(Forward)

Category	Volume of Transactions 2018	Volume of Transactions 2017	Outstanding Receivable (Payable) 2018	Outstanding Receivable (Payable) 2017	Terms	Conditions
Pass-on charges - Receivables	**₱–**	₱–	**₱5,579,973**	₱–	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Payables	**–**	–	**(459,165)**	(2,895,654)	On demand; Noninterest-bearing	Unsecured
RRBH						
Service fee revenue	**20,602**	25,487	**5,196**	24,696	On demand; Noninterest-bearing	Unsecured; No impairment
Management fee revenue	**319,885**	333,258	**6,047**	326,600	On demand; Noninterest-bearing	Unsecured; No impairment
Dividend income	**350,000,000**	100,000,000	**–**	–	–	–
Pass-on charges - Payables	**–**	215,578	**–**	(215,578)	On demand; Noninterest-bearing	Unsecured
Grandworth						
Service fee revenue	**98,089**	89,537	**41,571**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**–**	6,444	**–**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Management fee revenue	**1,192,667**	1,170,743	**46,411**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Dividend income	**–**	35,000,000	**–**	–	–	–
Rent expense	**37,686,216**	38,550,099	**(3,103,645)**	(2,982,783)	On demand; Noninterest-bearing	Unsecured
Operating lease payable	**–**	–	**(23,500,012)**	(12,719,871)	On demand; Noninterest-bearing	Unsecured
Pass-on charges - Receivables	**–**	–	**1,575,000**	1,805,010	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Payables	**–**	–	**(5,363,546)**	(5,363,546)	On demand; Noninterest-bearing	Unsecured
Freemont						
Sales	**6,436,272,353**	5,443,912,028	**804,909,130**	1,007,184,748	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**211,102,214**	173,128,560	**136,749,435**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**329,786**	72,380	**120,632**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Management fee revenue	**600,961,823**	534,557,049	**222,002,500**	377,115,900	On demand; Noninterest-bearing	Unsecured; No impairment
Royalty fee income	**1,290,791,492**	1,093,323,777	**273,582,283**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Advertising	**430,263,831**	364,441,259	**32,019,736**	2,643,229	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**15,243,418**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Payables	**–**	–	**(1,872,956)**	(6,079,470)	On demand; Noninterest-bearing	Unsecured
JWS						
Sales	**4,910**	–	**1,500**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**30,034,939**	66,874,292	**2,832,054**	74,108,205	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**91,223,512**	140,341,951	**365,165**	73,828,766	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue - deferred	**22,411,720**	(27,187,327)	**–**	(22,411,720)	On demand; Noninterest-bearing	Unsecured
Service fee expense	**3,354,587,731**	2,614,134,674	**(517,912,454)**	(280,412,074)	On demand; Noninterest-bearing	Unsecured
Management fee expense	**42,125,072**	82,315,348	**(2,308,220)**	(4,386,174)	On demand; Noninterest-bearing	Unsecured
Interest expense	**7,733,542**	4,794,792	**(1,157,333)**	(549,733)	On demand; Noninterest-bearing	Unsecured
Due to JWS	**–**	–	**(150,000,000)**	(150,000,000)	On demand; Noninterest-bearing	Unsecured
Pass-on charges – Receivables	**–**	–	**12,725,450**	6,990,989	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Payables	**–**	–	**(656,790)**	(2,437,934)	On demand; Noninterest-bearing	Unsecured

(Forward)

Category	Volume of Transactions 2018	2017	Outstanding Receivable (Payable) 2018	2017	Terms	Conditions
Mang Inasal						
Sales	**₱13,480,578**	₱40,385,514	**₱4,827,484**	₱545,364	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**225,305,163**	359,428,651	**52,423,114**	157,246,594	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**5,749,421**	4,481,523	**–**	–	–	–
Management fee revenue	**210,001,015**	213,324,693	**9,141,459**	174,575,704	On demand; Noninterest-bearing	Unsecured; No impairment
Dividend income	**500,000,000**	700,000,000	**–**	–	–	–
Purchases	**4,232**	–	**–**	–	–	–
Service fee expense	**10,959**	–	**–**	–	–	–
Interest expense	**3,160,274**	11,783,562	**–**	(6,771,449)	On demand; Noninterest-bearing	Unsecured
Due to Mang Inasal	**–**	600,000,000	**–**	(600,000,000)	On demand; Interest-bearing	Unsecured
Pass-on charges - Receivables	**–**	–	**3,467,733**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Payables	**–**	–	**(40,872)**	–	On demand; Noninterest-bearing	Unsecured
PERFI						
Sales	**800,054**	669,974	**17,376,600**	17,472,532	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**36,698,247**	36,840,837	**42,831,673**	34,752,740	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**5,320,850**	4,752,439	**7,912,179**	179,440	On demand; Noninterest-bearing	Unsecured; No impairment
Management fee revenue	**70,632,599**	64,631,921	**92,501,746**	32,468,821	On demand; Noninterest-bearing	Unsecured; No impairment
Interest income	**54,336,301**	44,658,630	**45,635,479**	25,910,575	On demand; Noninterest-bearing	Unsecured; No impairment
Due from PERFI	**200,000,000**	510,000,000	**1,618,000,000**	1,418,000,000	3-month to 5-year terms; Interest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**73,592,969**	102,253,798	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Payables	**–**	–	**(5,876,456)**	(454,897)	On demand; Noninterest-bearing	Unsecured
PERF MOA Pasay, Inc.						
Sales	**27,392**	–	**–**	–	–	–
Service fee revenue	**34,893**	38,302	**17,325**	395	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**–**	35,284	On demand; Noninterest-bearing	Unsecured; No impairment
PERF Trinoma, Inc.						
Service fee revenue	**34,211**	77,302	**17,325**	622	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**–**	9,892	On demand; Noninterest-bearing	Unsecured; No impairment
Adgraphix						
Marketing collaterals	**42,132,215**	87,722,836	**(49,224,204)**	(35,836,129)	On demand; Noninterest-bearing	Unsecured
Chanceux, Inc.						
Pass-on charges - receivables	**–**	–	**44,400**	44,400	On demand; Noninterest-bearing	Unsecured; No impairment

(Forward)

Category	Volume of Transactions 2018	2017	Outstanding Receivable (Payable) 2018	2017	Terms	Conditions
JWPL						
Royalty fee income	**₱150,185,320**	₱116,839,545	**₱594,749,515**	₱444,564,195	On demand; Noninterest-bearing	Unsecured; No impairment
Jollibee Vietnam Corporation Ltd.						
Sales	**37,085,025**	32,151,476	**329,796,146**	244,623,785	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**(551,250)**	2,336,250	**1,785,000**	2,336,250	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**39,193,844**	73,148,386	On demand; Noninterest-bearing	Unsecured; No impairment
PT Chowking Indonesia						
Pass-on charges - Receivables	**–**	–	**24,918,228**	25,610,401	On demand; Noninterest-bearing	Unsecured; No impairment
RRBI USA						
Pass-on charges - Receivables	**–**	–	**525,662**	503,578	On demand; Noninterest-bearing	Unsecured; No impairment
TTC						
Sales	**–**	–	**18,496,831**	18,496,831	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**2,604,764**	1,718,244	On demand; Noninterest-bearing	Unsecured; No impairment
Golden Beeworks Pte., Ltd.						
Sales	**42,631,779**	17,199,567	**30,258,916**	13,926,098	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**(35,000)**	462,969	**427,969**	462,969	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**12,425,133**	4,746,064	On demand; Noninterest-bearing	Unsecured; No impairment
Hong Zhuang Yuan						
Due to Hong Zhuang Yuan	**–**	–	**(6,234,899)**	(6,234,899)	On demand; Noninterest-bearing	Unsecured
Pass-on charges - Receivables	**–**	–	**729,658**	1,471,512	On demand; Noninterest-bearing	Unsecured; No impairment
Shanghai Yong He King						
Pass-on charges - Receivables	**–**	–	**25,569,760**	25,413,718	On demand; Noninterest-bearing	Unsecured; No impairment
Beijing Yong He King						
Pass-on charges - Receivables	**–**	–	**1,977,938**	3,399,872	On demand; Noninterest-bearing	Unsecured; No impairment
Shenzhen Yong He King						
Pass-on charges - Receivables	**–**	–	**2,719,079**	2,703,743	On demand; Noninterest-bearing	Unsecured; No impairment
Hangzhou Yongtong						
Pass-on charges - Receivables	**–**	–	**757,106**	752,839	On demand; Noninterest-bearing	Unsecured; No impairment

(Forward)

Category	Volume of Transactions 2018	2017	Outstanding Receivable (Payable) 2018	2017	Terms	Conditions
Hangzhou Yong He King						
Pass-on charges - Receivables	**₱–**	₱–	**₱701,319**	₱942,466	On demand; Noninterest-bearing	Unsecured; No impairment
Wuhan Yong He King						
Pass-on charges - Receivables	**–**	–	**1,383,308**	1,373,568	On demand; Noninterest-bearing	Unsecured; No impairment
JFCC						
Due to JFCC	**–**	–	**(52,408,390)**	(52,408,390)	On demand; Noninterest-bearing	Unsecured
Pass-on charges - Receivables	**–**	–	**50,043,958**	43,790,013	On demand; Noninterest-bearing	Unsecured; No impairment
SBEMAC						
Pass-on charges - Receivables	**–**	–	**1,500,886**	1,499,768	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Payables	**–**	–	**(2,030,209)**	(2,030,209)	On demand; Noninterest-bearing	Unsecured
Beijing Golden Coffee Cup Food and Beverage Management Co., Ltd.						
Pass-on charges - Receivables	**–**	–	**1,257,520**	700,585	On demand; Noninterest-bearing	Unsecured; No impairment
SFVT						
Pass-on charges - Receivables	**–**	–	**29,435,235**	28,561,918	On demand; Noninterest-bearing	Unsecured; No impairment
Happy Bee Foods Processing (Anhui) Co. Ltd.						
Pass-on charges - Receivables	**–**	–	**2,458,105**	1,518,544	On demand; Noninterest-bearing	Unsecured; No impairment
GSC						
Pass-on charges - Receivables	**–**	–	**–**	2,458,465	On demand; Noninterest-bearing	Unsecured; No impairment
HFCC						
Royalty fee income	**60,739,708**	22,117,819	**83,109,100**	22,117,819	On demand; Noninterest-bearing	Unsecured; No impairment
Highland Coffee Service Joint Stock Company						
Guarantee fee income	**15,142,579**	–	**58,152,961**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Bee World UK Limited (UK)						
Sales	**37,366**	–	**37,366**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**212,321**	–	On demand; Noninterest-bearing	Unsecured; No impairment
HFC						
Sales	**340,371,399**	239,053,599	**1,144,678,596**	804,307,197	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges - Receivables	**–**	–	**126,051,187**	77,468,329	On demand; Noninterest-bearing	Unsecured; No impairment

(Forward)

Category	Volume of Transactions 2018	Volume of Transactions 2017	Outstanding Receivable (Payable) 2018	Outstanding Receivable (Payable) 2017	Terms	Conditions
Affiliate -						
Jollibee Group Foundation, Inc.						
Sales	**₱675,760**	₱594,804	**₱989**	₱–	On demand; Noninterest-bearing	Unsecured; No impairment
Service fee revenue	**728,097**	417,197	**474**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Rent revenue	**424,144**	427,422	**43,785**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Donations	**100,088,723**	90,802,629	**–**	–	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges – Receivables	**–**	–	**1,528,441**	2,972,363	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on charges – Payables	**–**	–	**–**	(1,238,595)	On demand; Noninterest-bearing	Unsecured
Total related party transactions:						
Net sales	**₱6,955,697,311**	₱5,891,104,396				
Service fee revenue	**1,742,251,317**	2,220,103,696				
Rent revenue	**185,493,284**	219,978,844				
Rent revenue - deferred (included in "Rent income" account in the parent company statements of comprehensive income)	**22,124,172**	228,916				
Management fee revenue	**1,634,111,012**	1,570,311,969				
Royalty fee income (see Note 20)	**1,501,716,520**	1,232,281,141				
Interest income (see Note 23)	**73,888,356**	47,461,370				
Advertising	**472,396,046**	452,164,095				
Dividend income (see Note 24)	**1,550,000,000**	2,164,000,000				
Guarantee fee income	**15,142,579**	–				
Purchases (see Note 21)	**10,261,725,760**	9,036,585,787				
Service fee expense (see Notes 21 and 22)	**3,387,276,281**	2,644,962,590				
Interest expense (see Note 23)	**13,334,912**	27,371,529				
Management fee expense (see Note 22)	**42,176,399**	82,316,224				
Rent expense (see Notes 21, 22 and 29)	**37,686,216**	38,550,099				
Donations (see Note 22)	**100,088,723**	90,802,629				
Advances to related parties	**700,000,000**	1,010,000,000				
Due to related parties	**–**	600,000,000				
Total related party outstanding balances:						
Trade receivables from related parties and contract assets (see Note 6)			**₱5,603,243,422**	₱5,340,711,835		
Advances to related parties (see Note 35)			**2,618,044,400**	1,918,044,400		
Operating lease receivables (see Note 29)			**33,434,170**	33,721,718		
Trade payables to related parties (see Note 15)			**(960,873,167)**	(924,429,772)		
Due to related parties			**(208,643,289)**	(1,108,643,289)		
Operating lease payables (see Note 29)			**(23,500,012)**	(35,131,591)		

Common Transactions with Related Parties

The Company sells and purchases food items to/from related parties at market prices. Purchased items warehoused with related parties are charged for logistics and warehousing costs. Due from related parties, unless otherwise stated, are short-term advances made to related parties which are expected to be paid in the subsequent year. Pass-on charges pertain to advances made by a related party for another. These include payments for various expenditures incurred on behalf of another party.

Fresh N' Famous

a. Fresh N' Famous avails the services of the Company for the plan, design, installation and repairs of equipment in Fresh N' Famous' stores.

b. Fresh N' Famous leases its office space and some store locations from the Company.

c. Fresh N' Famous pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.

d. On May 4, 2018 and December 5, 2018, the Company received cash dividends from Fresh N' Famous declared on April 12, 2018 and November 9, 2018, respectively, amounting to ₱500.0 million and ₱200.0 million or ₱1.67 and ₱0.67 dividends per share, respectively.

   On April 10, 2017, April 17, 2017 and November 10, 2017, the Company received cash dividends from Fresh N' Famous declared on March 31, 2017, April 5, 2017 and October 26, 2017, respectively, amounting to ₱200.0 million, ₱549.0 million and ₱100.0 million or ₱0.67, ₱1.83 and ₱0.33 dividends per share, respectively.

e. On April 16, 2012, the Company received advances from Fresh N' Famous amounting to ₱749.0 million. The advances are payable in full on April 16, 2017. The interest rate on the advances is based on money market placement rates plus a spread of 1%, payable on a monthly basis. The ₱449.0 million of the loan was paid on April 17, 2017 and the ₱300.0 million advances was extended and paid on July 16, 2018.

Zenith

a. Zenith pays service fees to the Company for procurement services rendered by the Company's Purchasing Department.

b. The Company leases out to Zenith the land where the latter's manufacturing plant was built. In 2014, the lease term was extended to end on December 31, 2023. On January 1, 2015, the terms of the agreement were amended to include an escalation clause. Zenith may pre-terminate the lease provided that an advance notice is provided to the Company within the prescribed period as indicated in the agreement.

   The future minimum lease receivables on the lease as at December 31, 2018 and 2017 are as follows:

	2018	2017
Within one year	**₱31,907,039**	₱30,387,656
After one year but not more than five years	**144,399,493**	137,523,327
More than five years	–	38,783,205
	₱176,306,532	₱206,694,188

c. Zenith pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.

d. On July 5, 2018 and September 29, 2017, the Company provided two six-month loans to Zenith amounting to ₱500.0 million each. Both of the loans are due in six months. The loan on September 29, 2017 was extended until March 29, 2019. The interest income recognized amounted to ₱19.6 million and ₱2.8 million in 2018 and 2017, respectively.

e. There was no cash dividend declared and paid by Zenith to its stockholders of record in 2018.

   On May 3, 2017, the Company received cash dividends from Zenith declared on April 26, 2017 amounting to ₱480.0 million or ₱111.63 dividends per share.

f. The Company pays service fees to Zenith for supply chain and customer and order management services, including warehousing and logistics services, under an existing Service Contract.

g. On August 24, 2018, the Company executed a guaranty agreement with MBTC for Zenith's loan amounting to ₱1.0 billion payable equally in 20 quarterly installments. The maturity date of Zenith's loan is in August 2025.

RRBI

a. RRBI avails the services of the Company for the repairs and maintenance of RRBI's store equipment and facilities.

b. RRBI leases its office space from the Company on an annual basis.

c. RRBI pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.

RRBH

a. RRBH avails the services of the Company for business support services.

b. RRBH pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.

c. On May 4, 2018 and December 5, 2018, the Company received cash dividends from RRBH declared on May 2, 2018 and November 15, 2018, respectively, amounting to ₱100.0 million and ₱250.0 million or ₱63.17 and ₱157.93 dividends per share, respectively.

   On November 10, 2017, the Company received cash dividends from RRBH declared on October 26, 2017 amounting to ₱100.0 million or ₱63.17 dividends per share.

Grandworth

a. Grandworth avails the services of the Company for business support services.

b. Grandworth pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.

c. There was no cash dividend declared and paid by Grandworth to its stockholders of record in 2018.

On April 10, 2017, the Company received cash dividends from Grandworth declared on March 14, 2017 amounting to ₱35.0 million or ₱17.50 dividends per share.

d. The Company is a lessee under various operating lease agreements with Grandworth. These lease agreements have terms ranging from 5 to 20 years, which mostly contain renewal options. The lease agreements include escalation clauses on an annual basis based on prevailing market conditions.

The future minimum lease payments under the lease arrangements as at December 31, 2018 and 2017 are as follows:

	2018	2017
Within one year	**₱31,714,156**	₱11,293,554
After one year but not more than five years	**128,372,295**	66,051,493
More than five years	**22,876,497**	49,665,744
	₱182,962,948	₱127,010,791

Freemont

a. Freemont operates "Jollibee" stores in certain parts of Luzon, Visayas and Mindanao under a Royalty and Service Agreement with the Company. As a franchisor of Freemont, the Company's sales of food supplies, processed inventories and packaging, store and other supplies to Freemont are accounted for as part of the Company's "Net sales" account in the parent company statement of comprehensive income. Freemont also pays royalties and advertising fees to the Company based on certain percentages of Freemont's net sales as provided in the Royalty and Service Agreement. These transactions were made on similar terms as third party franchisees.

b. Freemont pays service fees to the Company for various services, including repairs and maintenance services, rendered by the Company's personnel.

c. Freemont leases office spaces in properties owned by the Company.

d. The Company has a Management Contract (the Contract) with Freemont for the former to provide managerial services on all aspects of the operations of Freemont's stores. Management fees are based on a percentage of Freemont's net sales as provided for in the Contract.

JWS

a. JWS leases its office space from the Company on an annual basis.

b. On March 20, 2012, the Company entered into a sub-lease agreement with JWS for the use of the Company's leased land and building for a period of five years beginning May 1, 2012 until April 30, 2017. In 2017, the sub-lease agreement was amended to reduce the monthly rent and extend the lease term to September 30, 2018, and in 2018, this was further extended up to December 31, 2018. The land and building are used by JWS for its logistics services. The Company received security deposit amounting to ₱29.7 million, which will be refunded at the end of the lease term.

The future minimum lease receivables within one year under the lease arrangement is nil and ₱38.5 million as at December 31, 2018 and 2017, respectively.

c. The Company has existing one-year contracts with JWS for accounting and human resource services, and logistics services relating to inbound and outbound logistics, warehousing, scrap disposal and other inventory handling services. The contracts are renewable and with service fees determined annually.

d. On April 16, 2012, the Company received advances from JWS amounting to ₱150.0 million. The advances are payable in full on April 16, 2017. The interest rate on the advances is based on prevailing money market placement rates plus spread of 1%, payable on a monthly basis. In 2017, the term of the ₱150.0 million advances was extended to be paid in full on April 17, 2022. Interest expense on these advances amounted to ₱7.7 million and ₱4.8 million in 2018 and 2017, respectively.

e. On September 1, 2018, JWS has assumed the business support services for the Jollibee Group. This covers services such as network development, business technology, quality management and process engineering.

Mang Inasal

a. Mang Inasal avails the services of the Company for the plan, design and installation of equipment for Mang Inasal stores.

b. Mang Inasal leases some of its store locations from the Company. The agreements are for a period of 5 to 20 years with escalation clauses and subject to renewal upon mutual agreement of both parties.

c. Mang Inasal pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.

d. On December 5, 2018, the Company received cash dividends declared on November 9, 2018 amounting to ₱500.0 million or ₱200.00 dividends per share.

   On March 24, 2017 and November 10, 2017, the Company received cash dividends declared on March 24, 2017 and October 30, 2017, respectively, amounting to ₱200.0 million and ₱500.0 million or ₱80.00 and ₱200.00 dividends per share, respectively.

e. On May 3, 2017, the Company received a one-year cash advance from Mang Inasal amounting to ₱300.0 million, with fixed interest rate of 1.5%. The cash advance and interest were settled in full on August 3, 2018.

   On January 31, 2017, the Company received short-term cash advances from Mang Inasal amounting to 300.0 million, with fixed interest rate of 2%. The advances and interest were settled in full on January 31, 2018.

   Interest expense on the advances amounted to ₱3.2 million and ₱11.8 million in 2018 and 2017, respectively.

PERFI

a. PERFI avails the services of the Company for the repairs and maintenance of PERFI's store equipment and facilities.

b. PERFI leases its office space and pays rental fees to the Company for the use of meeting rooms and parking spaces.

c. PERFI pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.

d. On June 27, 2018, the Company entered into an agreement with PERFI for a loan amounting to ₱200.0 million subject to a 3.5% fixed interest rate due on June 27, 2019.

   On November 9, 2018, the BOD approved the extension of the maturing loan agreements amounting to ₱1,010.0 million until 2023. However, the extension agreement has not yet finalized as of December 31, 2018.

   In 2017, the Company entered into three (3) loan agreements with PERFI. The Company has extended the first loan in the principal amount of ₱130.0 million on April 17, 2017, the second loan in the principal amount of ₱130.0 million on July 14, 2017 and the third loan in the principal amount of ₱250.0 million on October 19, 2017. The loans are subject to interest rate of 3%, 1.5% and 2.2%, respectively and are payable on December 17, 2018, July 14, 2018 and April 19, 2018, respectively.

   In 2016, the Company entered into three (3) loan agreements with PERFI, each with a principal amount of ₱100.0 million and a stated interest rate of 3% per annum. The Company has extended its first two ₱100.0 million loans on December 15, 2016. The third loan agreement was entered into by the Company on December 22, 2016. All loans are payable on March 22, 2017 and were extended until September 22, 2017. In 2017, the maturity period of the loan agreements were extended until 2018.

   In 2015, the Company extended a five-year loan to PERFI amounting to ₱300.0 million for use in the operations and store expansions of the Burger King business, subject to 5.0% interest rate per annum.

   In 2014, the Company entered into four (4) loan agreements with PERFI. The Company has extended the first loan in the principal amount of ₱54.0 million on February 14, 2014, the second loan in the principal amount of ₱54.0 million on May 30, 2014, the third loan in the principal amount of ₱100.0 million on September 2, 2014, and the fourth loan in the principal amount of ₱100.0 million on September 26, 2014. All loans are subject to interest at the rate of 5.0% per annum that is to be paid semi-annually. Principal shall be due and paid in lump sum five (5) years after the drawdown date.

   Interest income on the advances amounted to ₱54.3 million and ₱44.7 million in 2018 and 2017, respectively.

<u>JWPL</u>

In 2012, the Company entered into a Royalty and License Agreement with JWPL. The terms and conditions are similar in nature with those discussed in Note 20.

<u>Others</u>

Related party transactions and balances for other subsidiaries of the Company are similar in nature with those discussed above.

<u>Guarantees Provided by the Company to its affiliates</u>

a. On March 2, 2018 and December 3, 2018, the Company executed guaranty agreements for the term loan facilities amounting to VND113,000.0 million and VND185,000.0 million, respectively, issued by Standard Chartered Bank VN to Highland Coffee Service Joint Stock Company ("Highland Coffee").

b. In 2018, the Company recognized guarantee fee income from Highland Coffee amounting to ₱56.3 million covering the periods from 2014 to 2018.

c. On various dates in 2017, the Company executed a guaranty agreement for the full performance and payment of the tenant's obligations under the contract of lease between:

- GPPL and Cenae S.r.l.
- HFC and Maui Marketplace Investments Group Inc.
- HFC and Sweetwater Associates Limited Partnership
- HFC and Mira Mesa Shopping Center - West LLC

d. On March 14, 2017 and August 11, 2017, the Company executed a guaranty agreement for the term loan facility amounting to VND68,000 million and US$5.0 million, respectively, issued by Standard Chartered Bank VN to Highland Coffee.

e. In 2016, the Company provided a guarantee on JWPL's US$30.0 million loan with BPI. In 2016, 2015 and 2013, the Company provided a guarantee on JWPL's US$8.0 million loan, US$110.0 million loan and US$40.0 million, respectively, with MBTC.

Terms and Conditions of Transactions with Related Parties
Transactions with related parties are made at market prices and are normally settled in cash. The Company did not make any provision for impairment losses on receivables from related parties in 2018 and 2017. An assessment is undertaken at each financial year by evaluating the financial position of the related party and the market where the related party operates.

Compensation of Key Management Personnel of the Company
The compensation and benefits to key management personnel of the Company for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
Short-term employee benefits	**₱716,738,258**	₱629,743,208
Stock options expense (see Notes 22 and 27)	**277,773,865**	209,707,270
Pension expense (see Note 26)	**50,091,430**	32,966,061
Employee car plan benefits	**31,845,453**	22,731,295
	₱1,076,449,006	₱895,147,834

Transactions with the Retirement Plan
As at December 31, 2018 and 2017, the retirement plan assets of the Company include 120,800 and 138,500 common shares, respectively, investments in the Company with aggregate fair values of ₱35.2 million and ₱35.0 million, respectively.

The Company usually advances the pension benefits of its retiring employees which are reimbursable from the retirement fund. The Company's receivable from its retirement fund from these advances amounted to ₱55.0 million and ₱122.5 million as at December 31, 2018 and 2017, respectively (see Notes 6 and 26). The receivables from retirement fund is included under "Other receivables" account (see Note 6).

29. **Commitments and Contingencies**

Operating Lease Commitments - Company as Lessor
The Company entered into commercial property leases on its investment properties and subleased properties with third party and related party lessees. Non-cancellable periods of the leases range from 3 to 20 years, mostly containing renewal options. All leases include a clause to enable upward revision of the rental charges on an annual basis based on prevailing market conditions.

The difference of rent income recognized under the straight-line method and the rent received in accordance with the terms of the lease agreements, amounting to ₱33.4 million and 33.7 million as at December 31, 2018 and 2017, respectively, are presented as “Operating lease receivables” in the parent company statements of financial position. Rent income recognized on a straight-line basis amounted to ₱218.4 million and ₱232.5 million in 2018 and 2017, respectively.

The future minimum rent receivables for the non-cancellable periods of the operating leases follow:

	2018	2017
Within one year	**₱45,263,803**	₱70,765,052
After one year but not more than five years	**159,195,887**	146,008,885
More than five years	**8,386,620**	49,562,853
	₱212,846,310	₱266,336,790

Operating Lease Commitments - Company as Lessee
The Company has various operating lease commitments for QSR outlets and office spaces with third party and related party lessors. The non-cancellable periods of the leases range from 3 to 35 years, mostly containing renewal options. Some of the leases contain escalation clauses. The lease contracts on certain sales outlets provide for the payment of additional rental based on a certain percentage of sales of the outlets.

The difference of rent expense recognized under the straight-line method and the rent received due in accordance with the terms of the lease agreements, amounting to ₱926.2 million and ₱858.0 million as at December 31, 2018 and 2017, respectively, are presented as “Operating lease payables” in the parent company statements of financial position. Rent expense recognized on a straight-line basis amounted to ₱1,252.1 million and ₱1,102.2 million in 2018 and 2017, respectively (see Notes 21 and 22). Total variable rent recognized as expense amounted to ₱767.9 million and ₱752.8 million in 2018 and 2017, respectively (see Notes 21 and 22).

The future minimum rental payables for the non-cancellable periods of the operating leases follow:

	2018	2017
Within one year	**₱1,093,720,305**	₱798,632,048
After one year but not more than five years	**4,000,674,647**	2,787,015,689
More than five years	**5,786,090,142**	4,733,281,974
	₱10,880,485,094	₱8,318,929,711

Contingencies
The Company is involved in litigations, claims and disputes which are normal to its business. Except for those legal claims provided for in Note 16, management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and performance of the Company.

The Company does not provide further information on these provisions and contingencies, in order not to impair the outcome of the litigations, claims and disputes.

30. Financial Risk Management Objectives and Policies

The Company is exposed to a variety of financial risks which result from both its operating and financing activities. The Company's risk management policies focus on actively securing the Company's short-term to medium-term cash flows by minimizing the exposure to financial markets.

The Company's principal financial instruments comprise of cash and cash equivalents, receivables, trade payables and other current liabilities (excluding local and other taxes payable, liabilities to government agencies and accrual for gift certificates) and long-term debt. The Company also has other financial assets and liabilities such as advances to related parties, refundable deposits, financial assets at FVTPL and AFS financial assets, due to related parties, operating lease receivables and operating lease payables.

The Company does not engage in trading financial assets for speculative purposes.

The BOD has overall responsibility for the establishment of the risk management policies to identify and analyze risks faced by the Company. Risk management policies are reviewed regularly to reflect changes in the Company's condition with regard to the risks arising from these financial instruments.

The main risks arising from the use of these financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Company's BOD and management review and approve policies for managing each of these risks and they are summarized below.

Foreign Currency Risk

The Company has transactional foreign currency exposures. Such exposures arise from cash and cash equivalents and trade receivables denominated in foreign currencies.

The following table shows the Company's foreign currency-denominated monetary assets and their peso equivalents as at December 31:

	2018		
	US$	**RMB**	**PhP**
Foreign currency denominated assets:			
Cash and cash equivalents	**$71,448,154**	**RMB–**	**₱3,756,743,937**
Trade receivables	**34,786,127**	**10,895,992**	**1,912,735,776**
	106,234,281	**10,895,992**	**5,669,479,713**
Foreign currency denominated liabilities	**(596,457)**	**–**	**(31,361,719)**
Foreign currency-denominated assets - net	**$105,637,824**	**RMB10,895,992**	**₱5,638,117,994**

	2017		
	US$	RMB	PhP
Foreign currency denominated assets:			
Cash and cash equivalents	$248,930	RMB5,583	₱12,471,736
Trade receivables	25,183,200	10,707,384	1,339,215,509
	25,432,130	10,712,967	1,351,687,245
Foreign currency denominated liabilities	(743,326)	–	(37,114,267)
Foreign currency-denominated assets - net	$24,688,804	RMB10,712,967	₱1,314,572,978

The Company recognized in the parent company statement of comprehensive income included under "Other income" account, net foreign exchange gain (loss) amounting to ₱7.9 million and (₱46.3 million) for the years ended December 31, 2018 and 2017, respectively (see Note 24). This resulted from the movements of the Philippine peso against the US dollar and RMB as shown in the following table:

	Peso to	
	US Dollar	RMB
December 31, 2018	**₱52.58**	**₱7.68**
December 31, 2017	49.93	7.64

Foreign Currency Risk Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonably possible change in Philippine peso to US dollar and RMB exchange rates, with all other variables held constant, of the Company's cash and cash equivalents and trade receivables to the income before income tax as at December 31, 2018 and 2017 (due to the changes in the fair value of monetary assets).

		Effect on Income Before Income Tax	
	Appreciation (Depreciation) of Ph₱	Ph₱ to US$ Rate	Ph₱ to RMB Rate
		(In thousands)	
2018	**₱1.50**	**(₱158,456.7)**	**(₱16,344.0)**
	1.00	**(105,637.8)**	**(10,896.0)**
	(1.50)	**158,456.7**	**16,344.0**
	(1.00)	**105,637.8**	**10,896.0**
2017	1.50	(37,033.2)	(16,069.5)
	1.00	(24,688.8)	(10,713.0)
	(1.50)	37,033.2	16,069.5
	(1.00)	24,688.8	10.713.0

<u>Interest Rate Risk</u>
Interest rate risk arises from the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk relates primarily to the Company's long-term advances from subsidiaries, Fresh N' Famous and JWS, amounting to ₱150.0 million and ₱450.0 million as at December 31, 2018 and 2017, respectively, as discussed in Note 28, with a current portion of ₱150.0 million and ₱300.0 million as at December 31, 2018 and 2017, respectively, and long-term debt amounting to ₱17,788.2 million and ₱8,213.0 million as at December 31, 2018 and 2017, with a current portion of ₱3,773.0 million and ₱261.8 million as at December 31, 2018 and 2017, respectively, which is discussed in Note 17. Floating rate financial instruments are subject to cash flow interest rate risk.

There is minimal exposure on the other sources of the Company's interest rate risk. These other sources are from the Company's cash in bank, short-term deposits, refundable deposits and employees' car plan receivables.

Interest Rate Risk Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's income before income tax.

	Increase (Decrease) in Basis Points	Effect on Income Before Income Tax
2018	**100**	**(₱177,881,986)**
	50	**(88,940,993)**
	(100)	**177,881,986**
	(50)	**88,940,993**
2017	100	(82,129,712)
	50	(41,064,856)
	(100)	82,129,712
	(50)	41,064,856

Fixed rate financial liabilities, although subject to fair value interest rate risk, are not included in the sensitivity analysis since changes in interest rate do not impact interest expense recorded. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Credit Risk

Credit risk is the risk that a customer or a counterparty fails to fulfill its contractual obligations to the Company. This includes risk of non-payment by customers, borrowers and issuers, failed settlement of transactions and default on outstanding contracts.

The Company has a strict credit policy. Its credit transactions are with franchisees that have gone through rigorous screening before granting them the franchise and with related parties. The credit terms are very short, while deposits and advance payments are also required before rendering the services or delivering goods, thus, mitigating the possibility of non-collection. In cases of non-collection, defaults of the debtors are not tolerated; the exposure is contained the moment a default occurs and transactions that will increase the exposure of the Company are discontinued.

Other than its transactions with related parties, the Company has no significant concentration of credit risk with counterparties since it has short credit terms to franchisees. In addition, the Company's franchisee profile is such that no single unrelated franchisee accounts for more than 5% of the total system wide sales of the Company.

The aging analysis of financial assets as at December 31, 2018 and 2017 are as follows:

	2018						
		Neither Past Due nor	Past Due but not Impaired (Age in Days)				
	Total	Impaired	1-30	31-60	61-120	Over 120	Impaired
Financial Assets at Amortized Cost							
Cash and cash equivalents*	₱8,222,424,159	₱8,222,424,159	₱–	₱–	₱–	₱–	₱–
Receivables:							
Trade:							
Franchisees and customers	2,293,589,367	1,549,025,868	81,670,837	40,800,995	82,778,467	345,102,842	194,210,358
Related parties	4,569,658,490	1,418,465,373	763,766,407	129,151,891	149,448,851	2,108,825,968	–
Employee advances	47,595,221	47,595,221	–	–	–	–	–
Employees' car plan receivables	126,764,686	126,764,686	–	–	–	–	–
Interest receivable	6,217,512	6,217,512	–	–	–	–	–
Others**	115,520,255	64,486,781	–	–	–	51,033,474	–
Operating lease receivables	33,434,170	33,434,170	–	–	–	–	–
Advances to related parties	2,618,044,400	2,618,044,400	–	–	–	–	–
Refundable deposits	608,970,803	608,970,803	–	–	–	–	–
	18,642,219,063	14,695,428,973	845,437,244	169,952,886	232,227,318	2,504,962,284	194,210,358
Financial Assets at FVTPL	38,048,040	38,048,040	–	–	–	–	–
	₱18,680,267,103	₱14,733,477,013	₱845,437,244	₱169,952,886	₱232,227,318	₱2,504,962,284	₱194,210,358

**Excluding cash on hand amounting to ₱114.0 million in 2018.*

***Excluding receivables from SSS amounting to ₱13.9 million in 2018.*

	2017						
		Neither Past Due nor Impaired	Past Due but not Impaired (Age in Days)				
	Total		1-30	31-60	61-120	Over 120	Impaired
Loans and Receivables							
Cash and cash equivalents*	₱3,229,586,169	₱3,229,586,169	₱–	₱–	₱–	₱–	₱–
Receivables:							
Trade:							
Franchisees and customers	1,859,596,743	1,211,757,277	147,875,231	54,250,911	50,877,451	187,747,365	207,088,508
Related parties	4,799,744,817	3,049,391,424	461,527,635	44,973,257	110,462,340	1,133,390,161	–
Employee advances	57,393,854	57,393,854	–	–	–	–	–
Employees' car plan receivables	159,621,403	159,621,403	–	–	–	–	–
Interest receivable	1,894,348	1,894,348	–	–	–	–	–
Others**	173,496,845	122,463,371	–	–	–	51,033,474	–
Operating lease receivables	33,721,718	33,721,718	–	–	–	–	–
Advances to related parties	1,918,044,400	1,918,044,400	–	–	–	–	–
Refundable deposits	585,675,381	585,675,381	–	–	–	–	–
	12,818,775,678	10,369,549,345	609,402,866	99,224,168	161,339,791	1,372,171,000	207,088,508
AFS Financial Assets	28,068,040	28,068,040	–	–	–	–	–
	₱12,846,843,718	₱10,397,617,385	₱609,402,866	₱99,224,168	₱161,339,791	₱1,372,171,000	₱207,088,508

**Excluding cash on hand amounting to ₱118.6 million in 2017.*
***Excluding receivables from SSS amounting to ₱8.6 million in 2017.*

Credit Quality (Applicable as at December 31, 2018). The financial assets of the Company are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The table below shows determination of ECL stage of the Company's financial assets:

	2018			
		Stage 1	**Stage 2**	**Stage 3**
	Total	12-month ECL	Lifetime ECL	Lifetime ECL
Financial Assets at Amortized Cost				
Cash and cash equivalents*	**₱8,222,424,159**	**₱8,222,424,159**	**₱–**	**₱–**
Receivables:				
Trade:				
Franchisees and customers	**2,293,589,367**	**1,630,696,705**	**468,682,304**	**194,210,358**
Related parties	**4,569,658,490**	**2,182,231,780**	**2,387,426,710**	**–**
Employee advances	**47,595,221**	**47,595,221**	**–**	**–**
Employees' car plan receivables	**126,764,686**	**126,764,686**	**–**	**–**
Interest receivable	**6,217,512**	**6,217,512**	**–**	**–**
Others**	**115,520,255**	**64,486,781**	**51,033,474**	**–**
Operating lease receivables	**33,434,170**	**33,434,170**	**–**	**–**
Advances to related parties	**2,618,044,400**	**2,618,044,400**	**–**	**–**
Refundable deposits	**608,970,803**	**608,970,803**	**–**	**–**
	18,642,219,063	**15,540,866,217**	**2,907,142,488**	**194,210,358**
Financial Assets at FVTPL	**38,048,040**	**38,048,040**	**–**	**–**
	₱18,680,267,103	**₱15,578,914,257**	**₱2,907,142,488**	**₱194,210,358**

**Excluding cash on hand amounting to ₱114.0 million in 2018.*
***Excluding receivables from SSS amounting to ₱13.9 million in 2018.*

Credit Quality (Applicable as at December 31, 2017). The tables below show the credit quality by class of financial assets that are neither past due nor impaired, based on the Company's credit rating system as at December 31, 2017.

	2017				
		Neither Past Due nor Impaired			Past Due
	Total	A	B	C	or Impaired
Loans and Receivables					
Cash and cash equivalents*	₱3,229,586,169	₱3,229,586,169	₱–	₱–	₱–
Receivables:					
Trade:					
Franchisees and customers	1,859,596,743	1,071,807,896	122,653,373	17,296,008	647,839,466
Related parties	4,799,744,817	3,049,391,424	–	–	1,750,353,393
Employee advances	57,393,854	57,393,854	–	–	–
Employees' car plan receivables	159,621,403	159,621,403	–	–	–
Interest receivable	1,894,348	1,894,348	–	–	–
Others**	173,496,845	122,463,371	–	–	51,033,474
Operating lease receivables	33,721,718	33,721,718	–	–	–
Advances to related parties	1,918,044,400	1,918,044,400	–	–	–
Refundable deposits	585,675,381	585,675,381	–	–	–
	12,818,775,678	10,229,599,964	122,653,373	17,296,008	2,449,226,333
AFS Financial Assets	28,068,040	28,068,040	–	–	–
	₱12,846,843,718	₱10,257,668,004	₱122,653,373	₱17,296,008	₱2,449,226,333

**Excluding cash on hand amounting to ₱118.6 million in 2017.*
***Excluding receivables from SSS amounting to ₱8.6 million in 2017.*

The credit quality of financial assets is managed by the Company using internal credit ratings, as shown below:

A – For counterparty that is not expected by the Company to default in settling its obligations, thus, credit risk exposure is minimal. This counterparty normally includes banks, related parties and customers who pay on or before due date.

B – For counterparty with tolerable delays (normally from 1-30 days) in settling its obligations to the Company. The delays may be due to cut-off differences and/or clarifications on contracts/billings.

C – For counterparty who consistently defaults in settling its obligation and may be or actually referred to legal and/or subjected to cash before delivery (CBD) scheme. Under this scheme, the customer's credit line is suspended and all subsequent orders are paid in cash before delivery. The CBD status will only be lifted upon full settlement of the receivables and approval of management. Thereafter, the regular credit term and normal billing and collection processes will resume.

Credit Risk Exposure and Concentration. The tables below show the maximum exposure to credit risk of the Company as at December 31, without considering the effects of collaterals and other credit risk mitigation techniques:

	2018		
	Gross Maximum Exposure (a)	**Fair Value and Financial Effect of Collateral or Credit Enhancement (b)**	**Net Exposure* (a - b)**
Financial Assets			
Financial assets at amortized cost:			
Cash and cash equivalents**	**₱8,222,424,159**	**₱6,549,821**	**₱8,215,874,338**
Receivables:			
Trade:			
Franchisees and customers	**2,293,589,367**	**23,371,101**	**2,270,218,266**
Related parties	**4,569,658,490**	**398,204,802**	**4,171,453,688**

(Forward)

	2018		
	Gross Maximum Exposure (a)	**Fair Value and Financial Effect of Collateral or Credit Enhancement (b)**	**Net Exposure* (a - b)**
Employee advances	**₱47,595,221**	**₱–**	**₱47,595,221**
Employees' car plan receivables	**126,764,686**	**–**	**126,764,686**
Interest receivable	**6,217,512**	**–**	**6,217,512**
Others***	**115,520,255**	**–**	**115,520,255**
Operating lease receivables	**33,434,170**	**–**	**33,434,170**
Advances to related parties	**2,618,044,400**	**–**	**2,618,044,400**
Refundable deposits	**608,970,803**	**–**	**608,970,803**
Financial assets at FVTPL	**38,048,040**	**–**	**38,048,040**
	₱18,680,267,103	**₱428,125,724**	**₱18,252,141,379**

**Financial assets after taking into account insurance on bank deposits for cash and cash equivalents and payables to the same counterparty for receivables.*
***Excluding cash on hand amounting to ₱114.0 million in 2018.*
****Excluding receivables from SSS amounting to ₱13.9 million in 2018.*

	2017		
	Gross Maximum Exposure (a)	Fair Value and Financial Effect of Collateral or Credit Enhancement (b)	Net Exposure* (a - b)
Financial Assets			
Loans and receivables:			
Cash and cash equivalents**	₱3,229,586,169	₱6,826,223	₱3,222,759,946
Receivables:			
Trade:			
Franchisees and customers	1,859,596,743	376,958	1,859,219,785
Related parties	4,799,744,817	484,591,757	4,315,153,060
Employee advances	57,393,854	–	57,393,854
Employees' car plan receivables	159,621,403	–	159,621,403
Interest receivable	1,894,348	–	1,894,348
Others***	173,496,845	–	173,496,845
Operating lease receivables	33,721,718	–	33,721,718
Advances to related parties	1,918,044,400	–	1,918,044,400
Refundable deposits	585,675,381	–	585,675,381
AFS Financial assets	28,068,040	–	28,068,040
	₱12,846,843,718	₱491,794,938	₱12,355,048,780

**Financial assets after taking into account insurance on bank deposits for cash and cash equivalents and payables to the same counterparty for receivables.*
***Excluding cash on hand amounting to ₱118.6 million in 2017.*
****Excluding receivables from SSS amounting to ₱8.6 million in 2017.*

Liquidity Risk

The Company's exposure to liquidity risk refers to the risk that its financial liabilities are not serviced on a timely manner and that its working capital requirements and planned capital expenditures are not met. To manage this exposure and to ensure sufficient liquidity levels, the Company closely monitors its cash flows to be able to finance its capital expenditures and to pay its obligations as and when they fall due.

On a weekly basis, the Jollibee Group's Cash and Banking Team monitors the Company's collections, expenditures and any excess/deficiency in the working capital requirements by preparing cash position reports that present actual and projected cash flows for the subsequent week. Cash outflows resulting from major expenditures are planned and properly monitored to ensure availability of funds, i.e., pre-terminate short-term deposits if deemed necessary. In addition, the Company has available credit lines with accredited banking institutions. The Company maintains a sufficient level of cash and cash equivalents to finance the Company's operations.

No changes were made in the objectives, policies or processes of the Company in 2018 and 2017.

The tables below summarize the maturity profile of the Company's financial assets and liabilities as at December 31, 2018 and 2017 based on undiscounted contractual payments:

	2018				
	Due and Demandable	**Less than 1 Year**	**1 to 5 Years**	**Over 5 Years**	**Total**
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	**₱1,954,950,667**	**₱6,381,515,246**	**₱–**	**₱–**	**₱8,336,465,913**
Receivables:					
Trade:					
Franchisees and customers	**744,563,499**	**1,549,025,868**	**–**	**–**	**2,293,589,367**
Related parties	**3,151,193,117**	**1,418,465,373**	**–**	**–**	**4,569,658,490**
Employee advances	**–**	**47,595,221**	**–**	**–**	**47,595,221**
Interest receivable	**–**	**6,217,512**	**–**	**–**	**6,217,512**
Employees' car plan receivables*	**–**	**45,088,625**	**97,591,664**	**–**	**142,680,289**
Other receivables**	**51,033,474**	**64,486,781**	**–**	**–**	**115,520,255**
Advances to related parties*	**–**	**2,318,044,400**	**300,000,000**	**–**	**2,618,044,400**
Refundable deposits*	**413,387,484**	**10,562,500**	**28,052,338**	**193,241,993**	**645,244,315**
Operating lease receivables	**–**	**3,078,294**	**30,355,876**	**–**	**33,434,170**
Financial assets at FVTPL	**–**	**–**	**–**	**38,048,040**	**38,048,040**
	6,315,128,241	**11,844,079,820**	**455,999,878**	**231,290,033**	**18,846,497,972**
Financial Liabilities					
Loans and borrowings, and other payables:					
Trade payables and other current liabilities***	**21,481,770**	**10,772,057,367**	**–**	**–**	**10,793,539,137**
Due to related parties*	**–**	**58,643,289**	**150,000,000**	**–**	**208,643,289**
Long-term debt*	**–**	**3,772,951,515**	**14,380,678,935**	**–**	**18,153,630,450**
Operating lease payables	**–**	**70,420,462**	**855,769,887**	**–**	**926,190,349**
	21,481,770	**14,674,072,633**	**15,386,448,822**	**–**	**30,082,003,225**
Net Financial Assets (Liabilities)	**₱6,293,646,471**	**(₱2,829,992,813)**	**(₱14,930,448,944)**	**₱231,290,033**	**(₱11,235,505,253)**

**Gross of unamortized discount and including future interest payments.*
***Excluding receivables from SSS amounting to ₱13.9 million 2018.*
****Excluding statutory obligations such as accrued local and other taxes, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates amounting to ₱1,336.9 million as at December 31, 2018.*

	2017				
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	₱1,516,835,816	₱1,831,385,480	₱–	₱–	₱ 3,348,221,296
Receivables:					
Trade:					
Franchisees and customers	647,839,466	1,211,757,277	–	–	1,859,596,743
Related parties	1,750,353,393	3,049,391,424	–	–	4,799,744,817
Employee advances	–	57,393,854	–	–	57,393,854
Interest receivable	–	1,894,348	–	–	1,894,348
Employees' car plan receivables*	–	52,333,175	125,398,045	–	177,731,220
Other receivables**	51,033,474	122,463,371	–	–	173,496,845
Advances to related parties*	–	1,796,785,929	646,291,781	–	2,443,077,710
Refundable deposits*	353,144,144	16,922,204	51,312,251	202,530,491	623,909,090
Operating lease receivables	–	1,558,911	32,162,807	–	33,721,718
AFS financial assets	–	–	–	28,068,040	28,068,040
	4,319,206,293	8,141,885,973	855,164,884	230,598,531	13,546,855,681

(Forward)

	2017				
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
Financial Liabilities					
Loans and borrowings, and other payables:					
Trade payables and other current liabilities***	₱184,403,781	₱9,585,878,976	₱–	₱–	₱9,770,282,757
Due to related parties*	358,643,289	612,777,070	173,338,523	–	1,144,758,882
Long-term debt*	–	1,345,525,000	7,977,810,000	–	9,323,335,000
Operating lease payables	–	79,599,349	778,426,193	–	858,025,542
	543,047,070	11,623,780,395	8,929,574,716	–	21,096,402,181
Net Financial Assets (Liabilities)	₱3,776,159,223	(₱3,481,894,422)	(₱8,074,409,832)	₱230,598,531	(₱7,549,546,500)

**Gross of unamortized discount and including future interest payments.*

***Excluding receivables from SSS amounting to ₱8.6 million 2017.*

****Excluding statutory obligations such as accrued local and other taxes, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates amounting to ₱1,476.8 million as at December 31, 2017.*

Capital Management Policy

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company has sufficient capitalization.

The Company generates cash flows from operations sufficient to finance its organic growth. It declares cash dividends representing about 1/3 of its net income, a ratio that would still leave some additional cash for future acquisitions. If needed, the Company would borrow money for acquisitions of new businesses.

The Company's policy is to limit its liabilities to stockholders' equity ratio at 60:40.

As at December 31, 2018 and 2017, the Company's ratio of liabilities to total equity and ratio of net liabilities to total equity are as follows:

Debt Ratio

	2018	2017
Total debt (a)	**₱31,813,906,294**	₱22,483,034,857
Total equity	**44,208,736,650**	39,313,125,453
Total debt and equity (b)	**₱76,022,642,944**	₱61,796,160,310
Debt ratio (a/b)	**41.85%**	36.38%

Net Debt Ratio

	2018	2017
Total debt	**₱31,813,906,294**	₱22,483,034,857
Less cash and cash equivalents	**8,336,465,913**	3,348,221,296
Net debt (a)	**23,477,440,381**	19,134,813,561
Total equity	**44,208,736,650**	39,313,125,453
Net debt and equity (b)	**₱67,686,177,031**	₱58,447,939,014
Net debt ratio (a/b)	**34.69%**	32.74%

31. Fair Value of Financial Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

Financial Instruments Whose Carrying Amounts Approximate Fair Value. Management has determined that the carrying amounts of cash and cash equivalents, receivables, current portions of advances to related parties, operating lease receivables, trade payables and other current liabilities, and current portions of due to related parties and operating lease payables based on their notional amounts, reasonably approximate their fair values because of their short-term nature or due to the immaterial effect of discounting when the present value of future cash flows from these instruments are calculated.

Financial Assets at FVTPL/AFS Financial Assets. The fair value of investments in quoted shares of stock is based on quoted prices.

Noncurrent portion of Advances to Related Parties, Refundable Deposits, Employees' Car Plan Receivables, Long-term Debt and Noncurrrent Portion of Due to Related Parties. Management has determined that the estimated fair value of noncurrent portion of advances to related parties, refundable deposits, employees' car plan receivables, long-term debt and noncurrent portion of due to related parties are based on the discounted value of future cash flows using the following applicable rates:

	2018	2017
Noncurrent portion of advances to related parties	**5.49%-6.88%**	2.52%-4.31%
Refundable deposits	**5.41%-7.43%**	2.44%-5.71%
Employees' car plan receivables	**5.41%-7.04%**	2.50%-4.92%
Long-term debt	**5.95%-7.06%**	2.56%-4.92%
Noncurrent portion of due to related parties	**5.41%-7.06%**	2.43%-4.92%

Investment Properties. The fair value of the investment properties are determined by independent appraisers using the market data and cost approach, which considers the local market conditions, the extent, character and utility of the property, sales and holding prices of similar parcels of land and the highest and best use of the investment properties.

The following tables provide the fair value measurement hierarchy of the Company's assets and liabilities. Quantitative fair value measurement hierarchy for assets and liabilities as at December 31, 2018 and 2017:

			2018 Fair Value Measurement Using		
	Date of Valuation	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets measured at fair value					
Financial assets at FVTPL (see Note 9)	**December 31, 2018**	**₱38,048,040**	**₱–**	**₱38,048,040**	**₱–**
Assets for which fair values are disclosed					
Refundable deposits	**December 31, 2018**	**611,919,471**	**–**	**611,919,471**	**–**
Employees' car plan receivables	**December 31, 2018**	**103,222,860**	**–**	**103,222,860**	**–**
Investment properties (see Note 13)	**December 31, 2017**	**2,397,119,730**	**–**	**2,397,119,730**	**–**
Noncurrent portion of advances to related parties	**December 31, 2018**	**225,620,341**	**–**	**225,620,341**	**–**
Liabilities for which fair values are disclosed					
Long-term debt	**December 31, 2018**	**16,421,331,358**	**–**	**16,421,331,358**	**–**
Noncurrent portion of due to related parties	**December 31, 2018**	**306,954,403**	**–**	**306,954,403**	**–**

			2017 Fair Value Measurement Using		
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value					
AFS financial assets (see Note 9)	December 31, 2017	₱28,068,040	₱–	₱28,068,040	₱–
Assets for which fair values are disclosed					
Refundable deposits	December 31, 2017	583,284,922	–	583,284,922	–
Employees' car plan receivables	December 31, 2017	151,034,569	–	151,034,569	–
Investment properties (see Note 13)	December 31, 2017	2,397,119,730	–	2,397,119,730	–
Noncurrent portion of advances to related parties	December 31, 2017	617,274,432	–	617,274,432	–
Liabilities for which fair values are disclosed					
Long-term debt	December 31, 2017	8,385,289,850	–	8,385,289,850	–
Noncurrent portion of due to related parties	December 31, 2017	273,516,613	–	273,516,613	–

There were no transfers from Level 2 fair value measurements in 2018 and 2017.

32. Earnings Per Share

Basic and diluted EPS are computed as follows:

	2018	2017
Net income in parent company financial statements	**₱6,533,944,540**	₱7,384,222,545
Effects of consolidation	**1,795,937,888**	(275,102,055)
(a) Consolidated net income attributable to the equity holders of the Company	**₱8,329,882,428**	₱7,109,120,490
(b) Weighted average number of shares - basic	**1,087,093,411**	1,080,488,873
Weighted average number of shares outstanding under the stock options plan	**34,865,233**	32,366,508
Weighted average number of shares that would have been purchased at fair market value	**(18,607,619)**	(18,180,717)
(c) Adjusted weighted average shares - diluted	**1,103,351,025**	1,094,674,664
EPS:		
Basic (a/b)	**₱7.663**	₱6.580
Diluted (a/c)	**7.550**	6.494

Potential common shares for stock options under the 13th MSOP cycle were not included in the calculation of the diluted EPS in 2017 because they are antidilutive. Contingently issuable shares for stock options under the 4th ELTIP cycle have not been included in the calculation of the diluted EPS in 2017.

33. Events after the Reporting Period

Dividend Declaration

On April 8, 2019, the BOD of the Parent Company approved a cash dividend of ₱1.23 per share of common stock to all stockholders of record as at April 26, 2019. Consequently, the cash dividend is expected to be paid out on May 9, 2019. The cash dividend is 7.9% higher than the ₱1.14 cash dividend per share declared on April 6, 2018.

34. Notes to the Statements of Cash Flows

Changes in Liabilities and Equity Arising from Financing Activities

In 2018 and 2017, movements in the Company's liabilities arising from financing activities follow:

	2018						
	January 1, 2018	Cash flows	Dividends Declared (Note 19)	Interest Expense (Note 23)	Amortization of Debt Issue Cost (Note 17)	Granted Stock Options to Employees and Subsidiaries*	December 31, 2018
				(in millions)			
Dividends payable (Note 15)	₱56.0	(₱2,667.0)	₱2,691.8	₱–	₱–	₱–	₱80.8
Interest payable (Note 15)	14.3	(545.3)	–	595.9	–	–	64.9
Long-term debt (Note 17)	8,245.0	9,635.0	–	–	–	–	17,880.0
Debt issue cost (Note 17)	(32.0)	(74.3)	–	–	14.5	–	(91.8)
Capital stock (Note 18)	1,101.7	3.5	–	–	–	–	1,105.2
Additional paid-in capital	7,469.3	481.5	–	–	–	526.6	8,477.4
Total liabilities and equity on financing activities	₱16,854.3	₱6,833.4	₱2,691.8	₱595.9	₱14.5	₱526.6	₱27,516.5

**Including deferred tax asset amounting to ₱224.1 million.*

	2017						
	January 1, 2017	Cash flows	Dividends Declared (Note 19)	Interest Expense (Note 23)	Amortization of Debt Issue Cost (Note 17)	Granted Stock Options to Employees and Subsidiaries*	December 31, 2017
				(in millions)			
Dividends payable (Note 15)	₱47.7	(₱2,347.2)	₱2,355.5	₱–	₱–	₱–	₱56.0
Interest payable (Note 15)	13.1	(142.2)	–	143.4	–	–	14.3
Long-term debt (Note 17)	3,285.0	4,960.0	–	–	–	–	8,245.0
Debt issue cost (Note 17)	(9.7)	(25.5)	–	–	3.2	–	(32.0)
Capital stock (Note 18)	1,091.3	10.4	–	–	–	–	1,101.7
Additional paid-in capital	5,658.8	852.0	–	–	–	958.5	7,469.3
Total liabilities and equity on financing activities	₱10,086.2	₱3,307.5	₱2,355.5	₱143.4	₱3.2	₱958.5	₱16,854.3

**Excluding interest expense from accretion of security deposits amounting to ₱0.4 million.*
***Including deferred tax asset amounting to ₱731.0 million.*

Noncash Activities

The principal noncash transaction under investing activities pertain to disposal of property, plant and equipment on account amounting to ₱41.3 million and ₱23.6 million in 2018 and 2017, respectively. The related proceeds from disposal of property, plant and equipment includes output VAT amounting to ₱47.6 million and ₱6.4 million not yet remitted as of December 31, 2018 and 2017, respectively.

35. Reclassification

Certain amounts in the 2017 financial statements and supporting note disclosures have been reclassified to conform with the presentation used in the assets, liabilities and shareholder's equity as at December 31, 2018. This reclassification did not affect the total assets, total liabilities and shareholder's equity as at December 31, 2017 and the revenue and expenses for the year ended December 31, 2017.

The following are the effects of the reclassification in the 2017 balances:

Account	As Previously Reported	Reclassifications	As Reclassified
Trade receivables from related parties (see Note 6)	₱4,896,192,040	₱444,519,795	₱5,340,711,835
Current portion of advances to related parties	1,310,000,000	44,400	1,310,044,400
Advances to related parties - net of current portion	1,052,564,195	(444,564,195)	608,000,000
Service revenue and others	2,931,500,375	1,570,311,969	4,501,812,344
Other income	4,906,910,412	(1,570,311,969)	3,336,598,443

Advances to related parties - net of current portion amounting to ₱444.6 million presented under "Noncurrent assets" in the 2017 financial statements and supporting notes disclosures have been reclassified to "Trade receivables from related parties" and "Current portion of advances to related parties" in 2017.

Management fees amounting to ₱1,570.3 million presented under "Other income" in the 2017 financial statements and supporting notes disclosures have been reclassified to "Service revenue and others" in 2017.

36. Supplementary Tax Information Required Under Revenue Regulations No. 15-2010

The Bureau of Internal Revenue has issued Revenue Regulations No. 15-2010 which requires certain tax information to be disclosed in the notes to the parent company financial statements. The Company presented the required supplementary tax information as a separate schedule attached to its annual income tax return.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Jollibee Foods Corporation
Doing business under the name and style of Jollibee
10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue, Ortigas Center
Pasig City

We have audited in accordance with Philippine Standards on Auditing the parent company financial statements of Jollibee Foods Corporation Doing business under the name and style of Jollibee (formerly Jollibee Foods Corporation) (the Company) as at and for the years ended December 31, 2018 and 2017 and have issued our report thereon dated April 8, 2019. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of all the effective standards and interpretations as well as the reconciliation of retained earnings available for dividend declaration as at December 31, 2018 are the responsibility of the management of the Company. These schedules are presented for the purpose of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Mariecris N. Barbaso

Mariecris N. Barbaso
Partner
CPA Certificate No. 97101
SEC Accreditation No. 1513-AR-1 (Group A),
November 16, 2018, valid until November 15, 2021
Tax Identification No. 202-065-716
BIR Accreditation No. 08-001998-108-2018,
February 14, 2018, valid until February 13, 2021
PTR No. 7332526, January 3, 2019, Makati City

April 8, 2019

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Formerly Jollibee Foods Corporation)

SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS
DECEMBER 31, 2018

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards			✓
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2, Classification and Measurement of Share-based Payment Transactions	✓		
PFRS 3	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4, Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments			✓
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements			✓
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
PAS 12	Income Taxes	✓		
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 19	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
PAS 23	Borrowing Costs	✓		
PAS 24	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Separate Financial Statements	✓		
PAS 28	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property	✓		
	Amendments to PAS 40, Transfers of Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
Philippine Interpretation IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		**Adopted**	**Not Adopted**	**Not Applicable**
Philippine Interpretation IFRIC-2	Members' Shares in Co-operative Entities and Similar Instruments			✓
Philippine Interpretation IFRIC-4	Determining whether an Arrangement contains a Lease	✓		
Philippine Interpretation IFRIC-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
Philippine Interpretation IFRIC-6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment			✓
Philippine Interpretation IFRIC-7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
Philippine Interpretation IFRIC-10	Interim Financial Reporting and Impairment			✓
Philippine Interpretation IFRIC-12	Service Concession Arrangements			✓
Philippine Interpretation IFRIC-14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
Philippine Interpretation IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✓
Philippine Interpretation IFRIC-17	Distributions of Non-cash Assets to Owners			✓
Philippine Interpretation IFRIC-19	Extinguishing Financial Liabilities with Equity Instruments			✓
Philippine Interpretation IFRIC-20	Stripping Costs in the Production Phase of a Surface Mine			✓
Philippine Interpretation IFRIC-21	Levies	✓		
Philippine Interpretation IFRIC-22	Foreign Currency Transactions and Advance Consideration	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Interpretation SIC-7	Introduction of the Euro			✓
Philippine Interpretation SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
Philippine Interpretation SIC-15	Operating Leases - Incentives	✓		
Philippine Interpretation SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
Philippine Interpretation SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
Philippine Interpretation SIC-29	Service Concession Arrangements: Disclosures			✓
Philippine Interpretation SIC-32	Intangible Assets - Web Site Costs			✓

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Formerly Jollibee Foods Corporation)

RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2018

Unappropriated Retained Earnings, beginning	₱13,023,428,777
Adjustments:	
Deferred tax assets - net, beginning	(1,919,768,452)
Unrealized foreign exchange gain - net (except those attributable to Cash and cash equivalents), beginning	(112,754,679)
Accretion of interest on financial assets, beginning	(36,063,148)
Unappropriated Retained Earnings Available for Dividend Declaration, beginning	10,954,842,498
Add: Net income actually earned/realized during the period	
Net income of the Parent Company closed to Retained Earnings	6,533,944,540
Less: Non-actual/unrealized income	
Unrealized foreign exchange gain - net (except those attributable to Cash and cash equivalents)	(297,030,609)
Accretion of interest on financial assets	(13,190,522)
Unrealized gain on financial assets at fair value through profit or loss	(9,980,000)
Add: Provision for deferred income tax	42,469,628
Net income actually earned/realized during the year	6,256,213,037
Add (Less):	
Release of appropriation during the year	18,200,000,000
Appropriation during the year	(20,000,000,000)
Dividends declared during the year	(2,691,786,807)
Treasury shares	(180,511,491)
Unappropriated Retained Earnings Available for Dividend Declaration, ending	**₱12,538,757,237**