

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Annual Report for the year 2015

SEC Form 17-A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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)

SEC Form 17-A

Annual Report

(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, 2015**
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 **1600**
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	<u>1,071,536,171</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,071,536,171 is inclusive of 3,434 and 29,500 MSOP shares subject for listing and 2,743,943 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated April 11, 2016)	1,521,931
Shares applied for listing	-
Ending balance, as of April 13, 2016	<u>1,521,931</u>
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated April 11, 2016)	1,222,012
Shares applied for listing	-
Ending balance, as of April 13, 2016	<u>1,222,012</u>
TOTAL	<u><u>2,743,943</u></u>

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, 2015:

Total number of outstanding shares	1,069,669,555
Less: Outstanding Shares held by Affiliates	590,973,794
Shares held by Non-Affiliates	478,695,761
Average price as of December 31, 2015	PhP206.05
Aggregate market value of voting stock held by Non-Affiliates	98,635,261,554
Level of Public Float based on information available as of December 31, 2015	42.55%

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 (“*JFC*” or the “*Company*”) was incorporated on January 11, 1978. Its principal business is the development, operation and franchising of quick-service restaurants (QSR) under the trade name “Jollibee.” In the Philippines, the Company has, as subsidiaries, FRESH N’ FAMOUS FOODS, INC., which develops, operates and franchises quick-service restaurants under the trade names “Chowking” and “Greenwich,” RED RIBBON BAKESHOP, INC. (through RRB HOLDINGS, INC.), which develops, operates and franchises restaurants under the “Red Ribbon” trade name, MANG INASAL PHILS., INC. (of which the Company owns 70%), which develops, operates and franchises restaurants under the “Mang Inasal” trade name, and PERF RESTAURANTS INC., (through holding companies, of which the Company owns 54%) which franchises restaurants under the “Burger King” trademark in the Philippines. The Company also has subsidiaries and affiliates which develop and operate its international brands, “Yonghe King,” “Hong Zhuang Yuan,” “San Pin Wang,” brands under the SuperFoods Group (including Highlands Coffee and Pho 24), “12 Hotpot”, Sma and “Dunkin’ Donuts”. Milestones and updates for subsidiaries and affiliates are discussed further in other parts of this Report.

In 2015, Jollibee started the year on a high note with the re-launch of the new Garlic Pepper Beef. This was followed by the launch of a new campaign for Cheesy Bacon Mushroom Yum. Given the very competitive landscape, Jollibee focused on its flagship and core products. It introduced Chickenjoy’s thematic campaign entitled “made of joy na walang katulad” and in August, a taste superiority campaign for Jolly Spaghetti was rolled out. In September, it launched the Taste Forever Love campaign for Jollibee’s burger steak product. The results were overwhelming and a good follow up to the Big Burger steak product that was launched during the early part of the year. Jollibee also introduced a new dessert, the Peach Mango Sundae which was well received by fans of its iconic dessert, the Peach Mango Pie. This is also in addition to the Reese’s Mix-ins, offering its customers more dessert options.

Other exciting campaigns and innovations included the introduction of the new Jollibee Kids Meal packaging – the Jolly Joy Box, the return of the iconic “I love you Sabado!” jingle as part of Jollibee’s weekend thematic campaign and strategic brand collaboration through the tie-up with Uniqlo for specially-designed Jollibee shirts that delighted fans all over the country.

By the end of 2015, there were 916 Jollibee stores nationwide, of which 459 were franchised and 457 were company-owned.

2015 was another landmark year for Jollibee International operations with unprecedented growth not just in sales but also in international expansion. Cementing its status as a truly global brand, Jollibee continues its international expansion with 16 new stores opened, actually celebrating its 1000th store opening in United Arab Emirates (UAE) which marks the first entry of the brand into a flagship market in the Middle East.

Jollibee is poised with truly great tasting and well-loved flagship products, and a steady expansion plan across different global markets truly inching towards the goal of bringing the joy of eating truly delicious food to everyone.

As of December 2015, Jollibee had 139 stores with 32 stores in the United States, 72 in Vietnam, 13 in Brunei, 1 in Hong Kong, 2 in Singapore and 19 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 close to 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 Services, 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, Paranaque City with over 20,000 combined pallet locations for both dry and cold storages. Like its manufacturing partner ZFC, JWSL is poised for expansion. A mix of company-owned and third party serviced logistics centers are being undertaken.

The Company is currently embarking on major expansion projects for completion from 2014 to 2018 to increase capacity of the plants and distribution centers in Luzon and Vismin, addressing the growth requirements of the stores nationwide.

The Company’s main suppliers are:

<i>Food</i>	<i>Supplier</i>
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

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, Hong Zhuang Yuan and San Pin Wang in China. In July 2010, the Company disclosed that, through its wholly-owned subsidiary Jollibee Worldwide Pte. Ltd., it had entered into a joint venture agreement with Hua Xia Harvest Holdings Pte. Ltd. (“Hua Xia”) to build and operate a food processing plant in Shucheng County in Anhui Province of China. In February 2016, the Company disclosed that it entered into an agreement with Hua Xia to acquire the latter’s 30% equity shareholding in the joint venture entity. With said acquisition, the Company shall own 100% of the joint venture entity.

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 AND INVESTMENTS

Investment – Philippines (August 26, 2015)

On August 26, 2015, the Company disclosed that it has signed an Agreement with DoubleDragon Properties Corp. ("DoubleDragon") or the construction by DoubleDragon of Jollibee Tower, a 40-storey commercial and office tower on the Company's Ortigas Center lot. The Company shall receive from DoubleDragon office, commercial and parking units in Jollibee Tower, in exchange for its 3,002 square meter lot.

Joint Venture – United States of America (October 13, 2015)

On October 13, 2015, the Company disclosed that its wholly-owned subsidiary, Bee Good! Inc. ("BGI") entered into an agreement with Smashburger Master LLC ("Master") to acquire 40% of Smashburger®, a fast casual better burger brand in the United States. On October 27, 2015, the Company disclosed that it has completed its acquisition from Master of 40% of the outstanding units of SJBFL LLC, the parent company of the entities comprising the Smashburger® business.

EMPLOYEES

JFC and its commissaries have approximately 18,235 employees in the Philippines as of December 31, 2015, 5,019 of which are employed on a full-time basis, and 13,216 on a contractual basis. The regular daily-paid employees of JFC are subject to a collective bargaining agreement which expires on February 28, 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

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.

¹Please see discussion on page 87.

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 governments.

RESEARCH AND DEVELOPMENT

Research and development is 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:

<u>Year</u>	<u>Amount</u>	<u>Percentage to Systemwide Sales of Jollibee Brand</u>
2014	PhP77,609,619.44	0.14%
2015	PhP72,994,618.94	0.12%

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 currently implements two programs, namely, the Environmental Education and Awareness Program ("EEAP"), and the Cleaner Production Pollution Prevention ("CP2P") Program. Under the former, restaurant managers undergo the requisite 40-hour Basic Pollution Control Officer (PCO) Training, while area managers, group managers as well as managing directors undergo the 8-hour Environmental Management Training. In the CP2P program, the Company's environmental policy is inculcated in every store personnel and they are also taught Best Management Practices (BMPs) in the kitchen.

Strict adherence to the tenets of environmental responsibility actually begins the moment a JFC store is constructed. The Fiber Cement (Ficem) boards utilized for the drywall partitions and ceiling assemblies are not only asbestos-free, non-combustible, inorganic and termite proof, they are also 100% reusable. Even the Low VOC paint used in JFC stores is free of harmful chemicals like asbestos and mercury, in addition to being eco-efficient in terms of coverage and durability. The use of light-colored roofing materials, which reflect heat, contribute to a much cooler building as well as reduced electrical bills. Additionally, for general lighting, conversion to Light Emitting Diodes (LED), capable of over 50,000 "burning" hours while consuming only 9 watts each, have been implemented in most stores.

The air-conditioning systems being installed in newly-built stores now utilize chilled water instead of a refrigerant to cool the room, saving approximately 32,000 kilowatt hours per store every year. The energy saved with its installation for every 20 stores is equivalent to the yearly power consumption of almost 400 households. Not only that, evaporative fresh air blowers are also employed, which draw warm outside air through wet filter pads, resulting in a similar cooling effect through evaporation. This reduces the use of air conditioners, saving around 25,000 kilowatt-hours of energy per year with every installed unit. Additional energy economy is achieved with the heat recovery water heater, which traps the heat emitted by the air conditioner to produce hot water for cleaning the floors. This mechanism results in additional savings of 20,700 kilowatt-hours of energy per unit per year, enough to provide the electrical requirement of 2,678 households for every 220 Jollibee stores using this facility. The exhaust systems of the kitchens contain variable speed drives, programmed to automatically reduce the speed of exhaust motors during off-peak hours when less food is cooked, saving up to 14,000 kilowatt-hours of energy per motor per year.

JFC continues to innovate by developing alternative energy sources like the solar power system and wind power. JFC store roofs are potential sources of carbon free electricity. Installation of roof-mounted, grid-tied solar panels on Jollibee stores started in 2015.

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.

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

2015 was a big year for Chowking. Focused efforts on building flagship products were key to Chowking's success. The brand started the year with an above-the-line campaign featuring Chinese-style Fried Chicken, highlighting it as the fried chicken made with real chinese spices. Chowking also launched the improved profile of Chunky Asado Siopao.

In line with the strategy to develop superior tasting and craveable products, Chowking introduced new products to solidify the brand's position as a Filipino-inspired Chinese QSR. Sweet and Sour Pork, Meaty Wonton Noodles and Milk Tea were the perfect addition to strengthen its menu line-up.

2015 also paved the way to enhance the Chowking brand image. In November, from a generic styro-foam packaging, Chowking launched its paper packaging which features the new Chinese-themed look. The launch of the paper packaging is also in line with the brand's commitment to care for the environment as it shifts to environmentally friendly and biodegradable materials.

Moreover, Chowking did a complete overhaul of its menu board with the introduction of a new design and installation of digital LED menu boards in its stores. The new digital menu board provides better store experience and appetizing product presentation that helped solidify Chowking's image in the QSR market.

As of December 2015, there were 439 Chowking stores nationwide, of which 231 were franchised and 208 were company-owned.

As of year-end, Chowking had 46 stores outside the Philippines -- 19 stores in the United States, 20 in UAE, 4 in Qatar, 2 in Oman and 1 in Kuwait. In 2015, Chowking won the Filipino Times Award for "The Preferred Fast food" in UAE.

Greenwich

In 2015, Greenwich built 27 new stores; its most number of new stores in over 10 years, bringing the overall number of branches to 231. All of these stores follow the new pizzeria design concept which combines mid-century-inspired wood panels, brick accents, and other rustic motifs with modern, industrial stylings. The design gives the stores a hip and quirky look that the youth find Instagram-worthy, making *barkada* moments extra memorable.

New offerings like the Choco Banana Crisp dessert pizza, Wacky Wings, and Very Cheesy Macaroni were added to the menu to go well with Greenwich's best-tasting pizzas and pastas. The Overloaded Supreme Meal (featuring the best-seller pizzas & Lasagna plus Wacky Wings) and Cheesy Steak & Fries pizza provided customers with a hefty, high-value meal combination. The excitement brought about by these new products resulted in increased store visits and encouraged customers to add more to their usual orders.

Greenwich strengthened its affinity with its target market with the introduction of its new Barkada brand ambassadors composed of popular young celebrities. The new Barkada was featured in campaigns for Ultimate Overload, Crispy Thins, the limited-time-offer Cheesy Steak and Fries pizza and Lasagna Supreme.

As of December 2015, Greenwich had 231 stores nationwide, with 2 of those participating in the Company's "multibrand" stores. Greenwich ended the year 2015 with 87 franchised stores and 142 company-owned stores.

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

Red Ribbon

Red Ribbon set another record year in 2015. The growth was largely driven by the opening of 64 new stores, 10 of which in virgin territories. Aside from new stores, the launch of new products, like Limited Time Offer Cakes and Mamon, Double Deck Cake, Cake Slices, Cookies & Cream Mamon, Premium and Double Deck Dedication Cake, also raked in remarkable sales, significantly contributing to the growth of the brand particularly in the Rounds and Square Cakes categories. This

achievement marked Red Ribbon's commitment to making moments even sweeter for Filipino families with its wider store network and a richer range of products.

2015 also saw the highest number of renovated stores in the history of the brand. A total of 39 stores were renovated to project a refreshed look. In addition, a new store concept was piloted in 2 key outlets.

In the Philippines, Red Ribbon had 374 stores as of December 2015, 164 of which were franchised stores and 210 of which were company-owned.

As of December 2015, Red Ribbon USA had a total of 32 stores. For USA operations, 2015 was a memorable year as it was marked by a major improvement on Red Ribbon's flagship cake, Mango Cake.

Mang Inasal

From its first store in Robinson's Iloilo 12 years ago, Mang Inasal has established itself as a strong national brand and a leader in the quick-service restaurant industry through fortifying the strength of its products, people, and processes.

In 2015, Mang Inasal remained the number one Pinoy quick service restaurant and *Chicken Inasal* the number one Grilled Chicken.² These accolades are a result of Mang Inasal's great-tasting product offerings and serving Gold Standard *Chicken Inasal* across its 460 stores.

The company introduced improvements into its well-loved products such as Bangus Sisig, Bangus Inihaw, and the limited time offer Pinoy Halo-Halo with Christmas Barquillos. Customers across the country recognized the consistently excellent quality of Mang Inasal bestsellers such as Chicken Inasal, Pinoy Halo-Halo, Pork BBQ, and Palabok.

The Filipino people have continued to recognize Mang Inasal's strengths in 2015, with franchisees all over the country believing in Mang Inasal's direction toward further growth. This trust led to the Department of Trade and Industry and the Philippine Franchise Association recognizing the company as the Most Outstanding Filipino Franchise under the Food Category – Large in the 2015 Franchise Excellence Awards. Mang Inasal's strong digital presence and engaging digital marketing campaigns garnered the company the distinction of "Most Positively Talked About Fast Food" in 2015.

As of December 2015, Mang Inasal had 460 stores, 421 of which were franchised stores and 39 of which were company-owned.

Burger King

2015 was a record-breaking year for Burger King Philippines. First off, a total of 13 new branches were added to the Burger King system in 2015. This is the most number of openings in recent history. 2015 also marked the first ever outlets in the Bacolod and Nueva Ecija regions. In February 2015, the Cebu Cabahug branch opened and in August 2015, Lipa Uptown also opened. By year end, the official store count is at 56, the largest store network Burger King has ever had in the Philippines.

Apart from the numerous openings, 2 locations also got their much needed face lift. Key outlets were renovated to the delight of the guests. By the end of 2015, 82% of the store network now sport the latest "Garden Grill" concept bringing the "best burger experience" promise of the brand to life.

² 2015 Kantar Panel Metro Manila.

Marketing efforts for 2015 focused on the flagship products, Whopper and 4-Cheese Whopper. Each got their own TVC campaign highlighting the taste superiority of Burger King's flame-grilled burgers and great value-for-money; challenging the other burgers of competition.

Apart from the flagships, the X-tra Long Chicken Burger also got a push via digital efforts in Facebook and YouTube. New and limited-time only product introductions; like the Chicken Nuggets, Rock It Fries, and the Angry Whopper; also gave excitement to the menu. The brand's value proposition was also reinforced with the quarterly King Deals Coupons during the second half of the year.

All the marketing campaigns led to Burger King Philippines being recognized as The Choice 2015 Awardee for Favorite Fast Food Burger by several foodies and bloggers.

Yonghe King

In 2015, Yonghe King focused its efforts on improving the quality of its products and service. At the beginning of 2015, new product Fried Chicken Thigh Rice was launched in limited stores for pilot test. Extensive improvements were also made on its flagship products: Tomato Beef Noodle and Braised Beef Noodle wherein Yonghe King took the initiative in fast food industry to adopt premium cuts of leg steak as its main ingredient.

Beside products improvement, Yonghe King opened two experiment stores in Pudong and Puxi in Shanghai. In Puxi experiment store, Yonghe King adopted new store design, innovative menu and operation model. Aiming to pursue ultimate tasty fast food, Yonghe King replaced some of its menu products and introduced "Assemble to Order" production model. Other innovations adopted are digital ordering panel and mobile phone payment.

As of December 2015, Yonghe King had 321 stores, 27 of which were franchised stores and 294 of which were company-owned.

Hong Zhuang Yuan

The winning streak continued as Hong Zhuang Yuan registered its biggest year yet in 2015. It continued to strengthen its brand position of being the only Chinese neighborhood restaurant that "feels like home," offering delicious, everyday good value for money "comfort food" from memories of childhood and Beijing, and bringing delightful, comfortable eating experience.

Hong Zhuang Yuan optimized its menu by introducing new products that became popular and were widely accepted by the customers. These new products generated incremental sales for the business. At the same time, Hong Zhuang Yuan also continued to grow its iconic products, such as Lean Pork & Preserved Egg Congee, Five Black Congee, Kungbao Chicken, Sautéed Assorted Vegetable served with Pancake. To ensure consistent high quality food in all of its restaurants every day, an end-to-end approach was undertaken.

Hong Zhuang Yuan also implemented supply chain improvement programs in 2015 to meet the increase in demand, even under tough economic situation & stiff competition in China. Its newly-renovated commissary that has more modern and efficient facilities started operations in mid-2015. It also implemented safety and sanitation work gear, work safety program and conduct of good manufacturing practices (GMP) training programs during the year that resulted in sustained commissary profitability and improved GMP scores.

Hong Zhuang Yuan continued to renovate existing restaurants that enhanced customer visits and dining experience. These were prominently displayed in the restaurant interiors, creating an Old Beijing atmosphere that is modern and welcoming. As of December 2015, Hong Zhuang Yuan had 42 stores, 41 of which were company-owned.

San Pin Wang

2015 marked San Pin Wang's rapid reformation and updating of its food processes and equipment to ensure food safety. With these being applied all throughout the business, 2015 provided San Pin Wang the opportunity to open 10 stores – 3 company-owned stores and 7 franchised stores – bringing the total store count to 59.

Focusing on its flagship products, the brand introduced 2 new products - the Niusanbao and Tomato Beef Rice Noodle - to meet the demands of customers. In the stores, the Kitchen Display System, electronic queuing device, self-service beverage and other new models were introduced to serve customers better and quickly. The online takeaway business was also launched in 2015 to attract more customers.

As of December 2015, San Pin Wang had 59 stores, 46 of which were company-owned.

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.

The SuperFoods Group also acquired the Pho 24 brand and restaurants which have presence in Vietnam, Indonesia, Philippines, Cambodia, Macau and Korea. Pho 24 serves traditional Vietnamese dishes with rice noodles as its core products.

As of December 2015, Highlands Coffee had 101 stores in Vietnam and the Philippines, Pho 24 had 36 stores in Vietnam, Indonesia, Cambodia, Korea and Australia, and other SuperFoods brands had 8 restaurants.

12 Hotpot

On August 22, 2012, the Company disclosed that its wholly-owned subsidiaries Jollibee Worldwide Pte. Ltd. ("JWPL") and GPPL have entered into an agreement to establish a company to own and operate the *12 Hotpot* brand in the People's Republic of China, Hong Kong and Macau. JWPL and GPPL combined will own 48% of the joint venture company.

The *12 Hotpot* brand features low-priced hot pot dishes served in a clean and bright dining environment. It highlights safe and fresh food which each customer cooks in individual fast-heating stone hot pots.

As of December 2015, 12 Hotpot had 21 stores in the People's Republic of China.

Jinja

As of December 2015, Jinja operated 3 restaurants in the US.

JOLLIBEE GROUP FOUNDATION, INC.

After celebrating its first ten years, Jollibee Group Foundation (JGF) continued to work with partners and stakeholders to develop and implement programs that harness the strengths of JFC as a food service company to create lasting impact in the community.

Over the years, JGF's flagship programs have evolved to become program models for addressing the country's most pressing social challenges.

Busog, Lusog, Talino (BLT) School Feeding Program

Since the program started in 2007, BLT has steadily grown to cover more than 1,560 schools in 200 towns and cities across the country reaching more than 165,000 pupils. Year-on-year, 85% of pupils reach normal weight after completing the feeding cycle.

In 2015, in addition to regular school feeding activities, JGF undertook two major initiatives in support of the Department of Education's (DepEd) nationwide implementation of its School-Based Feeding Program: the BLT Excellence Awards and the BLT School Feeding Kitchen.

The BLT Excellence Awards encouraged schools to adopt food safety and cleanliness standards in implementing school feeding programs. JGF piloted the BLT Kitchen in Capas, Tarlac and helped develop standards on food production, safety and cleanliness in a central kitchen set up. Following the success of this pilot initiative, JGF is promoting the establishment of these kitchen facilities across the country. To support this, DepEd has released a memorandum to all school divisions to work with JGF in the establishment of BLT Kitchens.

Farmer Entrepreneurship Program (FEP)

FEP continued to be a model for inclusive business and was cited as an example in setting up the Department of Trade and Industry's Negosyo Center initiated by the Office of Senator Paolo Benigno Aquino. FEP was also presented in other fora such as the Livelihoods Asia Summit in India, Credit Suisse Philanthropy Forum, and the Roundtable on Inclusive Agribusiness in Southeast Asia held in Vietnam.

At the Asia Pacific Economic Cooperation's Small and Medium Enterprises Summit 2015, President Benigno S. Aquino III cited the FEP for enabling small farms to sell produce directly to institutional markets.

OTHERS

Other subsidiaries of the Company include FREEMONT FOODS CORPORATION, a wholly-owned subsidiary which owns and operates the Company's Jollibee stores 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:

	2015	2014	2013	2012
Total Sales	95,810,688,792	86,209,777,710	76,313,489,585	67,493,953,521
Foreign Sales	22,353,890,989	20,428,092,190	18,249,808,498	15,534,109,102
Percentage	23.30%	23.70%	23.90%	23.01%

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

	2015	2014	2013	2012
Net Income	5,046,333,392	5,488,941,506	4,722,806,527	3,713,062,706
Foreign Sales	22,353,890,989	20,428,092,190	18,249,808,498	15,534,109,102
Percentage	443.0%	372.2%	386.4%	418.4%

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, 2015.

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

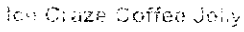
[Lists are found on the following page.]

LOCAL

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	1/3 POUND PATTY CHAMP EXTRA BIG LOGO & DEVICE		4-2010-004210	3-Dec-10	29, 35
Philippines	1/3 POUND PATTY CHAMP EXTRA BIG LOGO & DEVICE (IN COLOUR)		4-2010-004235	28-Jan-11	29, 35
Philippines	AFFORDELICIOUS	AFFORDELICIOUS	4-2010-010083	7-Apr-11	35
Philippines	AMAZING ALOHA & PINEAPPLE SLICE DEVICE		4-1996-108683	4-Nov-02	30
Philippines	BEE HAPPY	BEE HAPPY	4-2012-003129	24-May-12	35
Philippines	BEE HEAD DEVICE		4-2004-006570	6-Jan-06	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	BEE HEAD DEVICE		4-2005-007557	19-Feb-07	9, 16, 18, 20, 21, 24, 25, 28
Philippines	CHAMP	CHAMP	4-2010-004236	28-Jan-11	29, 35
Philippines	CHICKEN TORPEDO	CHICKEN TORPEDO	4-2004-011637	15-Jan-07	29
Philippines	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	4-2004-006569	26-May-06	29
Philippines	CONE TWIRL	CONE TWIRL	4-2010-010089	7-Apr-11	29
Philippines	CRISPYLICIOUS (WORD MARK)		4-2012-000563	31-May-12	29

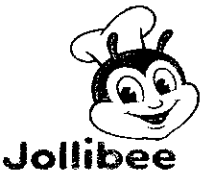
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	DITO ANG SARAP MAGING		4/2013/00001090	20-Feb-15	35
Philippines	DITO ANG SARAP MAGING PAMILYA		4/2013/00001089	20-Feb-15	35
Philippines	EVERYDAY DESERVES A SUNDAE	EVERYDAY DESERVES A SUNDAE	4/2011/00010765	20-Nov-14	30
Philippines	FAMILY VALUES AWARDS		4-2013-010435	19-Dec-13	35
Philippines	FINANCE BEYOND NUMBERS		4-2013-005162	12-Sep-13	16, 41
Philippines	HAPPYPLUS CASHLESS PAYMENTS WITH REWARDS LOGO AND DEVICE (IN BLACK & WHITE)	happyplus	4-2011-002977	20-Jun-13	9, 16, 35, 36

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	HAPPYPLUS CASHLESS PAYMENTS WITH REWARDS LOGO AND DEVICE (IN COLOR)		4-2011-009245	5-Jan-12	9, 16, 35, 36
Philippines	HETTY MASCOT HOUSE DEVICE (IN BLACK & WHITE)		4-2010-005365	21-Oct-10	16, 18, 25, 28, 41
Philippines	HETTY MASCOT HOUSE DEVICE (IN COLOR)		4-2010-005368	14-Oct-10	16, 18, 25, 28, 41
Philippines	Ice Craze Coffee Jelly		4-2005-003299	5-May-07	30
Philippines	jk		4-2005-008738	23-Jul-07	16, 18, 25, 26
Philippines	JOLLIBEE		4-2005-007558	19-Feb-07	9, 18, 20, 21, 24, 25

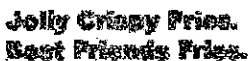
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	JOLLIBEE	JOLLIBEE	4-2000-004772	10-Mar-06	29, 30, 32, 42
Philippines	JOLLIBEE BREAKFAST JOYS	Jollibee Breakfast Joys	4-2009-006901	24-Dec-09	29, 35
Philippines	JOLLIBEE CHAMP	Jollibee Champ	4-2009-006900	12-Nov-09	29, 35
Philippines	JOLLIBEE CHAMP. BIG BURGER GOODNESS LIKE NO OTHER.	Jollibee Champ. Big Burger Goodness Like No Other.	4-2009-006905	12-Nov-09	35
Philippines	JOLLIBEE CHICKEN BARBECUE DELICIOUS INSIDE AND OUT INSIDE A RECTANGULAR DEVICE		4-2010-004237	22-Mar-12	29, 35
Philippines	JOLLIBEE CHICKEN BARBECUE DELICIOUS INSIDE AND OUT INSIDE A RECTANGULAR DEVICE (IN COLOUR)		4-2010-004233	13-Jan-11	29, 35

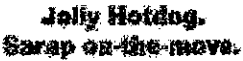
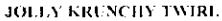
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	JOLLIBEE CHICKEN BARBECUE INSIDE A RECTANGULAR DEVICE		4-2010-004204	13-Jan-11	29, 35
Philippines	JOLLIBEE CHICKEN BARBECUE INSIDE A RECTANGULAR DEVICE (IN COLOUR)		4-2010-004234	28-Jan-11	29, 35
Philippines	JOLLIBEE FAMILY VALUES AWARDS CELEBRATING EXEMPLARY FILIPINO FAMILIES		4/2013/00010436	12-Jun-14	35
Philippines	JOLLIBEE GRILLED PORK TENDERS (Word Mark)		4-2012-000614	3-May-12	29
Philippines	JOLLIBEE KIDS CLUB INSIDE A CIRCLE DEVICE WITH A GRAPHIC DESIGN OF FACES OF KIDS		4-2010-005155	31-Dec-10	16, 35
Philippines	JOLLIBEE KIDS CLUB INSIDE A CIRCLE DEVICE WITH A GRAPHIC DESIGN OF FACES OF KIDS (IN COLOUR)		4-2010-005303	23-Dec-10	16, 35

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	INSIDE A CIRCLE DEVICE WITH A GRAPHIC DESIGN OF FACES OF KIDS AND JOLLIBEE CHARACTER ON THE UPPER LEFT		4-2010-005156	31-Dec-10	16, 35
Philippines	JOLLIBEE KIDS CLUB INSIDE A CIRCLE DEVICE WITH A GRAPHIC DESIGN OF FACES OF KIDS AND JOLLIBEE CHARACTER ON THE UPPER LEFT SIDE (IN COLOUR)		4-2010-005302	31-Dec-10	16, 35
Philippines	JOLLIBEE KIDS MEAL INSIDE A CIRCLE DEVICE WITH A GRAPHIC DESIGN OF A FORK ON THE LEFT SIDE AND A SPOON ON THE RIGHT SIDE		4-2010-005153	31-Dec-10	16, 35
Philippines	JOLLIBEE KIDS MEAL INSIDE A CIRCLE DEVICE WITH A GRAPHIC DESIGN OF A FORK ON THE LEFT SIDE AND A SPOON ON THE RIGHT SIDE (IN COLOUR)		4-2010-005307	31-Dec-10	16, 35
Philippines	JOLLIBEE KIDS MEAL INSIDE A CIRCLE DEVICE WITH A GRAPHIC DESIGN OF A FORK ON THE LEFT SIDE, A SPOON ON THE RIGHT SIDE AND A JOLLIBEE CHARACTER ON THE UPPER LEFT SIDE		4-2010-005154	31-Dec-10	16, 35

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	JOLLIBEE KIDS MEAL INSIDE A CIRCLE DEVICE WITH A GRAPHIC DESIGN OF A FORK ON THE LEFT SIDE, A SPOON ON THE RIGHT SIDE AND A JOLLIBEE CHARACTER ON THE UPPER LEFT SIDE (IN COLOUR)		4-2010-005304	16-Dec-10	16, 35
Philippines	JOLLIBEE KIDS TV AND DEVICE WITH JOLLIBEE CHARACTER ON THE LEFT SIDE		4-2010-005151	31-Dec-10	16, 35, 41
Philippines	JOLLIBEE KIDS TV AND DEVICE WITH JOLLIBEE CHARACTER ON THE LEFT SIDE (IN COLOUR)		4-2010-005305	16-Dec-10	16, 35, 41
Philippines	JOLLIBEE KIDS TV INSIDE A SQUARE DEVICE		4-2010-005152	31-Dec-10	16, 35, 41
Philippines	JOLLIBEE KIDS TV INSIDE A SQUARE DEVICE (IN COLOUR)		4-2010-005306	16-Dec-10	16, 35, 41
Philippines	JOLLIBEE LOGO AND DEVICE		4-2010-002055	22-Jul-10	29, 30, 43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	JOLLIBEE MAAGA ANG PASKO LOGO (BLACK & WHITE)		4-2012-001250	11-May-12	36
Philippines	JOLLIBEE MASCOT DESIGN (BLACK & WHITE) - MAIN		4-2013-002707	20-Jun-13	29, 43
Philippines	JOLLIBEE MASCOT HOUSE DEVICE (IN COLOR)		4-2010-005367	21-Oct-10	16, 18, 25, 28, 41
Philippines	JOLLIBEE MASCOT HOUSE DEVICE(IN BLACK & WHITE)		4-2010-005366	21-Oct-10	16, 18, 25, 28, 41
Philippines	JOLLIBEE SUPER MEALS	JOLLIBEE SUPER MEALS	4-2005-002450	18-Dec-06	43
Philippines	JOLLIKIDS	JOLLIKIDS	4-2005-000388	8-Jun-06	16, 18, 25, 26

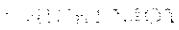
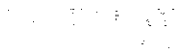
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	JOLLITOWN		4-2008-005395	25-Mar-10	16, 18, 20, 24, 25, 27, 28, 41
Philippines	JOLLY				29
Philippines	Jolly Cheezy Fries	JOLLY CHEEZY FRIES	4-2005-006933	5-Nov-07	29
Philippines	JOLLY CRISPY FRIES		4-2009-006965	15-Apr-10	35
Philippines	JOLLY CRISPY FRIES (WORD MARK)	JOLLY CRISPY FRIES	4-2004-006392	9-Feb-09	29
Philippines	JOLLY CRISPY FRIES. BEST FRIENDS FRIES.		4-2009-006907	19-Nov-09	35

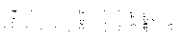
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	JOLLY HOTDOG		4-2009-006903	24-Dec-09	29, 35
Philippines	JOLLY HOTDOG. SARAP ON-THE-MOVE.		4-2009-006906	19-Nov-09	35
Philippines	JOLLY KRUNCHY TWIRL		4-2005-001998	18-Sep-06	29, 30
Philippines	JOLLY SHAKES WRITTEN IN COLORS RED AND ORANGE ENCLOSED BY A RECTANGLE SHADED IN BLUE		4-2003-001019	20-Nov-06	29, 30
Philippines	JOLLY WORD MARK - MAIN				29, 30, 32
Philippines	JUICYLICIOUS (WORD MARK)		4-2012-000564	9-May-13	29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	LANGHAP SARAP	LANGHAP SARAP	4-2009-003033	12-Nov-09	29, 30
Philippines	MAAGA ANG PASKO		4-2012-001251	11-May-12	36
Philippines	POPO MASCOT HOUSE DEVICE (IN BLACK & WHITE)		4-2010-005364	21-Oct-10	16, 18, 25, 28, 41
Philippines	POPO MASCOT HOUSE DEVICE (IN COLOR)		4-2010-005369	14-Oct-10	16, 18, 25, 28, 41
Philippines	SPAGHETTIEST	SPAGHETTIEST	4-2009-003358	18-Oct-12	29, 30, 32
Philippines	TWIRLIE MASCOT HOUSE DEVICE (IN BLACK & WHITE)		4-2010-005363	21-Oct-10	16, 18, 25, 28, 41

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Philippines	TWIRLIE MASCOT HOUSE DEVICE (IN COLOR)		4-2010-005370	14-Oct-10	16, 18, 25, 28, 41
Philippines	ULTIMATE BURGER STEAK LOGO		4/2013/00006363	23-Oct-14	29
Philippines	ULTIMATE BURGER STEAK WORD MARK				29
Philippines	YUM (WORD MARK)	YUM	4-2003-008177	11-Nov-10	29, 43
Philippines	YUM MASCOT HOUSE DEVICE (IN BLACK & WHITE)		4-2010-005362	6-Jan-11	16, 18, 25, 28, 41
Philippines	YUM MASCOT HOUSE DEVICE (IN COLOR)		4-2010-005371	14-Oct-10	16, 18, 25, 28, 41

INTERNATIONAL

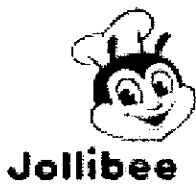
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Argentina	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		1,652,377	3-Dec-97	42
Australia	BEE HEAD DEVICE (Black & White) - MAIN		1666161	23-Dec-14	29, 43
Australia	CHICKENJOY WORD MARK - MAIN		1666176	23-Dec-14	29, 43
Australia	EVERYDAY DELICIOUS SLOGAN - MAIN		1666177	23-Dec-14	35
Australia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		1666168	23-Dec-14	29, 43
Australia	JOLLIBEE MASCOT DEVICE		654121	24-Feb-95	42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Australia	JOLLIBEE WORD MARK - MAIN		1666158	23-Dec-14	29, 43
Bahrain	BEE DEVICE		80979	15-Apr-10	30
Bahrain	BEE DEVICE		80978	15-Apr-10	29
Bahrain	BEE DEVICE		80980	15-Apr-10	43
Bahrain	BEE HEAD DEVICE (Black & White) - MAIN		91757	24-Apr-12	29
Bahrain	BEE HEAD DEVICE (Black & White) - MAIN		91758	24-Apr-12	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Bahrain	CHAMP WORD MARK - MAIN	CHAMP	96797	17-Mar-13	29
Bahrain	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	91759	24-Apr-12	29
Bahrain	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	91760	24-Apr-12	43
Bahrain	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.	96788	17-Mar-13	35
Bahrain	JOLLIBEE	JOLLIBEE	91755	24-Apr-12	29
Bahrain	JOLLIBEE	JOLLIBEE	91756	24-Apr-12	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Bahrain	JOLLIBEE & MASCOT DEVICE		S1718	2-Aug-95	42
Bahrain	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		TM 19220	10-Feb-98	29
Bahrain	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		SM 1717	18-Dec-96	42
Bahrain	JOLLIBEE LOGO & DEVICE		80975	15-Apr-10	29
Bahrain	JOLLIBEE LOGO & DEVICE		80976	15-Apr-10	30
Bahrain	JOLLIBEE LOGO & DEVICE		80977	15-Apr-10	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Bahrain	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		96798	17-Mar-13	29
Bahrain	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		96786	17-Mar-13	43
Bahrain	JOLLY WORD MARK - MAIN				30
Bahrain	YUM WORD MARK - MAIN	YUM			29
Brazil	JOLLIBEE GREAT BURGERS GREAT CHICKEN		818935359	30-Nov-99	38
Brunei Darussalam	BEE HEAD DEVICE (Black & White) - MAIN				29, 43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Brunei Darussalam	CHAMP WORD MARK - MAIN	CHAMP			29
Brunei Darussalam	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			29, 43
Brunei Darussalam	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.			35
Brunei Darussalam	JOLLIBEE		36,341	24-Jun-04	43
Brunei Darussalam	JOLLIBEE				29, 43
Brunei Darussalam	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29, 42

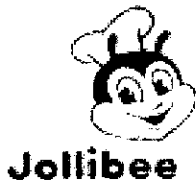
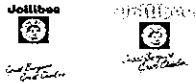
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Brunei Darussalam	YUM WORD MARK - MAIN	YUM			29
Cambodia	BEE HEAD DEVICE (Black & White) - MAIN		KH/43235/12	26-Dec-12	43
Cambodia	BEE HEAD DEVICE (Black & White) - MAIN		KH/43234/12	26-Dec-12	29
Cambodia	CHAMP WORD MARK - MAIN	CHAMP	47542	4-Sep-13	29
Cambodia	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	KH/44011/13	29-Mar-13	43
Cambodia	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	KH/44094/13	1-Apr-13	29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Cambodia	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.	47543	4-Sep-13	35
Cambodia	JOLLIBEE	JOLLIBEE.	KH/43233/12	26-Dec-12	43
Cambodia	JOLLIBEE	JOLLIBEE	KH/43232/12	26-Dec-12	29
Cambodia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		47540	4-Sep-13	29
Cambodia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		47541	4-Sep-13	43
Canada	BEE HEAD DEVICE		761468	11-Mar-10	43

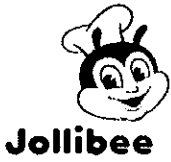
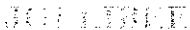
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Canada	BEE HEAD DEVICE				29
Canada	CHAMP WORD MARK - MAIN	CHAMP			29
Canada	CHICKENJOY WORD MARK - MAIN				29
Canada	CHICKENJOY WORD MARK - MAIN				43
Canada	JOLLIBEE		761476	11-Mar-10	29, 30, 32, 42, 43
Canada	JOLLIBEE CHICKENJOY (word mark)				29, 43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Canada	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DESIGN		727149	28-Oct-08	29, 42
Canada	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29, 43
Canada	JOLLY				30
Canada	JOLLY BURGER				30
Canada	JOLLY CHICKEN				29
Canada	JOLLY HOTDOG				29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Canada	JOLLY SPAGHETTI				30
Canada	YUM WORD MARK - MAIN	YUM			29
Czech Republic	JOLLIBEE & DEVICE		196474	3-Jan-97	29, 30, 32, 42
Egypt	JOLLIBEE & DEVICE		95740	14-Feb-01	42
Egypt	JOLLIBEE & DEVICE		95741	17-Jan-01	29
Egypt	JOLLIBEE MASCOT DEVICE		95742	17-Jan-01	42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Hong Kong	JOLLIBEE		300352025	11-Jan-05	43
Hong Kong	Jollibee Great Burgers Great Chicken & Device (series)		199901984	4-Apr-95	42
Hong Kong	JOLLIBEE MASCOT DEVICE		199700668	4-May-95	29
Hong Kong	JOLLIBEE MASCOT DEVICE		199904465	12-May-95	42
Hong Kong	JOLLIBEE NAME (IN CHINESE CHARACTERS "SIU LOK FUNG")	小樂蜂	09486 of 1996	1-Mar-95	29
Hong Kong	JOLLIBEE NAME (IN CHINESE CHARACTERS "SIU LOK FUNG")	小樂蜂	09487 of 1996	1-Mar-95	30

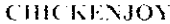
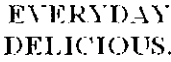
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Hong Kong	JOLLIBEE NAME (IN CHINESE CHARACTERS "SIU LOK FUNG")	小樂蜂	09488 of 1996	1-Mar-95	32
Hong Kong	JOLLIBEE NAME (IN CHINESE CHARACTERS "SIU LOK FUNG")	小樂蜂	09489 of 1996		42
India	BEE HEAD DEVICE (Black & White) - MAIN				29, 43
India	CHAMP WORD MARK - MAIN	CHAMP			29
India	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			29, 43
India	JOLLIBEE & DEVICE	 Jollibee	1356313	10-May-05	42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
India	JOLLIBEE & DEVICE		1367743	29-Jun-05	29, 30
India	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE				16
India	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE				29
India	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29, 43
India	JOLLIBEE WORD MARK - MAIN				29, 43
India	YUM WORD MARK - MAIN				29

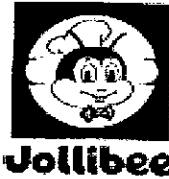
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Indonesia	BEE HEAD DEVICE				25
Indonesia	BEE HEAD DEVICE (BLACK & WHITE) - MAIN				29
Indonesia	BEE HEAD DEVICE (BLACK & WHITE) - MAIN				43
Indonesia	CHAMP WORD MARK - MAIN	CHAMP			29
Indonesia	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			43
Indonesia	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Indonesia	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.			35
Indonesia	JOLLIBEE	JOLLIBEE			29
Indonesia	JOLLIBEE	JOLLIBEE			43
Indonesia	JOLLIBEE & DEVICE		IDM000004618	30-Sep-13	43
Indonesia	JOLLIBEE (word mark)	JOLLIBEE			25
Indonesia	JOLLIBEE BEEFBURGER GREAT BURGERS GREAT CHICKEN & DEVICE	 BEEFBURGER	IDM000431821	24-Apr-05	42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Indonesia	JOLLIBEE BEEFBURGER GREAT BURGERS GREAT CHICKEN & DEVICE		IDM000431820	24-Sep-96	29
Indonesia	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE				29
Indonesia	JOLLIBEE MASCOT DESIGN				25
Indonesia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29
Indonesia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				43
Indonesia	YUM WORD MARK - MAIN	YUM			29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Israel	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		100922	20-Sep-02	29
Israel	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		100923	20-Sep-02	42
Italy	BEE HEAD DEVICE (Black & White) - MAIN		1521187	10-Dec-12	29, 43
Italy	CHAMP WORD MARK -MAIN		1571901	20-Jan-14	29
Italy	CHICKENJOY WORD MARK - MAIN		1521186	10-Dec-12	29, 43
Italy	EVERYDAY DELICIOUS SLOGAN - MAIN		1561497	2-Oct-13	35

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Italy	HOME OF THE FAMOUS CHICKENJOY				29, 43
Italy	JOLLIBEE	JOLLIBEE	1521185	10-Dec-12	29, 43
Italy	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		1561496	2-Oct-13	29, 43
Italy	YUM WORD MARK - MAIN	YUM	1571900	20-Jan-14	29
Japan	BEE HEAD DEVICE (Black & White) – MAIN				29, 30, 32, 43
Japan	CHAMP WORD MARK – MAIN	CHAMP			30

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Japan	CHICKENJOY WORD MARK – MAIN	CHICKENJOY	5755936	3-Apr-15	29, 43
Japan	EVERYDAY DELICIOUS SLOGAN – MAIN	EVERYDAY DELICIOUS.	5753946	27-Mar-15	35
Japan	JOLLIBEE & DEVICE		3249420	31-Jan-97	29
Japan	JOLLIBEE & DEVICE		3251544	31-Jan-97	30
Japan	JOLLIBEE & DEVICE		3282959	18-Apr-97	32
Japan	JOLLIBEE & DEVICE		4013499	20-Jun-97	42

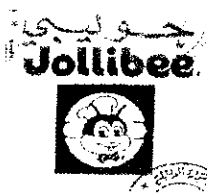
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Japan	JOLLIBEE CHAMP (in plain letters)		5803627	30-Oct-15	30
Japan	JOLLIBEE MASCOT DESIGN (Black & White) – MAIN				29, 30, 32, 43
Japan	JOLLIBEE WORD MARK – MAIN				29, 30, 32, 43
Japan	YUM WORD MARK - MAIN	YUM	5755935	3-Apr-15	30
Jordan	BEE HEAD DEVICE (Black & White)		121001	6-Dec-12	43
Jordan	JOLLIBEE WORDMARK	jollibee	121002	6-Dec-12	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Korea - Republic of (South)	BEE HEAD DEVICE (Black & White) - MAIN		48276	21-Feb-14	29, 43
Korea - Republic of (South)	CHAMP WORD MARK - MAIN	CHAMP			29
Korea - Republic of (South)	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	46615	17-Oct-13	29, 43
Korea - Republic of (South)	JOLLIBEE		48272	21-Feb-14	29, 43
Korea - Republic of (South)	JOLLIBEE & DESIGN		40-0358457	21-Mar-97	7
Korea - Republic of (South)	JOLLIBEE & DESIGN		40-0372192	9-Aug-97	5

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Korea - Republic of (South)	JOLLIBEE & DESIGN		40-0372105	8-Aug-97	2
Korea - Republic of (South)	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	 Jollibee BURGER <i>Great Burgers Great Chicken</i>	377580	8-Oct-97	2
Korea - Republic of (South)	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	 Jollibee. <i>Great Burgers Great Chicken</i>	369351	18-Jul-97	7
Korea - Republic of (South)	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE				42
Korea - Republic of (South)	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		48629	18-Mar-14	29, 43
Korea - Republic of (South)	YUM WORD MARK - MAIN				29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Kuwait	JOLLIBEE LOGO AND DEVICE		95849	13-Jun-10	43
Kuwait	BEE DEVICE		95851	13-Jun-10	30
Kuwait	BEE DEVICE		95852	13-Jun-10	43
Kuwait	BEE DEVICE		95850	13-Jun-10	29
Kuwait	BEE HEAD DEVICE (Black & White) - MAIN				29
Kuwait	BEE HEAD DEVICE (Black & White) - MAIN				43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Kuwait	CHAMP WORD MARK - MAIN	CHAMP			29
Kuwait	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			29
Kuwait	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			43
Kuwait	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.			35
Kuwait	JOLLIBEE	JOLLIBEE			29
Kuwait	JOLLIBEE	JOLLIBEE			43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Kuwait	JOLLIBEE & DEVICE		99734	28-May-97	29
Kuwait	JOLLIBEE & DEVICE		99735	28-May-97	42
Kuwait	JOLLIBEE & Device		29945	26-Nov-95	29
Kuwait	JOLLIBEE & THREE BEE DEVICE (JOLLIBEE MASCOT)		99736	28-May-97	42
Kuwait	JOLLIBEE (word) and Device		29947	25-Nov-05	30
Kuwait	JOLLIBEE (word) and Device		29403	25-Nov-05	32

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Kuwait	JOLLIBEE Device & Jollibee Foods Corporation		29946	25-Nov-05	43
Kuwait	JOLLIBEE LOGO AND DEVICE		95848	13-Jun-10	30
Kuwait	JOLLIBEE LOGO AND DEVICE		95847	13-Jun-10	29
Kuwait	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29
Kuwait	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				43
Kuwait	YUM WORD MARK - MAIN	YUM			29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Lebanon	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		66960	20-Sep-95	29, 42
Malaysia	BEE HEAD DEVICE				25
Malaysia	BEE HEAD DEVICE (BLACK & WHITE) - MAIN		2012052508	23-Apr-12	29
Malaysia	BEE HEAD DEVICE (BLACK & WHITE) - MAIN		2012052510	23-Apr-12	43
Malaysia	CHAMP WORD MARK - MAIN	CHAMP	2013052208	13-Mar-13	29
Malaysia	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	2012052511	23-Apr-12	29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Malaysia	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			43
Malaysia	EVERYDAY DELICIOUS SLOGAN – MAIN	EVERYDAY DELICIOUS.			35
Malaysia	HOME OF THE FAMOUS CHICKENJOY				29
Malaysia	HOME OF THE FAMOUS CHICKENJOY				43
Malaysia	JOLLIBEE	JOLLIBEE	2000-2359	3-Mar-00	43
Malaysia	JOLLIBEE	JOLLIBEE	2012052507	23-Apr-12	29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Malaysia	JOLLIBEE & DEVICE		95003171	8-Apr-95	29
Malaysia	JOLLIBEE & DEVICE		2359	3-Mar-00	43
Malaysia	JOLLIBEE (word mark)				25
Malaysia	JOLLIBEE (word) and Device		95003171	8-Apr-95	29
Malaysia	JOLLIBEE MASCOT (SERIES OF 3)		2000-02358	3-Mar-00	43
Malaysia	JOLLIBEE MASCOT DESIGN				25

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Malaysia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		2013052204	13-Mar-13	29
Malaysia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		2013052205	13-Mar-13	43
Mexico	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DESIGN		665344	27-Jul-00	29
Mexico	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DESIGN		764426	21-Oct-02	42
Myanmar	BEE HEAD DEVICE (BLACK & WHITE) - MAIN		2162	23-Feb-15	29, 43
Myanmar	CHAMP WORD MARK - MAIN	CHAMP	2165	23-Feb-15	29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Myanmar	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	2166	23-Feb-15	29, 43
Myanmar	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.	2167	23-Feb-15	35
Myanmar	JOLLIBEE MASCOT DESIGN (Black & White) – MAIN		2163	23-Feb-15	29, 43
Myanmar	JOLLIBEE WORD MARK – MAIN	JOLLIBEE	2161	23-Feb-15	29, 43
Myanmar	YUM WORD MARK – MAIN	YUM	2164	23-Feb-15	29
New Zealand	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		254483	6-Oct-95	29

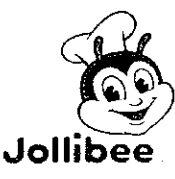
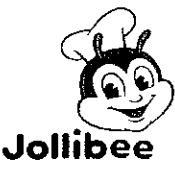
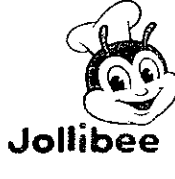
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
New Zealand	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		254484	6-Oct-95	42
Oman	BEE HEAD DEVICE (BLACK & WHITE) - MAIN		73974	20-May-13	29
Oman	BEE HEAD DEVICE (BLACK & WHITE) - MAIN		73975	20-May-13	43
Oman	CHAMP WORD MARK - MAIN	CHAMP	79630	25-Aug-14	29
Oman	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	73976	20-May-13	29
Oman	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	73977	20-May-13	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Oman	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.	79631	25-Aug-14	35
Oman	JOLLIBEE (WORD MARK)	JOLLIBEE	69397	4-Mar-14	29
Oman	JOLLIBEE (WORD MARK)	JOLLIBEE	69398	4-Mar-14	30
Oman	JOLLIBEE (WORD MARK)	JOLLIBEE	69399	4-Mar-14	43
Oman	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	 <i>Great Burgers Great Chicken.</i>	11659	29-May-05	42
Oman	JOLLIBEE MASCOT	 <i>Great Burgers Great Chicken.</i>			42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Oman	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		79627	25-Aug-14	29
Oman	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		79628	25-Aug-14	43
Oman	YUM WORD MARK - MAIN	YUM	79629	25-Aug-14	29
Papua New Guinea	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		59020	11-Sep-95	29
Papua New Guinea	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		59021	11-Sep-95	42
Qatar	BEE DEVICE		80980	15-Apr-10	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Qatar	BEE HEAD DEVICE (Black & White) - MAIN		74466	23-Nov-14	29
Qatar	BEE HEAD DEVICE (Black & White) - MAIN		74467	16-Oct-14	43
Qatar	CHAMP WORD MARK - MAIN	CHAMP			29
Qatar	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	74468	16-Oct-14	29
Qatar	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	74469	16-Oct-14	43
Qatar	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.			35

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Qatar	JOLLIBEE	JOLLIBEE			29
Qatar	JOLLIBEE	JOLLIBEE	74465	23-Nov-14	43
Qatar	JOLLIBEE CHARACTER AND DEVICE		57954	20-Sep-12	29
Qatar	JOLLIBEE CHARACTER AND DEVICE		57955	20-Sep-12	30
Qatar	JOLLIBEE CHARACTER AND DEVICE		57956	20-Sep-12	42
Qatar	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		14073	24-Mar-03	29

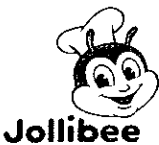
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Qatar	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		14074	24-Mar-03	42
Qatar	JOLLIBEE LOGO & DEVICE		57951	25-Sep-12	29
Qatar	JOLLIBEE LOGO & DEVICE		57952	25-Sep-12	30
Qatar	JOLLIBEE LOGO & DEVICE		57953	20-Sep-12	42
Qatar	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29
Qatar	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Qatar	JOLLY WORD MARK - MAIN				30
Qatar	YUM WORD MARK - MAIN	YUM			29
Romania	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		29524	8-Mar-05	29, 42
Romania	JOLLIBEE MASCOT DEVICE		29525	1-Jul-99	42
Saudi Arabia	BEE HEAD DEVICE (Black & White) - MAIN		143307687	22-Aug-13	29
Saudi Arabia	BEE HEAD DEVICE (Black & White) - MAIN		143307688	10-Sep-13	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Saudi Arabia	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	143307686	4-Apr-14	29
Saudi Arabia	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	143307685	4-Apr-14	43
Saudi Arabia	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.	143406467	1-Jul-14	35
Saudi Arabia	JOLLIBEE	JOLLIBEE	143307683	25-Jul-13	29
Saudi Arabia	JOLLIBEE	JOLLIBEE	143307684	10-Sep-13	43
Saudi Arabia	JOLLIBEE & Bee Device (word & device mark)	 Jollibee	1038/92	21-Jan-09	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Saudi Arabia	JOLLIBEE CHAMP		1436008326	22-Jun-15	29
Saudi Arabia	JOLLIBEE CHAMP		1436008327	22-Jun-15	30
Saudi Arabia	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		501/26	17-Oct-99	29
Saudi Arabia	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		501/25	17-Oct-99	42
Saudi Arabia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		143406471	3-Jul-14	29
Saudi Arabia	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		143406472	3-Jul-14	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Saudi Arabia	JOLLIBEE MASCOT DEVICE		379/25	2-Jul-96	42
Saudi Arabia	YUM WORD MARK - MAIN	YUM	143406468	1-Jul-14	29
Singapore	BEE HEAD DEVICE (BLACK & WHITE) - MAIN		T1205981F	26-Apr-12	29, 43
Singapore	CHAMP WORD MARK - MAIN	CHAMP	T1304014J	11-Mar-13	30
Singapore	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	T1205748A	20-Apr-12	29, 43
Singapore	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.	T1304015I	11-Mar-13	35

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Singapore	HOME OF THE FAMOUS CHICKENJOY				29, 43
Singapore	JOLLIBEE	JOLLIBEE	T1205747C	20-Apr-12	29, 43
Singapore	JOLLIBEE CHARACTER AND DEVICE		T0908261F	24-Jul-09	29, 30, 43
Singapore	JOLLIBEE LOGO AND DEVICE		T0908260H	24-Jul-09	29, 30, 43
Singapore	JOLLIBEE MASCOT DESIGN (BLACK & WHITE) - MAIN		T1304012D	11-Mar-13	29, 43
Singapore	JOLLIBEE WORD & DEVICE		3473/93	11-May-93	42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Singapore	JOLLIBEE WORD & DEVICE		3472/93	11-May-93	30
Singapore	YUM WORD MARK - MAIN	YUM			29
South Africa	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee  <i>Great Burgers</i> <i>Great Chicken</i>	95/10214	12-Jun-98	29
South Africa	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE	Jollibee  <i>Great Burgers</i> <i>Great Chicken</i>	95/10215	12-Jun-98	42
Spain	BEE HEAD DEVICE (Black & White)		3012444	1-Jun-12	29, 43
Spain	CHAMP WORD MARK - MAIN	CHAMP	3066988	12-Jun-13	29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Spain	CHICKENJOY WORD MARK	CHICKENJOY	3012445	21-May-12	29, 43
Spain	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.	3066991	12-Jun-13	35
Spain	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		3066986	12-Jun-13	29, 43
Spain	JOLLIBEE WORD MARK	JOLLIBEE	3012443	21-May-12	29, 43
Sri Lanka	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		81591	15-Aug-00	42
Syria	JOLLIBEE MASCOT DEVICE		56345	23-Oct-95	29, 30, 42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Thailand	BEE HEAD DEVICE				25
Thailand	BEE HEAD DEVICE (BLACK & WHITE) - MAIN				29
Thailand	BEE HEAD DEVICE (Black & White) - MAIN				43
Thailand	CHAMP WORD MARK - MAIN	CHAMP			30
Thailand	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			29
Thailand	CHICKENJOY WORD MARK - MAIN				43

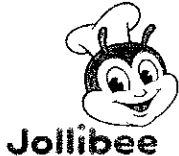
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Thailand	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.			35
Thailand	JOLLIBEE & THREE BEE DEVICE (JOLLIBEE MASCOT)		BOR4134	19-Apr-95	43
Thailand	JOLLIBEE (word mark)				25
Thailand	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		KOR41802	19-Apr-95	29
Thailand	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		BOR4135	19-Apr-95	43
Thailand	JOLLIBEE MASCOT DESIGN				25

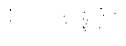
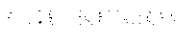
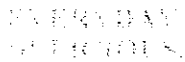
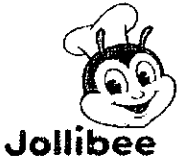
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Thailand	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29
Thailand	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				43
Thailand	JOLLIBEE WORD MARK - MAIN	JOLLIBEE			29
Thailand	JOLLIBEE WORD MARK - MAIN	JOLLIBEE			43
Thailand	YUM WORD MARK - MAIN	YUM			30
Turkey	BEE HEAD DEVICE (BLACK & WHITE) - MAIN				29, 43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Turkey	JOLLIBEE WORD MARK -- MAIN				29, 43
United Arab Emirates	BEE HEAD DEVICE (BLACK & WHITE) - MAIN				29
United Arab Emirates	BEE HEAD DEVICE (Black & White) - MAIN				43
United Arab Emirates	CHAMP WORD MARK - MAIN	CHAMP			29
United Arab Emirates	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			29
United Arab Emirates	CHICKENJOY WORD MARK - MAIN	CHICKENJOY			43

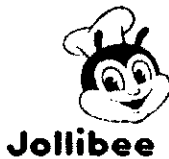
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
United Arab Emirates	EVERYDAY DELICIOUS SLOGAN - MAIN	EVERYDAY DELICIOUS.			35
United Arab Emirates	JOLLIBEE	JOLLIBEE			29
United Arab Emirates	JOLLIBEE	JOLLIBEE			43
United Arab Emirates	JOLLIBEE CHARACTER & DEVICE		126847	23-Aug-12	43
United Arab Emirates	JOLLIBEE CHARACTER AND DEVICE		126844	23-Aug-12	29
United Arab Emirates	JOLLIBEE CHARACTER AND DEVICE		126845	23-Aug-12	30

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
United Arab Emirates	JOLLIBEE CHARACTER AND DEVICE		126846	23-Aug-12	32
United Arab Emirates	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		15560	27-May-98	42
United Arab Emirates	JOLLIBEE GREAT BURGERS GREAT CHICKEN & DEVICE		15559	27-May-98	29
United Arab Emirates	JOLLIBEE LOGO & DEVICE		126	23-Aug-12	29
United Arab Emirates	JOLLIBEE LOGO & DEVICE		126842	23-Aug-12	32
United Arab Emirates	JOLLIBEE LOGO & DEVICE		126841	23-Aug-12	30

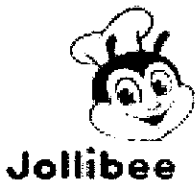
COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
United Arab Emirates	JOLLIBEE LOGO & DEVICE		126843	23-Aug-12	43
United Arab Emirates	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29
United Arab Emirates	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				43
United Arab Emirates	JOLLIBEE MASCOT DEVICE		14694	25-Apr-98	42
United Arab Emirates	YUM WORD MARK - MAIN	YUM			29
United Kingdom	BEE HEAD DEVICE (Black & White) - MAIN		3086509	20-Mar-15	29, 43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
United Kingdom	CHAMP WORD MARK - MAIN		3086550	20-Mar-15	30
United Kingdom	CHICKENJOY WORD MARK - MAIN		3086685	27-Mar-15	29, 43
United Kingdom	EVERYDAY DELICIOUS SLOGAN - MAIN		3086549	27-Mar-15	35
United Kingdom	HOME OF THE FAMOUS CHICKENJOY				29, 43
United Kingdom	Jollibee (Stylised) & Device		2572105	14-Feb-11	43
United Kingdom	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		3086533	20-Mar-15	29, 43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
United Kingdom	JOLLIBEE WORD MARK - MAIN	JOLLIBEE	3086498	20-Mar-15	29, 43
United Kingdom	YUM WORD MARK - MAIN	YUM	3086691	27-Mar-15	30
United States of America	AMAZING ALOHA		3399726	18-Mar-08	29
United States of America	BEE HAPPY		2,830,503	6-Apr-04	43
United States of America	BEE HEAD DEVICE (Black & White)		4426087	29-Oct-13	29, 43
United States of America	CHICKENJOY		3949145	19-Apr-11	29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
United States of America	CHICKENJOY	CHICKENJOY	4874637	22-Dec-15	43
United States of America	HEAVYWEIGHT YUMBURGER		3349865	4-Dec-07	30
United States of America	HOME OF THE FAMOUS CHICKENJOY				29, 43
United States of America	JOLLIBEE	JOLLIBEE	3196017	9-Jan-07	43
United States of America	JOLLIBEE		3152057	3-Oct-06	43
United States of America	JOLLIBEE & DESIGN		74/409992	24-Jun-97	29, 30, 32, 42

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
United States of America	JOLLIBEE & DEVICE		2074116	24-Jun-97	29, 30, 32, 42
United States of America	JOLLIBEE BURGER STEAK		3562559	13-Jan-09	29
United States of America	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN				29, 43
United States of America	JOLLIBEE WORD MARK	JOLLIBEE	4426109	29-Oct-13	29
United States of America	JOLLY SPAGHETTI		3374063	22-Jan-08	30
United States of America	PALABOK FIESTA		3393101	4-Mar-08	29

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
United States of America	YUM		3,363,459	1-Jan-08	30
United States of America	YUMBURGER		3349864	4-Dec-07	30
Vietnam	BEE HEAD DEVICE (BLACK & WHITE) - MAIN		210299	13-Aug-13	29, 43
Vietnam	CHAMP WORD MARK - MAIN	CHAMP	225455	3-Jun-14	30
Vietnam	CHICKENJOY WORD MARK - MAIN	CHICKENJOY	210298	13-Aug-13	29, 43
Vietnam	JOLLIBEE		89304	20-Sep-07	43

COUNTRY	TRADEMARK	TM LOGO	REGISTRATION NO	REGISTRATION DATE	CLASS/ES
Vietnam	JOLLIBEE		210739	21-Aug-13	29, 43
Vietnam	JOLLIBEE MASCOT		153633	28-Oct-10	29, 43
Vietnam	JOLLIBEE MASCOT DESIGN (Black & White) - MAIN		225456	3-Jun-14	29, 43
Vietnam	JOLLIBEE MASCOT DEVICE		19997	10-Feb-96	29
Vietnam	JOLLIBEE STACKED LOGO		153631	28-Oct-10	29, 43
Vietnam	PEEKING BEE		153632	28-Oct-10	29, 43

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
Tuguegarao Tanza Junction	Romeo Babaran	Land
La Carlota	Celso Uy	Land
FTI Sunshine	Shoppers Paradise FTI Corporation	Building
Carmona Highway	Grandworth Resources Corporation	Land
Puerto Princesa Junction	Palawan Jolly Foods Corporation	Land
Palo Leyte	V Lava and Company Incorporated	Land
Paciano / Mayapa	STF Realty and Development Corp.	Land
Fairview Regalado	Brixton Builders Corporation / Sanrox Development Corporation	Land
Davao Talomo	Emelito Yparraguirre	Land
Canlubang	Sugar Junction Inc.	Land
Dolores Junction	Jolly Palate Foods Corp	Land
Ortigas Roosevelt	Alben Holdings Corporation	Land
Bacao	Pablo Tobiano	Land
Mactan Basak (Mepz 2)	Lolita Berdin	Land
Agoo La Union	Niscan Development Corp.	Land
FCIE (Dasmariñas Cavite)	Catherine Angshiong Chua	Land
Calumpang	1.) Criselda Crisologo 2.) Crischona Caparros 3.) Manolito Sayas	Land
Tanauan	1.) D' Leus Allied Kalakalan Inc. 2.) Amprigon Inc.	Land
Molino	Shoppers Paradise Molino Corp.	Land
Ema Town Center	GERCA Development, Inc.	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 10,104.35 square meters) and in the Jollibee Center located in San Miguel Avenue (where it occupies an area totaling approximately 3,089.50 square meters). It also leases additional office spaces in the Jollibee Plaza, Jollibee Center, and the Karina, JJACISS and Sheridan buildings. In Cebu City, satellite main office at the Insular Life Building, Ayala Center Cebu enables the Company to take direct and timely advantage of the business opportunities in the Visayas and Mindanao Areas.

The 10-hectare property occupied by ZFC in Calamba, Laguna is owned by the Company, while the 7,719-square meter property occupied by ZFC in Mandaue City is owned by Freemont Foods Corporation. Additionally and as stated previously, the Company 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 building leased at Brgy. La Huerta, Parañaque 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, 2015:

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 will be presenting their rebuttal evidence on June 6, 2016.

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 2014, the Company filed a Motion for Reconsideration which was subsequently denied. The Company appealed to the Court of Appeals. The parties are in the process of filing their respective briefs with the Court of Appeals.

In January 2016, mediation before the Court of Appeals was terminated due to failure of the parties to enter into an amicable settlement. The case shall proceed to trial.

4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Last November 23, 2015, the Company held a Special Stockholders' Meeting wherein the stockholders ratified the Amended Senior Management Stock Option and Incentive Plan.

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

	2015		2014	
	High	Low	High	Low
1 st Quarter	235.80	209.60	175.90	151.00
2 nd Quarter	224.00	194.80	189.60	168.30
3 rd Quarter	196.00	180.00	199.00	173.30
4 th Quarter	222.00	192.00	215.00	181.00

Source: Philippine Stock Exchange

The high and low daily closing prices for the first quarter of 2016 are PhP234.40 and PhP194.00, respectively.

(2) Holders

There are approximately 3,118 holders as of December 31, 2015. The Company's top 20 shareholders as of this date are:

Top 20 Shareholders
As of December 31, 2015

Jollibee Foods Corporation
Top 20 Stockholders
As of December 31, 2015

	Total Direct & Indirect Shares	Percentage of Ownership Issued & Outstanding
1 PCD Nominee Corporation (Non-Filipino)	305,736,020	28.58%
2 Hyper Dynamic Corporation	273,218,750	25.54%
3 Honeysea Corporation	127,743,747	11.94%
4 PCD Nominee Corporation (Filipino)	99,960,017	9.34%
5 Winall Holding Corporation	54,140,736	5.06%
6 Honeyworth Corporation	40,065,483	3.75%
7 Kingsworth Corporation	29,168,935	2.73%
8 Centregold Corporation	27,430,964	2.56%
9 Gemma Tanbuntiong	21,910,601	2.05%
10 A-Star Holding Corporation	17,920,393	1.68%
10 Venice Corporation	17,674,602	1.65%
11 Azucena T. King	9,491,199	0.89%
12 Tony Tan Caktiong	8,494,565	0.79%
13 William Tan Untiong	7,676,389	0.72%
14 Ernesto Tanmantiong	5,200,970	0.49%
15 Longshore Corporation	3,610,184	0.34%
16 Paul Rosenberg	934,320	0.09%
17 Susana Tanmantiong	819,857	0.08%
18 Masancay, Anastacia	746,000	0.07%
19 Baysa, Ysmael	511,667	0.05%
Total	1,052,455,399	98.39%
Others	17,214,156	1.61%
Total Issued and Outstanding	1,086,116,895	
Treasury Shares (per SEC 11-C)	16,447,340	1.54%
Total Issued and Outstanding*	1,069,669,555	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 2015, the actual cash dividends per share declared as a percentage of the Earnings Per Share is 38.3%.

Below are the cash dividend declarations of the Company for the years 2013, 2014 and 2015:

Cash Dividend	Declaration Date	Ex-Date	Record Date	Payment Date
PhP0.65	April 11, 2013	May 2, 2013	May 7, 2013	May 30, 2013
PhP2.00*	August 6, 2013	September 16, 2013	September 19, 2013	October 14, 2013
PhP0.71	November 12, 2013	November 26, 2013	November 29, 2013	December 16, 2013
PhP0.75	April 7, 2014	May 5, 2014	May 8, 2014	May 30, 2014
PhP0.89	November 12, 2014	November 24, 2014	November 27, 2014	December 18, 2014
PhP0.80	April 7, 2015	May 4, 2015	May 7, 2015	May 29, 2015
PhP0.97	November 9, 2015	November 17, 2015	November 20, 2015	December 9, 2015

*Special cash dividends.

(4) Recent Sales of Unregistered Securities

There are no recent sales of unregistered securities.

Senior Management Stock Option and Incentive Plan

On December 17, 2002, the SEC approved the exemption requested by the Jollibee Group on the registration requirements of the 101,500,000 options 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.

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.

For instance, on July 1, 2004, the Compensation Committee of the Jollibee Group granted 2,385,000 options under the 1st MSOP cycle to eligible participants. 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. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005 and expired on June 30, 2012. From July 1, 2005 to 2015, the Compensation Committee granted series of MSOP grants under the 2nd to 12th MSOP cycle to eligible participants.

On August 25, 2015, the Compensation Committee granted 3,142,600 options under the 12th MSOP cycle to eligible participants. These options are similar to the 1st MSOP cycle. The 2nd, 3rd and 4th MSOP cycles expired on June 30, 2013, 2014 and 2015, respectively.

The movements in the number of stock options outstanding and related weighted average exercise prices (WAEP) are as follows:

	2015		2014		2013	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options granted as at end of year	40,120,794	₱82.22	36,863,194	₱73.58	33,404,194	₱62.69
Outstanding at beginning of year	13,609,275	₱117.51	16,915,937	₱83.77	16,788,056	₱63.90
Options granted during the year	3,257,600	179.99	3,459,000	178.66	3,595,500	142.51
Options exercised during the year	(1,380,628)	100.42	(6,765,662)	63.57	(3,373,561)	46.34
Options forfeited during the year	(617,810)	104.73	—	—	(94,058)	74.45
Outstanding at end of year	14,868,437	₱133.32	13,609,275	₱117.51	16,915,937	₱83.77
Exercisable at end of year	8,262,670	₱100.95	6,865,265	₱79.42	10,216,427	₱57.83

The weighted average share price of the Parent Company common shares is ₱206.05, ₱181.34 and ₱143.27 in 2015, 2014 and 2013, respectively. The weighted average remaining contractual life for the stock options outstanding as of December 31, 2015, 2014 and 2013 is 5.19 years, 5.83 years and 4.83 years, respectively.

The weighted average fair value of stock options granted in 2015, 2014 and 2013 is ₱26.13, ₱32.39 and ₱30.55, 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
1 st	2004	1.72%	36.91%	6.20%	5-7 years	₱24.00	₱20.00
2 nd	2005	1.72%	36.91%	6.20%	5-7 years	29.00	27.50
3 rd	2006	1.72%	36.91%	6.20%	5-7 years	35.00	32.32
4 th	2007	1.70%	28.06%	6.41%	3-4 years	52.50	50.77
5 th	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
6 th	2009	2.00%	30.37%	5.28%	3-4 years	48.00	45.45
7 th	2010	2.00%	29.72%	5.25%	3-4 years	70.00	57.77
8 th	2011	2.00%	34.53%	4.18%	3-4 years	89.90	89.90
9 th	2012	2.00%	28.72%	3.50%	3-4 years	107.90	107.90
10 th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00
11 th	2014	2.00%	24.87%	2.64%	3-4 years	179.80	179.80
12 th	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.

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 minimum 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 upcoming 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 is determined by the Jollibee Group with reference to 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 Jollibee Group with reference to the closing market price as of the date of entitlement.

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. 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 were achieved. One-third of the options granted, or 7,583,333 options, vested and may be exercised starting July 1, 2007 and expired on June 30, 2012. On July 1, 2008, October 19, 2012 and August 25, 2015, entitlement to 20,399,999, 24,350,000 and 11,470,000 options were given to eligible participants under the 2nd, 3rd and 4th ELTIP cycles, 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, 2015, 2014 and 2013 follow:

	2015		2014		2013	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options given as at end of year	78,969,999	₱74.58	67,499,999	₱56.66	67,499,999	₱56.66
Outstanding at beginning of year	31,270,560	₱90.06	37,186,110	₱82.51	37,811,665	₱80.51
Options granted during the year	11,470,000	180.00	—	—	750,000	105.00
Options exercised during the year	(3,728,468)	79.46	(5,665,977)	39.85	(1,375,555)	39.85
Options forfeited during the year	(667,093)	105.00	(249,573)	105.00	—	—
Outstanding at end of year	38,344,999	₱117.74	31,270,560	₱90.06	37,186,110	₱82.51
Exercisable at end of year	10,808,048	₱70.59	7,170,133	₱39.85	12,836,110	₱39.85

The weighted average remaining contractual life for the stock options outstanding as of 2015, 2014 and 2013 is 4.85 years, 4.85 years and 5.30 years, respectively.

The fair value of stock options granted is ₱26.13 in 2015 and ₱22.96 in 2014. 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 stock options granted under the 2nd, 3rd and 4th ELTIP cycles will expire on April 30, 2017, 2020 and 2023, respectively.

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
1 st	2004	1.72%	36.91%	6.20%	5 years	₱24.00	₱20.00
2 nd	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
3 rd	2012	2.00%	28.74%	3.60%	3-4 years	105.00	105.00
4 th	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 ₱173.2 million, ₱166.5 million and ₱150.4 million in 2015, 2014 and 2013, respectively.¹ Correspondingly, a credit was made to additional paid-in-capital.

External Audit Fees

Audit and Audit-Related Fees: For the 2015 audit, the aggregate fee for professional services rendered by the external auditors is approximately ₱17.5 Million, broken down as follows: approximately ₱6.7 Million for international operations and ₱10.8 Million for Jollibee and local subsidiaries.

For the 2014 audit, the aggregate fee for professional services rendered by the external auditors is approximately ₱19.6 Million, broken down as follows: approximately ₱6.9 Million for international operations and ₱12.7 Million for Jollibee and local subsidiaries.

Tax Fees: In 2015 and 2014, 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 2015 and 2014 professional services rendered by external auditors other than those mentioned above.

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.

¹ See Note 22 of the Consolidated Audited Financial Statements.

6. MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013.

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, 2015.

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 Year Ended December 31, 2015 vs. December 31, 2014

(All Amounts are in Million Pesos)

Revenues and System Wide Sales

	Year Ended December 31		Change	
	2015	2014	Amount	Pct
System Wide Sales	130,732.9	117,897.9	12,835.0	10.9%
Revenues	100,779.7	90,671.2	10,108.5	11.1%

System wide sales, a measure of all sales to consumers, both from company-owned and franchised stores grew by 10.9% in 2015, with the Philippine business growing by 10.8% and the foreign business by 11.2%. The China business grew by 9.2%, the US by 14.0% and Southeast Asia and the Middle East by 14.4%. The sales growth was driven by new stores which contributed 5%-6% and same store sales growth of 6%-7% on a worldwide basis. Same store sales growth pertains to sales growth from restaurants that were already open for at least 15 months. It excludes sales growth from new store opening.

Consolidated revenues, which consist of sales from company-owned stores, fees from stores operated by franchisees and commissary sales from stores operated by franchisees grew by 11.1% in 2015 compared to 2014.

The Jollibee Group opened 303 new stores during year, of which 246 were in the Philippines and 57 were in foreign operations. This is the highest number of stores opened in a year in JFC's history. It closed 99 stores (Philippines 72; Foreign business 27). It ended the year with 3,117 stores, 7.0% higher than a year ago.

Cost of Sales

Consolidated cost of sales for the year 2015 increased to ₱82,891.7 million, which is ₱9,163.9 million or 12.4% higher than consolidated cost of sales for the year 2014. The following table summarizes the breakdown of the Jollibee Group's cost of sales for the years ended December 31, 2015 and 2014 and the percentage of each component and the consolidated cost of sales to consolidated revenues:

	Year Ended December 31		Change		Pct to Rev	
	2015	2014	Amount	Pct	2015	2014
COST OF SALES						
Cost of inventories	49,202.3	43,228.2	5,974.1	13.8%	48.8%	47.7%
Personnel costs:						
Salaries, wages and other employee benefits	9,870.7	9,206.0	664.7	7.2%	9.8%	10.2%
Pension expense	153.3	119.9	33.4	27.9%	0.2%	0.1%
Rent	7,450.9	6,671.2	779.7	11.7%	7.4%	7.4%
Electricity and other utilities	3,808.1	3,767.7	40.4	1.1%	3.8%	4.2%
Contracted services and professional fees	3,219.6	2,445.0	774.6	31.7%	3.2%	2.7%
Depreciation and amortization	3,084.2	2,859.7	224.5	7.9%	3.1%	3.2%
Supplies	1,887.5	2,149.2	(261.7)	-12.2%	1.9%	2.4%
Repairs and maintenance	1,107.7	943.3	164.4	17.4%	1.1%	1.0%
Security and janitorial	502.9	383.0	119.9	31.3%	0.5%	0.4%
Communication	160.5	151.7	8.8	5.8%	0.2%	0.2%
Entertainment, amusement and recreational expenses (EAR)	33.0	27.3	5.7	20.9%	0.0%	0.0%
Others	2,411.0	1,775.7	635.3	35.8%	2.4%	2.0%
	82,891.7	73,727.8	9,163.8	12.4%	82.3%	81.3%

- Consolidated cost of inventories increased due to higher sales volume and also, the carry-over impact of higher raw material prices (particularly beef), higher demurrage charges for the Jollibee Group's imported raw materials and higher freight cost.
- The increase in other cost items such as personnel costs, rent, electricity and water, depreciation and amortization, contracted services and professional fees, security and janitorial and communication was driven by store expansion.

Consolidated contracted services increased mainly driven by significantly higher volume of transactions being processed as a result of increase in store network. The Company also shifted to hiring workers supplied by manpower agencies or cooperatives instead of directly hiring contractual or temporary employees for the stores and commissaries to comply with a labor law mandate. The increase was partly offset by a lower increase in salaries, wages and benefits and the decrease in expenses related to Project SEEDS. Following are the details:

	Year Ended December 31		Change		Pct to Rev	
	2015	2014	Amount	Pct	2015	2014
Salaries, wages and benefits	9,870.7	9,206.0	664.7	7.2%	9.8%	10.2%
Contracted services	3,194.3	2,428.2	766.1	31.5%	3.2%	2.7%
Project SEEDS*	484.0	517.8	(33.8)	-6.5%	0.5%	0.6%
	13,549.0	12,152.0	1,397.0	11.5%	13.4%	13.4%

*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 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.

- The significant increase in consolidated repairs and maintenance expenses was due to higher regular preventive maintenance expenses driven by increasing number of stores as well as cost of spare parts used for repairs of store and commissary equipment.
- The increase in consolidated securities and janitorial expense was also due to higher expenses related to pans and crates washing.
- The decrease in consolidated supplies was driven by lower LPG prices, which declined significantly in 2015 compared to a year ago.

- The increase in consolidated cost of sales - others was due to higher expenses related to the Jollibee Group's Express Delivery and increased transportation and travel expenses driven by provincial and worldwide expansion.

Gross Profit

Consolidated gross profit for the year 2015 increased to ₱17,888.0 million, ₱944.6 million or 5.6% higher than the consolidated gross profit of ₱16,943.4 million for the year 2014. Gross profit margin for the year 2015 was 17.7%, 1.0% point lower than the gross profit margin for the year 2014 as cost of inventories increased faster than revenues.

Expenses

Consolidated expenses increased to ₱12,533.0 million, ₱1,726.3 million or 16.0% higher than prior year. The following table summarizes the breakdown of the Jollibee Group's consolidated expenses for the years ended December 31, 2015 and 2014 and the percentage of each expense item to the consolidated revenues:

	Year Ended December 31		Change		Pct to Rev	
	2015	2014	Amount	Pct	2015	2014
EXPENSES						
Personnel costs:						
Salaries, wages and benefits	4,837.8	4,675.6	162.2	3.5%	4.8%	5.2%
Stock options expense	173.2	166.5	6.7	4.0%	0.2%	0.2%
Pension expense	159.3	125.7	33.6	26.7%	0.2%	0.1%
Taxes and licenses	1,143.8	970.8	173.0	17.8%	1.1%	1.1%
Contracted services	544.3	295.7	248.6	84.1%	0.5%	0.3%
Transportation and travel	439.0	393.1	45.9	11.7%	0.4%	0.4%
Professional fees	418.6	356.3	62.3	17.5%	0.4%	0.4%
Rent	390.9	401.5	(10.6)	-2.6%	0.4%	0.4%
Depreciation and amortization	341.5	326.7	14.8	4.5%	0.3%	0.4%
Provisions for impairment losses	337.0	49.4	287.6	582.2%	0.3%	0.1%
Corporate events	163.1	167.8	(4.7)	-2.8%	0.2%	0.2%
Loss on retirement of assets	136.7	156.6	(19.9)	-12.7%	0.1%	0.2%
Repairs and maintenance	136.2	105.7	30.5	28.9%	0.1%	0.1%
Communication	113.7	97.2	16.5	17.0%	0.1%	0.1%
Donations	105.8	88.6	17.2	19.4%	0.1%	0.1%
Training	101.6	47.6	54.0	113.4%	0.1%	0.1%
Supplies	74.3	53.9	20.4	37.8%	0.1%	0.1%
Entertainment, amusement and recreation	64.6	80.3	(15.7)	-19.6%	0.1%	0.1%
Electricity and water	56.8	64.9	(8.1)	-12.5%	0.1%	0.1%
Association dues	52.5	30.5	22.0	72.1%	0.1%	0.0%
Security and janitorial	19.6	14.6	5.0	34.2%	0.0%	0.0%
Insurance	16.1	14.7	1.4	9.5%	0.0%	0.0%
Reversals of provision for impairment losses	(16.7)	(72.0)	55.3	-76.8%	0.0%	-0.1%
Others	478.3	342.0	136.3	39.9%	0.5%	0.4%
Total General and Administrative Expenses	10,288.0	8,953.7	1,334.3	14.9%	10.2%	9.9%
Advertising and promotions	2,245.0	1,853.0	392.0	21.2%	2.2%	2.0%
	12,533.0	10,806.7	1,726.3	16.0%	12.4%	11.9%

- 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 additional accrual for stock option expense. Pension expense also increased due to additional accrual for retirement benefits as a result of the 2015 actuarial valuation.
- Consolidated taxes and licenses expense increased due to higher business-related taxes and license fees resulting from higher revenues.
- Consolidated contracted services increased driven by the outsourcing of the Jollibee Group's Information Technology services to IBM.
- Consolidated transportation and travel expense increased due to higher lodging, mileage and per diem expenses for activities related to JFC's US acquisition as well as store expansion (e.g. site

visits for store construction and renovation, site evaluation and sourcing, etc.) in the Philippines and foreign markets.

- Consolidated professional fees increased mainly due to external counsel and consultancy fees in the Philippines, Vietnam and the United States for various projects.
- Consolidated depreciation and amortization increased due to the growing fixed asset base of the Jollibee Group, relative to new stores and renovations and investments in information management.
- Consolidated provisions substantially pertain to provisions for impairment of receivables of the Parent Company and local subsidiaries.
- Consolidated loss-on-retirement of assets pertains to write-off of leasehold improvements and equipment related to closure of stores.
- Consolidated repairs and maintenance expense increased driven by charges for SAP maintenance, ORACLE license update, China business' software maintenance costs and other software maintenance.
- Consolidated communication expense increased, driven by higher internet charges and increased telephone charges of the Jollibee business resulting from store expansion and various projects that required frequent communication within and outside the country.
- Consolidated donation expense increased, mainly due to donations made to the Jollibee Group Foundation, Inc.
- Consolidated training expenses increased driven by the JFC University, leadership trainings of various business units, E-Cornell courses and SAP trainings.
- Consolidated supplies increased mainly due to higher office supplies expense driven by training materials for the JFC University and other leadership trainings.
- Consolidated entertainment, amusement and recreation expenses decreased due to the Company's deliberate effort to cut down on these expenses.
- Consolidated electricity and other utilities expenses decreased due to lower consumption, particularly of the Jollibee business.
- Consolidated association dues increased due to additional office units and increased rates during the year.
- Consolidated security and janitorial expense increased due to the additional office spaces and warehouses leased by the Jollibee Group. Janitorial expenses of the Mang Inasal business also increased because of its new training and R&D offices.
- Consolidated insurance expense increased due to additional insurance cover for the US operations.
- Consolidated reversals of provision for impairment losses decreased significantly as there were no reversals of property, plant and equipment and investment properties in 2015 whereas last year's reversals amounted to ₱62.6 million.
- The increase in other expenses was mainly due to higher expenses related to market research and research and development.

- The increase in consolidated advertising and promotions expense was due to more aggressive advertising spending of all brands during the year to help boost sales and support new product launches.

Operating Income

Consolidated operating income for 2015 was lower by 12.7% or ₱781.8 million to ₱5,355.0 million. Operating income margin was likewise lower by 1.5% points, from 6.8% last year to 5.3% for 2015 as operating expenses increased faster than revenues.

Interest Income (Expense)

	Year Ended December 31		Change		Pct to Rev	
	2015	2014	Amount	Pct	2015	2014
INTEREST INCOME (EXPENSES)						
Interest income	257.8	242.0	15.8	6.5%	0.3%	0.3%
Interest expense	(225.6)	(152.5)	(73.1)	47.9%	-0.2%	-0.2%
	32.2	89.5	(57.3)	-64.0%	0.0%	0.1%

Consolidated interest income increased primarily due to interest income from loans to the SuperFoods Group co-venturers and joint venture and from loans to third parties. Interest income earned from cash in bank, short-term deposits and short-term investments for 2015 likewise increased compared to 2014.

Consolidated interest expense increased due to higher bank loans. [See Note 23 to the accompanying Audited Consolidated Financial Statements for more information.](#)

Equity in Net Losses of Joint Ventures and an Associate

	Year Ended December 31		Change		Pct to Rev	
	2015	2014	Amount	Pct	2015	2014
Equity in net losses of joint ventures and an associate						
	(189.1)	(126.2)	(62.9)	49.9%	-0.2%	-0.1%

Consolidated equity in net losses of joint ventures and an associate pertains to JFC's share in the net losses of Smashburger, SuperFoods Group and Wow Prime partly offset by the net earnings of Entrek (operates Jollibee stores in Brunei) and Golden Bee (operates Jollibee in Dubai).

Other Income

	Year Ended December 31		Change		Pct to Rev	
	2015	2014	Amount	Pct	2015	2014
OTHER INCOME						
Write-off other liabilities	905.1	357.9	547.2	152.9%	0.9%	0.4%
Rebates and others suppliers' incentives	229.0	258.8	(29.8)	-11.5%	0.2%	0.3%
Penalties and charges	45.3	27.4	17.9	65.3%	0.0%	0.0%
Foreign exchange gain (loss) - net	36.8	(1.1)	37.9	3445.5%	0.0%	0.0%
Charges to franchisees	18.3	13.8	4.5	32.6%	0.0%	0.0%
Other rentals	13.8	13.6	0.2	1.5%	0.0%	0.0%
Pre-termination of operating leases	3.5	25.8	(22.3)	-86.4%	0.0%	0.0%
Bank charges, insurance claims and others	(15.0)	(36.9)	21.9	-59.3%	0.0%	0.0%
	1,236.8	659.3	577.5	87.6%	1.2%	0.7%

Consolidated other income increased year-on-year, mainly due to write-off of long outstanding other liabilities and excess accruals.

Income Taxes

	Year Ended December 31		Change		Pct to Rev	
	2015	2014	Amount	Pct	2015	2014
PROVISION FOR INCOME TAX						
Current	1,926.1	1,694.7	231.4	13.7%	1.9%	1.9%
Deferred	(537.5)	(424.2)	(113.3)	26.7%	-0.5%	-0.5%
	1,388.6	1,270.5	118.1	9.3%	1.4%	1.4%

Consolidated provision for income tax was higher due to higher taxable income. Last year's provision for income tax was also unusually low due to higher tax deductible expenses related to share-based compensation of key personnel and officers of the Jollibee Group.

Net Income

Consolidated net income for 2015 was ₱5,046.3 million, 8.1% lower than last year's consolidated net income of ₱5,488.9 million. Net income margin (consolidated net income as a percentage of consolidated revenues) also declined, from 6.1% in 2014 to 5.0% this year. Net Income Attributable to the Equity Holders of the Parent Company amounted to ₱4,928.2 million, 8.1% lower than last year while Earnings per Share amounted to ₱4.618, 9.0% lower year-on-year.

Financial Condition

As of December 31, 2015 vs. December 31, 2014

The Jollibee Group ended 2015 with consolidated total assets of ₱64,763.0 million, 19.7% higher than the ₱54,118.7 million balance at the end of 2014. The following explain the significant movements in the asset accounts:

- The Jollibee Group's consolidated cash and cash equivalents increased to ₱11,497.6 million, ₱3,879.1 million or 50.9% higher than the balance at year-end 2014, mainly due to improvement in the Jollibee Group's working capital and proceeds from bank loans acquired during the year. [The movements in the Jollibee Group's cash will be explained further in the cash flow discussion.](#)
- Consolidated receivables net of allowance for impairment loss decreased by ₱2,504.6 million or 31.6% to ₱5,432.8 million primarily due to higher collection from franchisees for their commissary purchases. Average collection period for December 31, 2015 was 24 days, higher than the average collection period of 22 days for December 2014.

- Consolidated inventories decreased by ₱493.4 million or 8.3% to ₱5,478.4 million from ₱5,971.8 million at the end of 2014 on account of higher base as the Company increased its buffer stock for some raw materials at the end of 2014 due to challenges arising from the port congestion and problematic traffic situation in Metro Manila. The Jollibee Group's days inventory outstanding increased from 40 days as at December 2014 to 42 days as at December 31, 2015.
- Consolidated derivative asset pertains to the change in value of the cross-currency swap that amounted to ₱9.9 million at the end of December 31, 2015.
- Consolidated other current assets increased by ₱1,334.5 million or 53.5% to ₱3,828.2 million. The increase was primarily due to deposit to suppliers which increased by ₱1,015.5 million, prepaid taxes which increased by ₱230.9 million and prepaid rent by ₱96.5 million.

The Company has a current ratio of 1.29:1.00 as at December 31, 2015, higher than the current ratio of 1.26:1.00 as at December 31, 2014.

- Interests in and advances to joint ventures, co-venturers and an associate increased significantly by 149.3% to ₱8,449.3 million due to the investment of JFC's foreign subsidiary to SJBF LLC which amounted to ₱4,742.7 million, Wow Prime which amounted ₱220.8 million (an increase of ₱55.5 million over 2014) and Golden Bee which amounted to ₱47.9 million. Interests in and advances to SuperFoods joint ventures and co-venturers likewise increased by ₱200.7 million while interest in an associate – Entrek increased by ₱13.6 million. [See Note 11 to the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated property, plant and equipment net of accumulated depreciation and impairment amounting to ₱14,547.2 million increased as compared to ₱13,363.6 million as at end of 2014 primarily due to investments in new stores, renovation of existing stores and the expansion and upgrade of the Company's commissaries in the Philippines and abroad. [See Note 12 of the accompanying Audited Consolidated Financial Statements for details.](#)
- Operating lease receivables decreased by 40.8% to ₱12.5 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 of ₱75.0 million was allocated by the Jollibee Group as a result of the first and second Put/ Call Rights in the agreement between Bee Good! Inc. and Smashburger Master LLC, representing the fair value of the First and Second Put/ Call Rights on transaction date. [See Note 11 to the accompanying Audited Consolidated Financial Statements for details.](#)
- Deferred tax assets increased by ₱656.5 million or 87.3% to ₱1,408.5 million mainly due to higher Net Operating Loss Carry Over (NOLCO) arising from tax losses of some entities which may be carried forward to future periods, operating lease payables, pension liability and other benefits and the excess of Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax and others. [See Note 24 to the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated other noncurrent assets increased by ₱530.2 million or 24.8% to ₱2,669.7 million primarily due to higher refundable and security deposits relative to new stores and market entry fee paid by Golden Cup to Dunkin Donuts Franchising LLC on January 5, 2015. Other assets which include tools for repairs and maintenance of office and store equipment that were still unused as at end of 2015 likewise increased.

- Consolidated current liabilities amounted to ₱21,068.2 million, ₱1,977.3 million or 10.4% higher than the 2014 year-end balance of ₱19,090.9 million. The following explain the significant movements in current liabilities:
- Consolidated trade payables and other current liabilities increased by ₱3,231.3 million or 19.8% to ₱19,527.0 million attributable to higher employee-related and store-related accruals arising from increase in store network and recognition of importation-in-transit.
- Consolidated income tax payable increased by ₱54.2 million or 29.8% to ₱236.0 million due to higher taxable income.
- Consolidated short-term debt decreased by ₱1,582.6 million or 84.9% to ₱282.4 million due to payment of maturing loans. [See Note 18 of the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated current portion of long-term debt increased by 29.7% or ₱212.4 million to ₱927.9 million representing bank loans maturing in 2016.
- Consolidated current portion of liability for acquisition of businesses increased by ₱62.0 million or 188.4% to ₱94.9 million. This pertains to the remaining liability for the acquisition of San Pin Wang (₱23.7 million), Chowking USA (₱34.6 million), and SJBF (₱36.6 million) payable in 2016. [See Note 11 of the accompanying Audited Consolidated Financial Statements for details.](#)

Consolidated noncurrent liabilities amounted to ₱11,938.3 million, 71.8% or ₱4,988.6 million higher than the December 31, 2014 balance of ₱6,949.7 million. The following explain the significant movements in noncurrent liabilities:

- Consolidated long-term debt increased by ₱4,362.7 million or 98.5% mainly due to a 10-year unsecured loan acquired by a foreign subsidiary of the Parent Company from a local bank on October 21, 2015 amounting to USD110.0 million or ₱5,111.7 million. [See Note 18 of the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated pension liability increased as a result of additional accrual of pension expense, changes in actuarial assumptions and experience adjustments. [See Note 25 of the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated derivative liability increased by ₱33.4 million to ₱34.9 million representing the value of the interest rate swap that was in unrealized loss position as at December 31, 2015. [See Notes 18 of the accompanying Audited Consolidated Financial Statements for details.](#)

Consolidated total equity increased by ₱3,678.6 million or 13.1% to ₱31,756.6 million. The following explain the significant movements in total stockholders' equity:

- Increase in capital stock and additional paid-in capital arising from issuance of new shares of ₱5.1 million and ₱603.1 million, respectively.
- Change of ₱133.0 million (other comprehensive income) in consolidated cumulative translation adjustments, due largely to the depreciation of the Philippine Peso versus the RMB and USD from December 31, 2014 compared to December 31, 2015, which increased the value of the Jollibee Group's net assets at the end of the year.
- Change of ₱316.7 million (other comprehensive loss) in re-measurement gain (loss) on net defined benefit plan due to changes in actuarial assumptions and experience adjustments. [See Note 25 of the accompanying Audited Consolidated Financial Statements for details.](#)

- Increase in consolidated other comprehensive loss on derivative liability by ₱33.0 million due to the recognition of derivative liability for the interest rate swap amounting to ₱34.9 million, partly reduced by the other comprehensive income on the mark-to-market changes of the cross currency swap on the loan of PERF Restaurants, Inc., a subsidiary of the Jollibee Group.
- Increase in consolidated retained earnings by ₱3,041.3 million primarily due to the consolidated net income (attributable to equity holders of the Parent Company) for the year 2015 that amounted to ₱4,928.2 million partly offset by cash dividends paid amounting to ₱1,886.9 million.
- The increase in non-controlling interests pertains to the share in net earnings (losses) of Mang Inasal, Burger King, some foreign subsidiaries and capital share for Golden Cup.

Liquidity and Capital Resources

Consolidated net cash provided by operating activities amounted to ₱13,485.1 million at the end of 2015, 388.4% or ₱10,724.2 million higher compared to the consolidated net cash provided by operating activities of ₱2,760.9 million for 2014 mainly due to significant decrease in accounts receivables and inventories and significant increase in trade payables and other current liabilities.

Consolidated net cash used in investing activities amounted to ₱10,813.8 million for 2015, 89.8% or ₱5,117.4 million higher compared to the consolidated net cash used for investing activities of ₱5,696.4 million for 2014, mainly due to the investment of JFC's foreign subsidiary in SJBF LLC which amounted to ₱4,812.8 million, capital expenditures and market entry fee paid by Golden Cup to Dunkin Donuts Franchising LLC on January 5, 2015 which amounted to ₱93.9 million .

Consolidated net cash provided by financing activities amounted to ₱1,218.5 million for December 2015 mainly due to increase in bank loans and issuances of capital stock, partly offset by payments of cash dividends and bank loans.

Cash and cash equivalents at the end of December 2015 stood at ₱11,497.6 million, ₱3,879.1 million or 50.9% higher than the balance as at end of December 2014.

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 2015 amounted ₱9,100.0 million, higher by 93.7% than the 2015 actual consolidated capital expenditures of ₱4,696.8 million. For 2016, the Jollibee Group is allocating ₱10,400.0 million for capital expenditures, of which ₱7,500.0 million is 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

Parent Company. On April 6, 2016, the Board of Directors (BOD) approved a regular cash dividend of ₱0.86 a share of common stock to all stockholders of record as of April 21, 2016. The cash dividend will be paid out on May 6, 2016. This cash dividend is 7.5% higher than the ₱0.80 regular dividend a share declared on April 7, 2015.

Appropriation of Retained Earnings

Parent Company. On April 6, 2016, the BOD of the Company approved the appropriation of additional ₱8,000.0 million for future expansion to support the Company's growth strategy. Consequently, the appropriated retained earnings of the Company will increase from ₱10,200.0 million to ₱18,200.0 million.

Payment of Loans

Jollibee Worldwide Pte. Ltd (JWPL). On February 5, 2016, JWPL settled its short-term loan amounting to US\$6.0 million (₱286.0 million), and paid interest of ₱1.0 million.

Acquisition

JWPL. 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 HBFPPPL. With the acquisition, JWPL shall own 100% of HBFPPPL. Payment for the acquisition is approximately US\$10.4 million (₱495.4 million).

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 2015	As of end Dec 2014
System Wide Sales	₱130,732.9 million	₱117,897.9 million
% Growth vs. LY	10.9%	13.3%

Revenues

Revenues is a measure of (1) all sales made by the Jollibee Group's owned stores (both food and novelty sales); (2) commissary sales to franchised stores; (3) rental revenues of the Jollibee Group's property division; and (4) revenues from services rendered by the in-house Construction and Service Groups.

	As of end Dec 2015	As of end Dec 2014
Revenues	₱100,779.7 million	₱90,671.2 million
% Growth vs. LY	11.1%	12.9%

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 2015	As of end Dec 2014
Net Income	₱5,046.3 million	₱5,488.9 million
% to Revenues	5.0%	6.1%

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 year attributable to the equity holders of the Parent Company by the weighted average outstanding shares during the year. This serves as an indicator of the Jollibee Group's profitability.

	As of end Dec 2015	As of end Dec 2014
EPS - Basic	₱4.618	₱5.075
% Growth vs. LY	-9.0%	14.1%

Return on Equity (ROE)

ROE is the ratio of the Jollibee Group's consolidated net income (attributable to equity holders of the parent) to equity (before non-controlling interests). It is computed by dividing consolidated net income by average equity. Average equity is calculated by adding the equity at the beginning of the year to the consolidated equity at year end and dividing the result by two. ROE is a measure of return for every peso of invested equity. The Jollibee Group also uses ROE for comparing its profitability to that of other firms in the same industry.

	As of end Dec 2015	As of end Dec 2014
Return on Equity	17.0%	21.6%

Jollibee Foods Corporation and Subsidiaries
Financial Ratios

	Formula:	2015	2014
Liquidity Ratios			
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.29	1.26
Financial Leverage Ratios			
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity Attributable to Equity Holders of the Parent Company}}$	2.11	1.99
Debt Ratio	$\frac{\text{Total Debt}^*}{\text{Total Debt} + \text{Equity Attributable to Equity Holders of the Parent Company}}$	51.9%	48.9%
Net Debt Ratio	$\frac{\text{Total Debt}^* - \text{Cash and Cash Equivalents} - \text{Short-term Investments}}{(\text{Total Debt}^* - \text{Cash and Cash Equivalents} - \text{Short-term Investments}) + \text{Equity Attributable to Equity Holders of the Parent Company}}$	40.2%	40.4%
Interest Coverage Ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	29.53	45.33
Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$	0.26	0.33
Debt-Service Coverage Ratio	$\frac{\text{Net Income}}{\text{Total Liabilities}}$	0.15	0.21

* Including total current and noncurrent liabilities

Results of Operations

For the Year Ended December 31, 2014 vs. December 31, 2013

(All Amounts are in Million Pesos)

Revenues and System Wide Sales

	Years Ended December 31		Change	
	2014	2013	Amount	Pct
System wide sales	117,897.9	104,090.1	13,807.8	13.3%
Revenues	90,671.2	80,282.8	10,388.4	12.9%

System wide sales, a measure of all sales to consumers, both from company-owned and franchised stores grew by 13.3% in 2014 compared to 2013 driven by strong same store sales and sales from new stores. Same store sales for the Philippines and worldwide grew by 8.0% while store network grew by 5.4%. 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 Philippine business grew by 13.2% and the foreign business by 13.7% (Southeast Asia and the Middle East 25.9%, USA 12.2% and China 11.1%).

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 12.9%, in line with the growth in system wide sales.

The Jollibee Group opened a total of 234 new stores, of which 169 were in the Philippines and 65 were in foreign operation. It closed 85 stores (Philippines 49; Foreign business 36) during the year. It ended 2014 with 2,913 stores, 5.4% higher than a year ago.

Cost of Sales

Consolidated cost of sales increased to ₱73,727.8 million, which is ₱8,443.0 million or 12.9% higher than 2013 consolidated cost of sales. The following table summarizes the breakdown of the Jollibee Group's cost of sales for the years ended December 31, 2014 and 2013, respectively, and the percentage of each component and the consolidated cost of sales to consolidated revenues:

	Years ended December 31		Change		Pct to Rev	
	2014	2013	Amount	%	2014	2013
COST OF SALES						
Cost of inventories	43,228.2	38,227.7	5,000.5	13.1%	47.7%	47.6%
Personnel costs:						
Salaries, wages and employee benefits	9,206.0	8,416.7	789.3	9.4%	10.2%	10.5%
Pension expense	119.9	102.2	17.7	17.3%	0.1%	0.1%
Rent	6,671.2	5,962.8	708.4	11.9%	7.4%	7.4%
Electricity and other utilities	3,767.7	3,443.7	324.0	9.4%	4.2%	4.3%
Depreciation and amortization	2,859.7	2,811.7	48.0	1.7%	3.2%	3.5%
Supplies	2,149.2	1,809.8	339.4	18.8%	2.4%	2.3%
Contracted services and professional fees	2,445.0	1,734.0	711.0	41.0%	2.7%	2.2%
Repairs and maintenance	943.3	809.6	133.7	16.5%	1.0%	1.0%
Security and janitorial	383.0	325.3	57.7	17.7%	0.4%	0.4%
Communications	151.7	135.0	16.7	12.4%	0.2%	0.2%
Entertainment, amusement and recreation (EAR)	27.3	26.7	0.6	2.2%	0.0%	0.0%
Others	1,775.6	1,479.6	296.0	20.0%	2.0%	1.8%
	73,727.8	65,284.8	8,443.0	12.9%	81.3%	81.3%

- Consolidated cost of inventories increased on account of higher sales volume and higher raw material prices. The raw material cost increases in 2014, which averaged 5.4% brought pressure on the gross profit margin for the year. As a percent of revenues, cost of inventories increased from 47.6% in 2013 to 47.7% in 2014.
- The increase in the other cost items such as personnel costs, rent, electricity and other utilities, depreciation and amortization, supplies, contracted services and professional fees, repairs and maintenance, security and janitorial and communication was driven by the new stores. Contracted services increased significantly as the company shifted to hiring workers supplied by manpower agencies or cooperatives instead of directly hiring contractual employees to comply with a labor law mandate. The increase was partly offset by a lower increase in salaries, wages and benefits and the decrease in expenses related to Project SEEDS. Following are the details:

	Year Ended December 31		Change		Pct to Rev	
	2014	2013	Amount	Pct	2014	2013
Salaries, wages and benefits	9,206.0	8,416.7	789.3	9.4%	10.2%	10.5%
Contracted services	2,428.2	1,719.3	709.0	41.2%	2.7%	2.1%
Project SEEDS*	517.8	564.7	(46.9)	-8.3%	0.6%	0.7%
	12,152.0	10,700.6	1,451.3	13.6%	13.4%	13.3%

*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 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.

As a percentage of consolidated revenues, most cost items did not change or were even lower compared to the 2013 numbers due to strong same store sales.

- The increase in cost of sales - others was due to higher expenses related to Jollibee Express Delivery and increased transportation and travel expenses.

Gross Profit

Consolidated gross profit for 2014 increased to ₱16,943.4 million, ₱1,945.4 million or 13.0% higher than the consolidated gross profit of ₱14,998.0 million in 2013. Gross profit margins were sustained at 18.7% from 2013 to 2014 despite significant increases in raw material prices.

Expenses

Consolidated expenses increased to ₱10,806.7 million, ₱1,739.8 million or 19.2% higher than prior year. The following table summarizes the breakdown of the Jollibee Group's consolidated expenses for the years ended December 31, 2014 and 2013, respectively, and the percentage of each expense item to the consolidated revenues:

	Years ended December 31		Change		Pct to Rev	
	2014	2013	Amount	%	2014	2013
EXPENSES						
Personnel costs:						
Salaries, wages and employee benefits	4,675.6	3,731.0	944.6	25.3%	5.2%	4.6%
Stock options expense	166.5	150.4	16.1	10.7%	0.2%	0.2%
Pension expense	125.7	104.1	21.6	20.7%	0.1%	0.1%
Taxes and licenses	970.8	885.3	85.5	9.7%	1.1%	1.1%
Transportation and travel	393.1	339.9	53.2	15.7%	0.4%	0.4%
Rent	401.5	324.5	77.0	23.7%	0.4%	0.4%
Contracted services and professional fees	652.0	364.1	287.9	79.1%	0.7%	0.5%
Depreciation and amortization	326.7	260.8	65.9	25.3%	0.4%	0.3%
Entertainment, amusement and recreational expenses	80.3	105.2	(24.9)	-23.7%	0.1%	0.1%
Donations	88.6	92.5	(3.9)	-4.2%	0.1%	0.1%
Repairs and maintenance	105.7	88.2	17.5	19.8%	0.1%	0.1%
Communication	97.2	80.1	17.1	21.3%	0.1%	0.1%
Training	47.6	59.4	(11.8)	-19.9%	0.1%	0.1%
Supplies	53.9	53.0	0.9	1.7%	0.1%	0.1%
Electricity and water	65.0	51.9	13.1	25.2%	0.1%	0.1%
Security and janitorial	14.6	18.6	(4.0)	-21.5%	0.0%	0.0%
Provision for impairment losses	49.4	43.4	6.0	13.8%	0.1%	0.1%
Reversals of provision for impairment losses	(72.0)	(13.3)	(58.7)	441.4%	-0.1%	0.0%
Insurance	14.7	12.3	2.4	19.5%	0.0%	0.0%
Corporate events and others	696.8	676.5	20.3	3.0%	0.8%	0.8%
Total General and Administrative Expenses	8,953.7	7,427.9	1,525.8	20.5%	9.9%	9.3%
Advertising and promotions	1,853.0	1,639.0	214.0	13.1%	2.0%	2.0%
	10,806.7	9,066.9	1,739.8	19.2%	11.9%	11.3%

- Consolidated personnel costs increased primarily due to the fringe benefit tax expense arising from the exercise of stock options by employee-participants as well as performance-related increases in basic pay, employee promotions, upgrades in employee benefits and additional accrual for stock option expense. Pension expense increased due to additional accrual for retirement benefits.
- Consolidated taxes and licenses expense increased due to higher business-related taxes and license fees resulting from higher revenues.
- Consolidated contracted services and professional fees expense increased compared to the same period last year due to increased outsourced service costs related to JFC's information systems upgrade.
- Consolidated transportation and travel expense increased due to higher fuel consumption and lodging expenses, particularly of the domestic business for activities related to store expansion such as site visits for store construction and renovation, site evaluation and sourcing, etc.
- Consolidated rent expense increased due to rental of additional office space, warehouses and events place, annual rent escalation and increased equipment and pallet rental. The transfer of Mang Inasal to a new and bigger office building in September 2013 also contributed to the increase in rent.
- Consolidated depreciation and amortization increased due to the growing asset base of the JFC Group, including information technology investments.
- Consolidated repairs and maintenance expense increased due to higher business software license fees, maintenance fees related to Information Management and higher commissary maintenance expenses of Mang Inasal for Quality Management and Good Manufacturing Processes.

- Consolidated communication expense increased, driven by the increased telephone charges of the Jollibee business resulting from store expansion and various projects that required frequent communications within and outside the country.
- Consolidated entertainment, amusement and recreation expenses decreased due to the Company's deliberate effort to cut down on these expenses.
- Consolidated electricity and other utilities expenses increased due to higher electricity and water consumption, particularly of the Anhui (China) office and its newly-built employee dormitory. The additional office spaces and warehouses of the Philippine business also contributed to the increase in electricity consumption.
- Consolidated training expenses decreased due to reduction in classroom trainings being conducted in the head office and use of more CD-ROM-based training materials.
- Consolidated insurance expense increased due to higher insurance premium for the property insurance of the Jollibee Group.
- Consolidated security and janitorial expense decreased, driven by Red Ribbon and Mang Inasal. Red Ribbon incurred lower expenses for pans and crates washing. Mang Inasal reduced the number of security guards when they moved to their new office building.
- Consolidated provisions declined due to reversal of provisions for property, plant and equipment and investment properties amounting to ₱62.6 million.
- The increase in consolidated advertising and promotions expense was due to the higher advertising spending of the Philippine business resulting from higher system wide sales --- where the advertising budget allocation is being based.

Operating Income

Consolidated operating income for 2014 increased only by 3.5% or ₱205.7 million to ₱6,136.8 million due to higher operating expenses driven by the fringe benefit tax expense from the Company's stock option program and significantly higher contracted services arising from the information systems upgrade.

As a percentage of revenues, operating income declined from 7.4% in 2013 to 6.8% in 2014.

Interest Income (Expense)

	Years ended December 31		Change		Pct to Rev	
	2014	2013	Amount	%	2014	2013
INTEREST INCOME (EXPENSES)						
Interest income	242.1	245.6	(3.5)	-1.4%	0.3%	0.3%
Interest expense	(152.5)	(152.9)	0.4	-0.3%	-0.2%	-0.2%
	89.6	92.7	(3.1)	-3.3%	0.1%	0.1%

Consolidated interest income for 2014 declined compared to 2013 primarily due to lower cash balance and lower money market (Peso) placement rates. [See Note 23 to the accompanying Audited Consolidated Financial Statements for more information.](#)

Consolidated interest expense was almost the same as the 2013 consolidated interest expense, decreasing only by 0.3%. See Note 23 of the accompanying Audited Consolidated Financial Statements for more information.

Equity in Net Losses of Joint Ventures and an Associate

	Year Ended December 31		Change		Pct to Rev	
	2014	2013	Amount	Pct	2014	2013
Equity in net losses of joint ventures and an associate	(126.2)	(115.6)	(10.6)	9.2%	-0.1%	-0.1%

Consolidated equity in net losses of joint ventures and associate pertaining to JFC's share in the net losses of SuperFoods Group and Wow Prime partly offset by the net earnings of Entrek, the Company that operates Jollibee stores in Brunei, increased during the year.

Other Income

	Years ended December 31		Change		Pct to Rev	
	2014	2013	Amount	%	2014	2013
OTHER INCOME						
Rebates and other suppliers' incentives	258.8	122.4	136.4	111.4%	0.3%	0.2%
Write-off of other liabilities	357.9	97.0	260.9	269.0%	0.4%	0.1%
Penalties and charges	27.4	17.4	10.0	57.5%	0.0%	0.0%
Pre-termination of operating leases	25.8	13.1	12.7	96.9%	0.0%	0.0%
Charges to franchisees	13.8	24.4	(10.6)	-43.4%	0.0%	0.0%
Other rentals	13.6	6.8	6.8	100.0%	0.0%	0.0%
Foreign exchange gain (loss) - net	(1.1)	46.6	(47.7)	-102.4%	0.0%	0.1%
Insurance claims and others	(36.9)	9.6	(46.5)	-484.4%	0.0%	0.0%
	659.3	337.3	322.0	95.5%	0.7%	0.4%

Consolidated other income increased YoY, mainly due to rebates and suppliers' incentives and write-off of other liabilities.

Income Taxes

	Years ended December 31		Change		Pct to Rev	
	2014	2013	Amount	%	2014	2013
PROVISION FOR INCOME TAX						
Current	1,694.7	1,522.0	172.7	11.3%	1.9%	1.9%
Deferred	(424.2)	0.7	(424.9)	-60700.0%	-0.5%	0.0%
	1,270.5	1,522.7	(252.2)	-16.6%	1.4%	1.9%

Consolidated provision for income tax was lower due to higher tax deductible expenses related to share-based compensation of key personnel and officers of the JFC Group.

Net Income

Consolidated net income for 2014 was ₱5,488.9 million, 16.2% higher than last year's consolidated net income of ₱4,722.8 million. Net income margin (consolidated net income as a percentage of consolidated revenues) improved slightly, from 5.9% in 2013 to 6.1% this year. Net Income Attributable to the Equity Holders of the Parent Company amounted to ₱5,362.0 million, 14.8% higher than last year while Earnings per Share amounted to ₱5.075, 14.0% higher YoY.

Financial Condition

As of December 31, 2014 vs. December 31, 2013

The Jollibee Group ended 2014 with consolidated total assets of ₱54,118.7 million, 17.6% higher than the ₱46,026.6 million balance at the end of 2013. The following explain the significant movements in the asset accounts:

- The Jollibee Group's consolidated cash and cash equivalents decreased to ₱7,618.5 million, ₱2,285.4 million or 23.1% lower than prior year, mainly due to higher working capital level. [The movements in the JFC Group's cash will be explained further in the cash flow discussion.](#)
- Consolidated receivables increased by ₱4,854.5 million or 157.5% primarily due to delays in billing franchisees for their commissary purchases. The delays were caused by the Company's migration to the SAP system that started on August 1, 2014. Average collection was higher, from 13 days as of December 2013 to 22 days as of December 2014.
- Consolidated inventories increased by ₱2,411.4 million or 67.7% to ₱5,971.8 million from ₱3,560.4 million at the end of 2013 due to increase in raw material prices and the deliberate effort of the Company to increase buffer stocks, particularly for beef and french fries due to the port congestion. The Jollibee Group's days inventory outstanding increased, from 30 days as of December 2013 to 40 days as of December 2014.
- Consolidated other current assets increased by ₱656.7 million or 35.7% to ₱2,493.7 million. The increase was primarily due to higher deposits to suppliers for imported items, higher prepaid tax and rent.

The Company has a current ratio of 1.26:1.00 as at December 31, 2014, higher than the 1.18:1.00 as at December 31, 2013.

- Consolidated property, plant and equipment net of accumulated depreciation and impairment amounting to ₱13,363.6 million increased as compared to ₱11,772.4 million as at end of 2013 primarily due to investments in new stores and the expansion and upgrade of the Company's commissaries in the Philippines and China. [See Note 12 of the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated investment properties increased by ₱273.9 million or 36.4% to ₱1,025.6 million due to the acquisition of land and the reclassification of certain units of a building from property, plant and equipment to investment property due to end of owner-occupation. The increase was partly offset by the sale in March 2014 of an old office building owned by Shanghai Yong He King and the sale of a property in the Philippines in June 2014.
- Consolidated other noncurrent assets increased by ₱246.3 million or 13.0% to ₱2,139.5 million primarily due to higher refundable and security deposits and advance rentals.

Consolidated current liabilities amounted to ₱19,090.9 million, ₱3,472.3 million or 22.2% higher than the 2013 year-end balance of ₱15,618.6 million. The following explain the significant movements in current liabilities:

- Consolidated trade payables and other current liabilities increased by ₱2,045.7 million or 14.4% to ₱16,295.7 million driven by various store accruals. Accruals for advertising, local and other taxes also contributed to the increase.
- Consolidated income tax payable increased by ₱27.1 million or 17.5% to ₱181.8 million due to higher taxable income of a subsidiary of the Parent Company.

- The consolidated current portion of long-term debt decreased by ₱390.8 million or 35.3% to ₱715.5 million due to partial payment of loans. [See Note 18 of the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated liability for acquisition of businesses (net of current portion) decreased by ₱74.8 million or 69.4% to ₱32.9 million, mainly due to the full settlement of the purchase consideration for Mang Inasal in 2014. [See Note 11 of the accompanying Audited Consolidated Financial Statements for details.](#)

Consolidated noncurrent liabilities amounted to ₱6,949.7 million, 1.4% or ₱97.4 million lower than the December 31, 2013 balance of ₱7,047.1 million, mainly due to the following:

- Consolidated long-term debt increased by ₱365.0 million or 9.0% to ₱4,428.0 million due to a 5-year unsecured loan acquired by the Company from a local bank on April 21, 2014 amounting to ₱800.0 million. This was offset by the reclassification of loans maturing during the year to current portion. [See Note 18 of the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated liability for acquisition of businesses (net of current portion) decreased by ₱27.9 million or 21.7% to ₱101.1 million, mainly due to partial settlement of liabilities pertaining to Fortune Capital.
- Consolidated derivative liability decreased by P3.0 million or 65.9% to P1.5 million. The net movement in the fair value of the Company's derivative liability for the years ended December 31, 2014 and 2013 follows:

	Year Ended December 31	
	2014	2013
Balance at beginning of year	4.5	22.8
Net changes in fair value	(5.0)	(20.2)
Settlements	2.0	1.9
Balance at end of year	1.5	4.5

- Consolidated pension liability decreased by ₱100.4 million or 10.8% to ₱832.4 million as a result of favorable actuarial changes, primarily experience adjustments in 2014. [See Note 24 of the accompanying Audited Consolidated Financial Statements for details.](#)
- Consolidated deferred tax liabilities decreased by ₱306.8 million or 96.4% to ₱11.4 million due to Excess MCIT over RCIT and NOLCO of Philippine-based entities. [See Note 24 of the accompanying Audited Consolidated Financial Statements for more details.](#)

Consolidated total equity increased by ₱4,717.1 million or 20.2% to ₱28,078.0 million primarily due to the net income (attributable to equity holders of the Parent) for 2014, which amounted to ₱5,362.0 million, increase in capital stock and additional paid in capital arising from issuance on new shares, partly offset by cash dividends amounting to ₱1,733.5 million.

- The change of ₱64.1 million (loss) in cumulative translation adjustment was largely due to the appreciation of the Philippine Peso versus the RMB from December 31, 2013 compared to December 31, 2014, which brought down the value of the Jollibee Group's net assets at the end of the period.
- Comprehensive loss on derivative liability decreased by ₱1.0 million or 29.8% resulting from the foreign exchange revaluation of the hedged loan of PERF Restaurants, Inc., a subsidiary of the Jollibee Group.

- The increase in non-controlling interests pertains to the share in net earnings (losses) of Mang Inasal, Burger King and some foreign subsidiaries.

Liquidity and Capital Resources

Consolidated net cash provided by operating activities was ₱2,760.9 million at the end of 2014, 69.5% or ₱6,288.5 million lower compared to consolidated net cash provided by operating activities of ₱9,049.4 million for the same period in 2013 mainly due to significantly higher receivables and inventories.

Consolidated net cash used in investing activities was ₱5,696.4 million at the end of 2014, 38.3% or ₱1,577.6 million higher compared to consolidated net cash used for investing activities of ₱4,118.8 million for the same period of 2013 substantially due to higher capital expenditures for store expansion and renovations, investments in commissary and information systems upgrade.

Consolidated net cash provided by financing activities amounted to ₱644.7 million at the end of 2014 mainly due to a short-term debt amounting to Php1,865.0 million acquired by the Company in December 2014 and higher proceeds from issuance of and subscription to capital stock. This was partly offset by the regular cash dividend of ₱1.64 per share paid out by the Company in 2014 for a total of ₱1,560.7 million.

Cash and cash equivalents at the end of 2014 stood at ₱7,618.5 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 actual capital expenditures in 2014 amounted ₱5,641.7 million, higher by 35.1% than the 2013 consolidated capital expenditures of ₱4,175.1 million.

The Jollibee Group's capital expenditures budget was principally used to finance its store expansions and major renovations, major repairs and upgrades of existing commissaries, improvements in head office and investments in information technology.

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, 7, 2015, the BOD approved a regular cash dividend of ₱0.80 a share of common stock to all stockholders of record as of May 7, 2015. Consequently, the cash dividend is expected to be paid out by May 29, 2015. The cash dividend is 6.7% higher than the ₱0.75 regular dividend a share declared on April 2014.

Loans from Metrobank and Trust Company (MBTC)

Parent Company. On January 14 and January 30, 2015, the Parent Company refinanced its short-term loans from another bank amounting to ₱815.0 million and ₱1,050.0 million with fixed interest rates of 1.9% and 2.1%, respectively. The principal amounts were due on February 27, 2015. However, on due date, the Parent Company refinanced both loans to form a combined loan of ₱1,865.0 million with fixed interest rate of 2.4% payable on May 29, 2015.

On February 12, 2015, the Parent Company availed a short-term loan from MBTC amounting to ₱681.0 million with a fixed interest rate of 2.4%. The principal and interest were both due on March 30, 2015, original date of maturity. However, the principal was extended until June 30, 2015 with a new fixed interest rate of 2.5%.

JWPL. On February 12, 2015, JWPL availed a short-term loan from MBTC amounting to USD6.0 million with an interest rate of 1.5%, subject to monthly repricing. The principal is payable on February 5, 2016.

Zenith. On March 20, 2015, Zenith availed a short-term loan from MBTC amounting to ₱200.0 million with a fixed interest rate of 2.5%. The principal and interest are both payable on June 19, 2015, the date of maturity.

On March 27, 2015, Zenith availed a short-term loan from MBTC amounting to ₱170.0 million with a fixed interest rate of 2.5%. The principal and interest are both payable on June 26, 2015, the date of maturity.

Mang Inasal. On February 27, 2015, Mang Inasal availed a short-term loan from MBTC amounting to ₱315.0 million with a fixed interest rate of 2.4%. The principal and interest were both due on March 30, 2015, original date of maturity. However, the principal was extended until June 30, 2015 with a new fixed interest rate of 2.5%.

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 2014	As of end Dec 2013
System Wide Sales	₱117,897.9 million	₱104,090.1 million
% Growth vs. LY	13.3%	12.8%

Revenues

Revenues is a measure of (1) all sales made by the Jollibee Group's owned stores (both food and novelty sales); (2) commissary sales to franchised stores; (3) rental revenues of the Jollibee Group's property division; and (4) revenues from services rendered by the in-house Construction and Service Groups.

	As of end Dec 2014	As of end Dec 2013
Revenues	₱90,671.2 million	₱80,282.8 million
% Growth vs. LY	12.9%	13.0%

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 2014	As of end Dec 2013
Net Income	₱5,488.9 million	₱4,722.8 million
% to Revenues	6.1%	5.9%

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 year attributable to the equity holders of the Parent Company by the weighted average outstanding shares during the year. This serves as an indicator of the Jollibee Group's profitability.

	As of end Dec 2014	As of end Dec 2013
EPS - Basic	₱5.075	₱4.450
% Growth vs. LY	14.1%	24.4%

Return on Equity (ROE)

ROE is the ratio of the Jollibee Group's consolidated net income (attributable to equity holders of the parent) to equity (before non-controlling interests). It is computed by dividing consolidated net income by average equity. Average equity is calculated by adding the equity at the beginning of the year to the consolidated equity at year end and dividing the result by two. ROE is a measure of return for every peso of invested equity. The Jollibee Group also uses ROE for comparing its profitability to that of other firms in the same industry.

	As of end Dec 2014	As of end Dec 2013
Return on Equity	21.6%	21.5%

Jollibee Foods Corporation and Subsidiaries
Financial Ratios

	Formula:	2014	2013
Liquidity Ratios			
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.26	1.18
Financial Leverage Ratios			
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity Attributable to Equity Holders of the Parent Company}}$	1.99	2.04
Debt Ratio	$\frac{\text{Total Debt}^*}{\text{Total Debt} + \text{Equity Attributable to Equity Holders of the Parent Company}}$	48.9%	50.1%
Net Debt Ratio	$\frac{\text{Total Debt}^* - \text{Cash and Cash Equivalents} - \text{Short-term Investments}}{(\text{Total Debt}^* - \text{Cash and Cash Equivalents} - \text{Short-term Investments}) + \text{Equity Attributable to Equity Holders of the Parent Company}}$	40.4%	36.1%
Interest Coverage Ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	45.33	41.84
Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$	0.33	0.34
Debt-Service Coverage Ratio	$\frac{\text{Net Income}}{\text{Total Liabilities}}$	0.21	0.21

* Including total current and noncurrent liabilities

7. FINANCIAL STATEMENTS

Please see annexes pertaining to 2015 Consolidated and Parent Audited 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. 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 26, 2015 and shall continue to be such until their successors have been elected and have qualified:

Tony Tan Caktiong

Mr. Tan Caktiong, born in 1953, 63, 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 and Compensation Committees of the Board of Directors.

Other directorships and trusteeships are:

Listed Companies

Executive Director	DoubleDragon Properties Corp.
Independent Director	First Gen Corporation
Non-executive Director	Philippine Long Distance Telephone Company

Non-listed Companies

Director	Fresh N' Famous Foods, Inc.
Director	Mang Inasal Phils. Inc.
Director	Coffeetap Corporation ¹
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	Honeybee Foods Corp.
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	Jollibee Worldwide Pte. Ltd.
Director	Belmont Enterprises Ventures Ltd.
Director	Jollibee International (BVI) Ltd.
Director	WJ Investments Limited
Director	JSF Investments Pte. Ltd.
Director	Golden Cup Pte. Ltd. ²
Director	Golden Plate Pte. Ltd.
Director	Golden Beeworks Pte. Ltd.
Director	SF Vung Tau Joint Stock Company
Director	Blue Sky Holdings Ltd.
Director	Southsea Binaries Limited
Director	Happy Bee Foods Processing Pte. Ltd. ³

¹ Pending dissolution.

² Incorporated on December 22, 2014.

³ Formerly Jollibee Foods Processing Pte. Ltd., change in name effective October 1, 2014.

Director	Jollibee (China) Food & Beverage Management Co. Ltd.
Director	Guangxi San Pin Wang Food & Beverage 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.
Director	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	Shanghai Belmont Enterprises Management & Adviser Co. Ltd. ⁴
Director	Honeysea Corporation
Director	Hyper Dynamic Corporation
Director	Mainspring Resources Corporation
Director	Mary's Foods Corporation
Director	Winall Holding Corporation
Director	Imperial Premium Treasures, Inc.
Director	Queenbee Resources Corporation
Director	Centregold Corporation
Board Member	Temasek Foundation of Singapore
Trustee	Jollibee Group Foundation, Inc.
Trustee	St. Luke's Medical Hospital
Trustee	Philippine Business for Education
Trustee	Philippine Academy of Sakya
Trustee	National Competitiveness Council
Trustee	Asian Institute of Management Alumni Leadership Foundation, Inc.
Member	Chief Executives' Organization, Inc. (USA)
Member	World Presidents' Organization
Member	International Advisory Board, The Philharmonic-Symphony Society of New York, Inc.

William Tan Untiong

Mr. Tan Untiong, born in 1953, 62, 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 Executive 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.
Director	Coffeetap Corporation ⁵

⁴ Pending deregistration as of February 28, 2015.

⁵ Pending dissolution.

Director	BK Titans, Inc.
Director	RRB Holdings, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	Grandworth Resources Corporation
Director	Zenith Foods Corporation
Director	Honeystar Holdings Corporation
Director	Chanceux, Inc.
Director	Honeybee Foods Corp.
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	Adgraphix, Inc.
Director	Belmont Enterprises Ventures Ltd. (BVI)
Director	Golden Plate Pte. Ltd.
Director	JSF Investments Pte. Ltd.
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	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	WJ Investments Limited
Director	JC Properties & Ventures Corporation
Director	Jollimart Corporation
Director	Centregold Corporation
Director	Winall Holding Corporation
Director	Iconnect Multimedia Network, Inc.
Director	Metroguards Security Agency Corp.
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, 57, 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.

Other directorships⁶ and trusteeships are:

Director	Fresh N' Famous Foods, Inc.
Director	BK Titans, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	RRB Holdings, Inc.
Director	Honeybee Foods Corp.
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)

⁶ Non-listed companies.

Director	Honeystar Holding Corporation
Director	Chanceux, Inc.
Director	Adgraphix, Inc.
Director	Grandworth Resources Corp.
Director	Jollimart Corporation
Director	EST58 Corporation
Director	Jollibee Worldwide Pte. Ltd.
Director	Belmont Enterprises Ventures Ltd.
Director	Jollibee International (BVI) Ltd.
Director	Jollibee Hong Kong Ltd.
Director	Hanover Holdings Ltd.
Commissioner	P.T. Jollibee Indonesia
Director	Jollibee Vietnam Co. Ltd.
Commissioner	P.T. Chowking Indonesia
Director	Golden Cup Pte. Ltd.
Director	Golden Plate Pte. Ltd.
Director	Golden Beeworks Pte. Ltd.
Director	Happy Bee Foods Processing Pte. Ltd. ⁷
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	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	Kingsworth Corporation
Director	Tutuban Chow Foods Corporation
Director	Imperial Premium Treasures, Inc.
Director	Honeystar Holdings Corporation
Director	Hyper Dynamic Corporation
Director	Mary's Foods Corporation
Director	Centregold Corporation
Director	Honeysea Corporation
Director	Queenbee Resources Corporation
Director	Winall Holding Corporation
Director	Metroguards Security Agency Corp.
Director	Mainspring Resources Corporation
Trustee	Jollibee Group Foundation, Inc.

Joseph C. Tanbuntiong

Mr. Tanbuntiong, born in 1963, 52, 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 President of the Jollibee Business Unit (Philippines). He was previously President of the Red Ribbon Business Unit.

Other directorships are:

Listed Companies

Executive Director	DoubleDragon Properties Corp.

⁷ Formerly Jollibee Foods Processing Pte. Ltd., change in name effective October 1, 2014.

Non-listed Companies

Director	Red Ribbon Bakeshop, Inc.
Director	RRB Holdings, Inc.
Director	BK Titans, Inc. ⁸
Director	Perf Restaurants, Inc. ⁹
Director	Perf MOA Pasay, Inc. ¹⁰
Director	Perf Trinoma, Inc. ¹¹
Director	PFN Holdings Corporation ¹²
Director	Honeystar Holdings Corporation
Director	Jaysforjay, Inc.
Trustee	Jollibee Group Foundation, Inc.

Ang Cho Sit

Mr. Ang, born in 1950, 65, Filipino, has been a member of the Board since 1978. He is a member of the Compensation Committee of the Board of Directors.

Other directorships¹³ are:

Director	Freemont Foods Corp.
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, 68, Filipino, has been a member of the Board since 1978. He is a member of the Audit Committee of the Board of Directors.

Other directorships¹⁴ are:

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

Ret. Chief Justice Artemio V. Panganiban

Mr. Panganiban, born in 1936, 79, 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.

⁸ Effective December 3, 2015.

⁹ Effective December 3, 2015.

¹⁰ Effective December 3, 2015.

¹¹ Effective December 3, 2015.

¹² Effective December 3, 2015.

¹³ Non-listed corporations.

¹⁴ Non-listed corporations.

Other directorships and affiliations are:

Listed Companies

Independent Director	MERALCO
Independent Director	Petron Corporation
Independent Director ¹⁵	Bank of the Philippine Islands
Independent Director	First Philippine Holdings Corp.
Independent Director	Philippine Long Distance Telephone Company
Independent Director	Metro Pacific Investment Corp.
Independent Director	Robinsons Land Corp.
Independent Director	GMA Network, Inc.
Independent Director	GMA Holdings, Inc.
Independent Director	Asian Terminals, Inc.
Senior Adviser	Metropolitan Bank and Trust Company
Adviser	DoubleDragon Properties Corp.

Non-listed Companies

Chairman	Pan Philippine Resources Corp.
Chairman	Peecee Realty, Inc.
Chairman, Board of Trustees	Foundation for Liberty and Prosperity
Chairman Emeritus	Philippine Dispute Resolution Center, Inc.
Independent Director	Metro Pacific Tollways Corp.
Independent Director	Tollways Management Corporation
Chairman of the Board of Advisers	Metrobank Foundation
Chairman, Board of Advisers	Metrobank Foundation
Chairman, Board of Trustees	Foundation for Liberty and Prosperity
Director	Team Energy Corporation
President	Manila Cathedral – Basilica Foundation
Adviser	Mapua Blue Falcon Honor Society
Adviser	Dela Salle University College of Law
Adviser	Asian Institute of Management Corporate Governance Center
Adviser	World Bank (Philippines)
Adviser	Johann Strauss Society
Adviser	University of Asia and the Pacific College
Trustee	Tan Yan Kee Foundation

Monico V. Jacob

Mr. Jacob, born in 1945, 70, 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	2 Go Group, Inc. (formerly Aboitiz Transport Systems, Inc.)
Independent Director	Asian Terminals, Inc.
Independent Director	Lopez Holdings Corp.
Independent Director	Phoenix Petroleum Philippines, Inc.
Director	STI Education Systems Holdings, Inc.

¹⁵ Starting April 15, 2016, Mr. Panganiban will serve as an adviser, and no longer an independent director, of Bank of the Philippine Islands.

Non-listed Companies

Director	Ateneo de Naga University
Director	De Los Santos – STI College
Director	De Los Santos – STI Medical Center
Director	Information and Communications Technology (i-Academy), Inc.
Independent Director	Negros Navigation Co., Inc.
Director	STI Education Services Group, Inc.
Director	PhilPlans First, Inc.
Director	Philhealthcare, Inc.
Director	Philippine Life Financial Assurance, Inc.
Director	Total Consolidated Asset Management, Inc.
Director	Republic Surety Insurance Corp.

Cezar P. Consing

Mr. Consing, born in 1959, 56, 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.

Mr. Consing is the President and Chief Executive Officer of the Bank of the Philippine Islands. 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

Director	BPI Family Savings Bank, Inc.
Chairman / Director	BPI Globe BankO, Inc.
Chairman	BPI/MS Insurance Corp.
Director	BPI-Philam Life Assurance Corp.
Vice-Chairman	BPI Capital Corp.
Chairman	BPI Europe PLC
Chairman	BPI Direct Savings Bank, Inc.
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	LGU Guarantee Corp.
Board Director & Non-Executive Chairman	Filgifts.com
Board Partner	TRG Management Principals LP
Director	Sqreem Technologies Private Ltd.
Director	Endeavor Philippines

Independent Adviser – Board of Directors

Mr. Washington SyCip is an Independent Adviser to the JFC Board of Directors.

Assistant Corporate Secretary

Valerie Feria Amante

Atty. Amante, born in 1974, 41, Filipino is the Assistant Corporate Secretary of the Company. She is also Vice-President and Head, Corporate Legal. 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 and Daniel Rafael Ramon Z. Gomez III.

Ysmael V. Baysa

Mr. Baysa, born in 1956, 60, 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, 43, 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.

Heads of Local Units

The heads of the Company's local units are:

Jose Ma. A. Minana, Jr.

Mr. Minana, born in 1964, 51, Filipino, is the Group President for Mang Inasal, Burger King Phils. and JFC USA. He joined the Company in 2000 and was previously President of Jollibee Business Unit (Philippines).

Rowel Vijandre

Mr. Vijandre, born in 1970, 46, Filipino, is the President of Chowking Philippines. 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, 44, Filipino, is the General Manager of the Greenwich Business Unit. He joined the Company in 2008 and was previously Vice President and Head of Marketing of the Jollibee Business Unit.

Zinnia Carmencita S. Rivera

Ms. Rivera, born in 1961, 54, Filipino, is the General Manager of Red Ribbon Business Unit. She joined the Company in 2013 and was previously the President and Managing Director for Johnson & Johnson Philippines.

Justo S. Alano III

Mr. Alano, born in 1965, 50, Filipino, is the President of the Mang Inasal Business Unit, effective July 1, 2015.¹⁶ He joined the Company in 2006 and was formerly the Head of the Metro Manila-North Regional Business Unit of the Jollibee Business Unit.

Joan K. Aquino

Ms. Aquino, born in 1965, 51, Filipino, is the General Manager of Burger King Philippines, effective September 1, 2014. 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.

Heads of International Units:

The heads of International Units are:

Chin Seng Yue

Mr. Yue, born in 1953, 62, was engaged in 2014 as Chief Human Resources Advisor. Previous to this, he was the Human Resources Vice President for Asia Pacific at Delphi Automotive Systems (China) Holding Co.

Dr. Polly Yang (Chuan Hua Yang)

Dr. Yang, born in 1967, 48, is Vice President and Head – Corporate Research and Development since 2008. Prior to this, Dr. Yang was a Professor in the Department of Restaurant, Hotel and Institutional Management in Fu Jen Catholic University.

Lawrence Yin

Mr. Yin, born in 1970, 45, was appointed General Manager of Yonghe King Business in China, effective April 1, 2015. He was previously the General Manager of Hong Zhuang Yuan Business and previous to that was the Regional General Manager of Yonghe King North Regional.

Adam Zhou

Mr. Zhou, born in 1970, 46, was appointed General Manager of Hong Zhuang Yuan Business in China effective April 1, 2015. He joined in 2012 as Senior Director, Operations and Training.

Du Han

Mr. Du, born in 1964, 51, is President of Guangxi San Pin Wang Food and Beverage Management Co. Ltd. Mr. Du was previously the President and General Manager of Nanning San Pin Wang Food and Beverage Management Co., Ltd.

¹⁶ Elected as President of Mang Inasal Philippines, Inc. last November 9, 2015.

Francis Aldwin E. Flores

Mr. Flores, born in 1976, 39, Filipino, is appointed Brand Chief Marketing Officer – Jollibee Global, effective August 1, 2015. Prior to this, he was head of International Mainstream Market. He joined the Company in 2011 and was previously the General Manager of the Greenwich Business Unit.

Dennis M. Flores

Mr. Flores, born in 1963, 52, Filipino, is Head of International Markets. He joined the Company in 2000 and was previously Vice President and International Business Head, Jollibee Asia and Middle East, and Chowking Middle East.

Tran Thi Lan Anh

Ms. Tran, born in 1976, 39, is the General Manager of Jollibee Vietnam. She was previously the Country General Manager of Beiersdorf Vietnam Company.

Maribeth D. Dela Cruz

Ms. Dela Cruz, born in 1965, 50, is the General Manager, US Operations. She was previously West Coast Region Head, US Operations.

Heads of Corporate Units

The heads of Corporate Units are:

Jose Ma. A. Minana, Jr.

Mr. Minana, born in 1964, 51, Filipino, is the Group President for Mang Inasal, Burger King Phils. and JFC USA. He joined the Company in 2000 and was previously President of Jollibee Business Unit (Philippines).

Fernando S. Yu, Jr.

Mr. Yu, born in 1967, 48, Filipino, is the Chief Operations Support Officer effective January 1, 2016. He joined the Company in 2004 and was previously the President of Chowking Business Unit.

Anastacia S. Masancay

Ms. Masancay, born in 1954, 61, Filipino, is the Vice President - Special Projects effective January 1, 2015. 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.

Susana K. Tanmantiong

Ms. Tanmantiong, born in 1958, 57, Filipino, is the Chief Procurement Officer. She joined the Company in 1984 and was previously Purchasing Vice President of the Company.

Roberto San Juan

Mr. San Juan, born in 1966, 49, Filipino, is the Vice President for Corporate Information Management effective May 1, 2015. He joined the Company in 2015 and was previously with United Laboratories, Inc.

Liwayway T. Mateo

Ms. Mateo, born in 1966, 49, is the Vice President and Head - Corporate Quality Management.

Erlinda F. Castro

Ms. Castro, born in 1957, 58, Filipino, is Head of Finance and Accounting and Human Resources Shared Services. She joined the Company in March 2006. Prior to this, she was an Associate Director in the Manila Service Center of Procter & Gamble's Shared Services in Asia where she headed various accounting service functions.

President of the Jollibee Group Foundation, Inc.**Grace A. Tan Caktiong**

Ms. Tan Caktiong, born in 1949, 66, 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 <i>Chairman</i>	2014	61,005,769.00	51,901,175.00	112,906,944.00
Ernesto Tanmantiong <i>President and Chief Executive Officer</i>	2015	93,581,843.00	38,086,879.00	131,668,722.00
Joseph Tanbuntiong <i>Treasurer, President – Jollibee Business Unit</i>	*2016	114,590,966.00	59,945,857.00	174,536,823.00
Daniel Rafael Ramon Gomez III <i>Chief Marketing Officer – JFC Group</i>	2014	236,601,829.00	131,910,177.00	371,512,006.00
All other officers and directors as a group unnamed	2015	393,351,573.00	156,376,456.00	549,728,029.00
	*2016	501,241,880.00	206,592,350.00	707,834,230.00

* Estimates

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 results 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 88]*

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 MANAGEMENT¹⁷

(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 6 th Floor Jollibee Center San Miguel Ave., Pasig City	<i>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.</i>	Filipino	273,218,750	25.54%
Common	PCD Nominee Corporation G/F Makati Stock Exchange 6767 Ayala Ave., Makati City	<i>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.</i>	Non-Filipino	305,736,020	28.58%
Common	Honeysea Corporation 6 th Floor Jollibee Center San Miguel Ave., Pasig City	<i>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.</i>	Filipino	127,743,747	11.94%
Common	PCD Nominee Corporation G/F Makati Stock Exchange 6767 Ayala Ave., Makati City		Filipino	99,960,017	9.34%
Common	Winall Holding Corporation 6 th Floor Jollibee Center San Miguel Ave., Pasig City	<i>Majority of the shares in Winall Holding Corporation are owned or controlled by certain relatives within the fourth degree of consanguinity or affinity.</i>	Filipino	54,140,736	5.06%

¹⁷ As of December 31, 2015.

(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 <i>Director, Chairman</i>	Filipino	Direct -	8,254,565	Total: 0.79%
		Indirect (through Deutsche)	240,000	
Ernesto Tanmantiong <i>Director, President and Chief Executive Officer</i>	Filipino	Direct	4,743,951	Total: 0.49%
		Indirect (through Deutsche)	457,019	
William Tan Untiong <i>Director, Corporate Secretary and Chief Real Estate Executive</i>	Filipino	Direct	7,396,722	Total: 0.72%
		Indirect (through Deutsche)	279,667	
Joseph C. Tanbuntiong <i>Director, Treasurer and President, Jollibee Philippines</i>	Filipino	Direct	64,630	Total: 0.01%
		Indirect (through Deutsche)	-	
Ang Cho Sit <i>Director</i>	Filipino	Direct	11	Total: 0.00%
		Indirect (through Deutsche)	-	
Antonio Chua Poe Eng <i>Director</i>	Filipino	Direct	1	Total: 3.75%
		Direct (through Honeyworth)	38,857,446	
		Indirect (through Honeyworth)	1,208,037	
C.J. Artemio V. Panganiban <i>Director</i>	Filipino	Direct	1	Total: 0.00%
		Indirect (through Deutsche)	11,000	
Monico V. Jacob <i>Independent Director</i>	Filipino	Direct	100	Total: 0.00%
		Indirect (through Deutsche)	-	
Cezar P. Consing <i>Independent Director</i>	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 <i>Chief Financial Officer, Vice President for Corporate Finance</i>	Filipino	Direct	511,667	Total: 0.05%
		Indirect (through Deutsche)	-	
Daniel Rafael Ramon Gomez <i>Vice President for Corporate Marketing</i>	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Valerie F. Amante <i>Assistant Corporate Secretary; Vice President and Head of Corporate Legal</i>	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
Jose Ma. A. Minana, Jr. <i>Group President</i>	Filipino	Direct	191,648	Total: 0.03%
		Indirect (through Deutsche)	114,000	
Rowel Vijandre <i>President, Chowking Philippines</i>	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Albert C. Cuadrante <i>General Manager, Greenwich Business</i>	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Zinnia Carmencita S. Rivera <i>General Manager, Red Ribbon Business</i>	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	1,050	
Justo S. Alano III <i>President, Mang Inasal</i>	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Joan K. Aquino <i>General Manager, Burger King Business</i>	Filipino	Direct	-	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. <i>Chief Operations Support Officer</i>	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Susana K. Tanmantiong <i>Chief Procurement Officer</i>	Filipino	Direct	681,857	Total: 0.08%
		Indirect (through Deutsche)	138,000	
Roberto San Juan <i>Vice President – Corporate Information Management</i>	Filipino	Direct	-	Total: 0.00%
		Indirect (through Deutsche)	-	
Anastacia S. Masancay <i>Vice President – Special Projects</i>	Filipino	Direct	300,000	Total: 0.07%
		Indirect (through Deutsche)	446,000	
Liwayway Mateo <i>Vice President - Corporate Quality Management</i>	Filipino	Direct	9,500	Total: 0.00%
		Indirect (through Deutsche)	-	
Erlinda F. Castro <i>Head of Finance and Accounting and Human Resources Shared Services</i>	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.

On January 8, 2016, the Company submitted its Annual Corporate Governance Report Consolidated Changes and Updates in the ACGR for 2015. On March 31, 2016, the Company submitted its duly-accomplished Disclosure Template for the Corporate Governance Guidelines for Listed Companies to the Philippine Stock Exchange stating the Company's compliance with corporate governance compliance.

Please refer to attached Annual Corporate Governance Report.

PART V. EXHIBITS AND SCHEDULES

The attachments to this Report are the following:

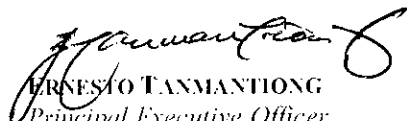
1. Annual Corporate Governance Report, Consolidated Changes and Updates in the ACGR for 2015, as of date of this Report.
2. SEC Form 17-C, filed for the year 2015.
3. 2015 Audited Consolidated Financial Statements
4. 2015 Audited Parent Financial Statements

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.

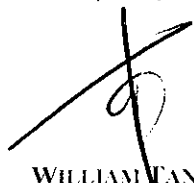
SIGNATURES

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 12th day of April, 2016 .

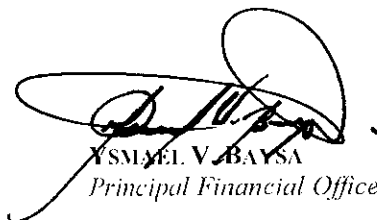
By:



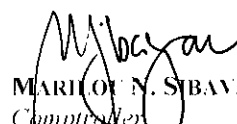
ERNESTO TANMANTIONG
Principal Executive Officer
Principal Operating Officer



WILLIAM TAN UNTIONG
Corporate Secretary



YSMAEL V. BAYSA
Principal Financial Officer



MARILYN N. SIBAYAN
Comptroller
Principal Accounting Officer

SUBSCRIBED AND SWORN TO before me this April 12, 2016, Affiants exhibiting to me their proofs of identification, as follows:

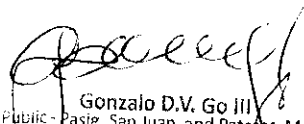
<u>Name</u>	<u>Proof of Identification</u>
Ernesto Tanmantiong	Passport No. EB5292012, issued on May 4, 2012 and expiring on May 3, 2017
William Tan Untiong	Passport No. EC0232914, issued on February 7, 2014 and expiring on February 6, 2019
Ysmael V. Baysa	Passport No. EB5784944, issued on June 28, 2012 and expiring on June 27, 2017
Marilou N. Sibayan	SSS ID No. 03-9964176-9

Doc. No. 124;

Page No. 26;

Book No. 1;

Series of 2016.


Gonzalo D.V. Go III
 Notary Public - Pasig, San Juan, and Pateros, Metro Manila
 Notarial Commission No. 94 expiring on December 31, 2017
 4F Jollibee Plaza, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City 1605
 JRE Compliance No. V-0007107; 04/01/2015; Pasig
 JTR No. 1430826; 01/13/2016; Pasig
 J No. 1018510; 01/06/2016; Pasig
 Roll of Attorneys No. 54320

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

**Annual Corporate Governance Report
(Consolidated Changes in the ACGR for 2015)
as of April 13, 2016**

Form Type

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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

SECURITIES AND EXCHANGE COMMISSION
 SEC FORM – ACGR
 ANNUAL CORPORATE GOVERNANCE REPORT
 (2015)

1. Report is Filed for the Year 2015
2. Exact Name of Registrant as Specified in its Charter JOLLIBEE FOODS CORPORATION
3. 10/F Jollibee Plaza 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City 1605
 Address of Principal Office Postal Code
4. SEC Identification Number 77487 5.  (SEC Use Only)
 Industry Classification Code
6. BIR Tax Identification Number 000-388-771
7. + 63 2 634 1111
 Issuer's Telephone number, including area code
8. N/A
 Former name or former address, if changed from last report

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9

Actual number of Directors for the year	9

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type (Executive (ED), Non-Execution (NED) or Independent Director (ID))	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID state the number of years served as ID)	Elected when (Annual/ Special Meeting)	No. of years served as director
Tony Tan Caktiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1978	2015	06/26/2015	37
Ernesto Tanmantiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1987	2015	06/26/2015	28
William Tan Untiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1993	2015	06/26/2015	22
Joseph Tanbuntiong	ED	JFC	Submitted to the Nomination Committee by shareholders	2013	2015	06/26/2015	2
Antonio Chua Poe Eng	NED	JFC	Submitted to the Nomination Committee by shareholders	1978	2015	06/26/2015	37
Ang Cho Sit	NED	JFC	Submitted to the Nomination Committee by shareholders	1978	2015	06/26/2015	37
Ret. Chief Justice Artemio V. Panganiban	NED	JFC	Submitted to the Nomination Committee by shareholders	June 2012	2015	06/26/2015	3
Monico V. Jacob	ID ¹	JFC	Submitted to the Nomination Committee by shareholders	2001	2015 (3)	06/26/2015	14
Cezar P. Consing	ID	JFC	Submitted to the Nomination Committee by shareholders	June 2010	2015 (3)	06/26/2015	5

Per Rule 38(7) of the Amended Implementing Rules and Regulations of the Securities Regulation Code, issuers of registered securities and public companies are required to have at least two (2) independent directors or at least twenty percent (20%) of its board size, whichever is lesser.

¹ Per SEC Memorandum Circular No. 9 series of 2011, effective January 2, 2012, all previous terms served by existing independent directors shall not be included in the application of the term limits subject of the circular.

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Board of Directors, Management and employees of Jollibee Foods Corporation commit themselves to the principles and best practices as contained in its Amended Manual on Corporate Governance and further acknowledge that the same may guide the attainment of the Company's values, mission and vision.

The Board of Directors, officers, employees and stockholders of the Company believe that corporate governance is a necessary component of sound strategic business management and will undertake every effort necessary to create awareness within the organization as soon as possible. (Source: Article 1, Amended Manual on Corporate Governance)

The Company has adapted implementing policies of the Manual on Corporate Governance. These policies have been approved by the Board of Directors and cover, among others, (i) membership of the Company's directors in other corporate boards, (ii) standard of conduct of the Board and Senior Management and Conflict of Interest policy; (iii) selection process for directors and senior management; (iv) major capital expenditures; (v) principles in developing remuneration policies, (vi) risk management, (vii) financial management policies and procedures, (viii) shareholder grievance procedure and (ix) an evaluation system for determining and measuring compliance with the Company's Manual on Corporate Governance.

On July 24, 2014, the Company filed its Amended Manual on Corporate Governance in compliance with SEC Memorandum Circular No. 9, series of 2014.

- (c) How often does the Board review and approve the vision and mission?

The Company's Board of Directors reviews and approves the Company's vision and mission as necessary. It is the vision of the Company to become one of the three largest and most profitable restaurant companies in the world by 2020.

In its November 9, 2015 Board meeting, Mr. Ysmael V. Baysa, the Company's Chief Financial Officer and Corporate Information Officer, presented the Jollibee Group Vision, Goals and Strategies on its current status and the targets and goals to be achieved.

- (d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
Tony Tan Caktiong	Fresh N' Famous Foods, Inc.	Chairman, Executive
	Mang Inasal Phils., Inc.	Chairman, Executive
	Coffeetap Corporation ³	Chairman, Executive
	BK Titans, Inc.	Chairman, Executive
	PFN Holdings, Corp.	Chairman, Executive
	Perf Restaurants, Inc.	Chairman, Executive
	Perf Trinoma, Inc.	Chairman, Executive
	Perf MOA Pasay, Inc.	Chairman, Executive
	RRB Holdings, Inc.	Chairman, Executive
	Red Ribbon Bakeshop, Inc.	Chairman, Executive
	Honeybee Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Director
	Chanceux, Inc.	Chairman, Executive
	Jollibee Worldwide Pte. Ltd.	Executive

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company. Note: Companies owning shares in the parent corporation is not included in the list.

³ Pending dissolution.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
William Tan Untiong	Belmont Enterprises Ventures Ltd.	Executive
	Jollibee International (BVI) Ltd.	Executive
	WJ Investments Limited	Executive
	JSF Investments Pte. Ltd.	Executive
	Golden Cup Pte. Ltd.	Executive
	Golden Plate Pte. Ltd.	Executive
	Golden Beeworks Pte. Ltd.	Executive
	SF Vung Tau Joint Stock Company	Executive
	Blue Sky Holdings Ltd	Executive
	Southsea Binaries Limited	Executive
	Happy Bee Foods Processing Pte. Ltd.	Executive
	Jollibee (China) Food & Beverage Management Co. Ltd.	Executive
	Guangxi San Pin Wang Food & Beverage Co. Ltd.	Executive
	Beijing New Hongzhuangyuan Food & Beverage Management Co. Ltd.	Executive
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Hangzhou Yongtong Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Shenzhen Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Happy Bee Foods Processing (Anhui) Co. Ltd.	Executive
	12 Sabu (Shanghai) Food & Beverage Management Co. Ltd.	Director
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	Shanghai Belmont Enterprises Management & Adviser Co. Ltd. ⁴	Executive
	Jollibee Group Foundation, Inc.	Executive
	Mary's Foods Corporation	Executive
	Fresh N' Famous Foods, Inc.	Executive
	Mang Inasal Phils., Inc.	Executive
	Coffeetap Corporation ⁵	Executive
	BK Titans, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Red Ribbon Bakeshop, Inc.	Executive
	Honeybee Foods Corp.	Executive
	Grandworth Resources Corporation	Executive
	Zenith Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Director
	Chanceux, Inc.	Executive
	JC Properties & Ventures Corporation	Executive
	Zenith Foods Corporation	Executive
	Adgraphix, Inc.	Executive
	Belmont Enterprises Ventures Ltd.	Executive
	Golden Plate Pte. Ltd.	Executive
	Jollibee (China) Food & Beverage Management Co. Ltd.	Executive
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Shenzhen Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	WJ Investments Limited	Director
	Jollibee Group Foundation, Inc.	Executive

⁴ Pending deregistration as of February 2015.

⁵ Pending dissolution.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
Ernesto Tanmantiong	Fresh N' Famous Foods, Inc.	Executive
	BK Titans, Inc.	Executive
	Red Ribbon Bakeshop, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Honeybee Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Executive
	Honeystar Holding Corporation	Executive
	Chanceux, Inc.	Executive
	Adgraphix, Inc.	Executive
	Grandworth Resources Corp.	Executive
	Jollibee Worldwide Pte. Ltd.	Executive
	Belmont Enterprises Ventures Ltd.	Executive
	JSF Investments Pte. Ltd.	Executive
	Jollibee International (BVI) Ltd.	Executive
	Jollibee Hong Kong Ltd.	Executive
	Hanover Holdings Ltd.	Executive
	P.T. Jollibee Indonesia	Executive
	Jollibee Vietnam Co. Ltd.	Executive
	P.T. Chowking Indonesia	Executive
	Golden Cup Pte. Ltd.	Executive
	Golden Plate Pte. Ltd.	Executive
	Golden Beeworks Pte. Ltd.	Executive
	Happy Bee Foods Processing Pte. Ltd. ⁶	Executive
	Jollibee (China) Food & Beverage Management Co. Ltd.	Executive
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	Jollibee Group Foundation, Inc.	Member
	Mary's Foods Corporation	Executive
Joseph Tanbuntiong	Red Ribbon Bakeshop, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Jollibee Group Foundation, Inc.	Member
	BK Titans, Inc.	Director
	Perf Restaurants, Inc.	Executive
	Perf MOA Pasay, Inc.	Executive
	Perf Trinoma, Inc.	Executive
Ang Cho Sit	PFN Holdings Corporation	Executive
	Grandworth Resources Corp.	Executive
	Freemont Foods Corp.	Executive

Source: 2015 JFC Annual Report, filed on April 13, 2016 and 2015 and 2016 Minutes of relevant entities.

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the Company's Board of Directors who are also directors of publicly listed companies outside its group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tony Tan Caktiong	First Gen Corporation	Independent Director
	DoubleDragon Properties Corp.	Executive Director
	Philippine Long Distance Telephone Company	Non-Executive Director
William Tan Untiong	DoubleDragon Properties Corp.	Executive Director
Joseph Tanbuntiong	DoubleDragon Properties Corp.	Non-Executive Director

⁶ Formerly Jollibee Foods Processing Pte. Ltd, change in name effective October 1, 2014.

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Monico V. Jacob	2 Go Group, Inc. (formerly Aboitiz Transport Systems, Inc.)	Independent Director
	Asian Terminals, Inc.	Independent Director
	Phoenix Petroleum Philippines, Inc.	Independent Director
	STI Education Systems Holdings, Inc.	Director
	Lopez Holding Corp.	Independent Director
Cezar P. Consing	Bank of the Philippine Islands	Director
	National Reinsurance Corp. of the Philippines (PhilNare)	Director
Ret. Chief Justice Artemio V. Panganiban	MERALCO	Independent Director
	Petron Corporation	Independent Director
	Bank of the Philippine Islands ⁷	Independent Director
	First Philippine Holdings Corp.	Independent Director
	Philippine Long Distance Telephone Company	Independent Director
	Metro Pacific Investment Corp.	Independent Director
	Robinsons Land Corp.	Independent Director
	GMA Network, Inc.	Independent Director
	GMA Holdings, Inc.	Independent Director
	Asian Terminals, Inc.	Independent Director

Source: 2015 JFC Annual Report, filed on April 13, 2016.

(iii) Relationship with the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Tony Tan Caktiong	Hyper Dynamic Corporation	Chairman, President
William Tan Untiong	Hyper Dynamic Corporation	Director
Ernesto Tanmantiong	Hyper Dynamic Corporation	Director
Antonio Chua Poe Eng	Hyper Dynamic Corporation	Director
Ang Cho Sit	Hyper Dynamic Corporation	Director
Tony Tan Caktiong	Honeysea Corporation	Chairman, President
Ernesto Tanmantiong	Honeysea Corporation	Director
William Tan Untiong	Honeysea Corporation	Director
Ernesto Tanmantiong	Winall Holding Corporation	Chairman, President
Antonio Chua Poe Eng	Honeyworth Corporation	Chairman, President
William Tan Untiong	Honeyworth Corporation	Director
Ernesto Tanmantiong	Kingsworth Corporation	Chairman, President
William Tan Untiong	Kingsworth Corporation	Director
Tony Tan Caktiong	Centregold Corporation	Director
Ernesto Tanmantiong	Centregold Corporation	Director
William Tan Untiong	Centregold Corporation	Chairman, President
Ang Cho Sit	Venice Corporation	Chairman, President
Ang Cho Sit	A-Star Holding Corporation	Director
Ang Cho Sit	Longshore Corporation	Director

Source: 2015 JFC Annual Report, filed on April 13, 2016.

- (iv) Has the Company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

The Company has not set a limit on the number of board seats in other companies. However, it is noteworthy that included among the guidelines used by the Nomination Committee in determining the fitness of any nominee for directorships in the Board is the number of directorships/active memberships and officerships in

⁷ Starting April 15, 2016, Mr. Panganiban will serve as an adviser, and no longer an independent director, of Bank of the Philippine Islands.

other corporations or organizations. (Source: Article 4.B.2.c, Amended Manual on Corporate Governance)

Furthermore, the Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

	Guidelines	Maximum Number of Directorship in other Companies
Executive Director	The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised. (Source: Article 4.B.2, Amended Manual on Corporate Governance)	
Non-Executive Director		
CEO		

(c) Shareholding in the Company

Complete the following table on the members of the Company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares/Through (name of record owner)	% of Capital Stock
Tony Tan Caktiong	8,254,565	240,000 (through Deutsche Regis Partners, Inc.)	0.79%
Ernesto Tanmantiong	4,743,951	457,019 (through Deutsche Regis Partners, Inc.)	0.49%
William Tan Untiong	7,396,722	279,667 (through Deutsche Regis Partners, Inc.)	0.72%
Joseph Tanbuntiong	64,630	n/a	0.01%
Ang Cho Sit	11	n/a	0.00%
Antonio Chua Poe Eng	1 38,857,446 ⁸	1,208,037 (through Honeyworth Corporation)	3.75%
Ret C.J. Artemio V. Panganiban	1	11,000	0.00%
Monico V. Jacob	100	n/a	0.00%
Cezar P. Consing	1	n/a	0.00%

Source: 2015 JFC Annual Report, filed on April 13, 2016.

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes

☒

No

☐

Identify the Chairman and CEO:

Chairman of the Board	Tony Tan Caktiong
CEO/President	Ernesto Tanmantiong

⁸ Through Honeyworth Corporation as disclosed in Antonio Chua Poe Eng's SEC Form 23-B.

(b) Roles, Accountabilities and Deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	* Preside over all meetings of the stockholders and the Board of Directors. <i>(Source: Section 2, Article V, By-Laws)</i> * Ensure that the meetings of the Board are held in accordance with the Company's by-laws.	* General charge, supervision and control of business affairs of the Company, subject to the control of the Board of Directors. * May appoint and discharge all agents and employees of the Company.
Accountabilities	*Coordinate with the Corporate Secretary in the preparation of the agenda of Board meetings, taking into consideration the suggestions of other directors, Management and officers; and *Maintain qualitative and timely lines of communication and information between the Board and Management. <i>(Source: Article 4.A.2, Amended Manual on Corporate Governance)</i>	* See to it that all resolutions of the Board of Directors are duly carried out. * Vote and represent shares of stocks owned or held by the Company in another corporation, firm or entity. * Execute on behalf of the Corporation all contracts, agreements and other instruments affecting the interests of the Company, except as otherwise directed by the Board of Directors. * Perform such other functions as may be incidental to his office and shall preside in all meetings of the stockholders and Board of Directors in the absence of the Chairman of the Board upon his delegation. * Assign the exercise or performance of any of the powers, duties and functions to any other officer(s), subject to his control and supervision. <i>(Sources: Section 3, Article V, By-Laws and Article 4.A.3, Amended Manual on Corporate Governance)</i>
Deliverables		

3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

The Nomination Committee, with the support of the Human Resources Division, is developing and formalizing a process for screening nominees for appointment to senior management positions within the Company. In particular, key talents participate in an Executive Development Program as part of the plan for the succession of top key management positions.

The Compensation Committee shall ensure that a working Succession Planning system is in place *(Source: Compensation Committee Charter)*

To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of, among others, its duty to appoint competent, professional, honest and highly-motivated management officers and adopt an effective succession planning program for Management. *(Source: Article 4.C.2.b, Amended Manual on Corporate Governance)*

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board?

Yes. The Nomination Committee of the Board of Directors shall be responsible for evaluating the qualifications of all persons nominated to the Board. The Nomination Committee has promulgated guidelines for the conduct of nominations to the Board of Directors. (Source: Section 9(a), Article IV, By-Laws)

Included in the guidelines used by the Nomination Committee in the determination of the fitness of any nominee for directorships in the Board is the nature of the business of the corporations which a nominee is a director. (Source: Article 4.B.2.a, Amended Manual on Corporate Governance).

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Among the qualifications of a director is sufficient experience in managing the business. (Source: Article 4.B.1.b, Amended Manual on Corporate Governance)

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	An Executive Director is a director who is also the head of a department or unit of the Company or performs any work related to its operation. (Source: Article 2, Amended Manual on Corporate Governance). Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Executive directors' inputs are expected to be based on his/her knowledge of the day-to-day business of the Company.	A Non-Executive Director is a director who is not the head of a department or unit of the Company nor performs any work related to its operation. (Source: Article 2, Amended Manual on Corporate Governance). Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors.	An Independent Director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. (Source: Article 2, Amended Manual on Corporate Governance). An independent director shall endeavor to always attend Board meetings, provided, however, that their absence shall not affect the quorum requirement. The Board may, to promote transparency, require the presence of at least one (1) independent director. (Source: Article 4.F, Amended Manual on Corporate Governance). Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Independent directors are expected to give input

	Executive	Non-Executive	Independent Director based on their extensive experience and to provide suggestions and solutions based on best practices.
Accountabilities	Accountability of all directors is in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation).	Accountability of all directors is in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation).	Accountability of all directors is in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation). An independent director shall hold no interest or relationship with the Company that may hinder his independence from the Company or management or that may interfere with the exercise of independent judgment in carrying out the responsibilities of a director (Source: Section 1, Article IV, By-Laws)
Deliverables	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Executive directors' inputs are expected to be based on his/her knowledge of the day-to-day business of the Company.	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors.	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Independent directors are expected to give inputs based on their extensive experience and to provide suggestions and solutions based on best practices. An independent director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Company, management or controlling stockholder at the time of his election or appointment and/or re-election as director. (Source: Section 1, Article IV, By-Laws)

Provide the company's definition of "independence" and describe the company's compliance to the definition.

An independent director shall hold no interests or relationships with the Company that may hinder his independence from the Company or management or that may interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

An independent director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Company, management or controlling stockholder at the time of his election or re-appointment and/or re-election as director. (Source: Section 1, Article IV, By-Laws)

An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. (Source: Article 2, Amended Manual on Corporate Governance).

The Company complies with the requirements of law and regulations on the qualifications of independent directors, including limits on shareholdings and term, and the submission of Certifications of Independent Directors. (Source: 2015 Definitive Information Statement)

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Company complies with SEC Memorandum Circular No. 9 (s. 2011).

SEC Memorandum Circular No. 9 (s. 2011) provides that an independent director can serve for five (5) consecutive years, provided that service for a period for at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the position was relinquished or terminated. After completion of the five-year period, an independent director shall be ineligible for election as such for two (2) years. After serving as independent director for ten (10) years, he or she shall be perpetually barred from being elected as such in the Company. This shall be applicable to all independent directors elected as of June 2012. (Source: 2015 Definitive Information Statement)

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

There were no changes in the composition of the Board of Directors for the year 2015.

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Nomination to the Board of Directors (including the independent director) shall be submitted to the Nomination Committee for consideration by the latter prior to the annual meeting of stockholders or a special meeting called for the purpose of electing the Corporation's directors. All such submissions shall be signed by the stockholders nominating a particular nominee together with the written	The qualifications for nomination and election to the Board of Directors are as follows: (i) at least one (1) share of the Corporation registered in his name; (ii) at least a college graduate or with sufficient experience in managing the business to

Procedure	Process Adopted	Criteria
	acceptance of such nominee. The Nomination Committee shall review the qualifications for the nominees for directors and prepare a final list of candidates. The Final List of Candidates shall be made available to the Securities and Exchange Commission and to all stockholders through the Information or Proxy Statement. The name of the person or group of persons who submitted a particular nominee's name shall be identified in such report including any relationship with the nominee. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained or allowed on the floor during the annual stockholders' meeting. <i>(Source: Section 12, Article III, By-Laws)</i> Subject to existing laws, rules and regulations of the SEC or any stock exchange having jurisdiction over the Company, the conduct of election of directors shall be made in accordance with the standard election procedures contained in these By-Laws. It shall be the responsibility of the Chairman of the meeting to inform all stockholders of the requirement of electing independent directors. The Chairman of the Meeting shall ensure that the independent director is elected during the stockholders' meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. (As amended on June 27, 2008). The nine (9) directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for the year at which a quorum is present. At each election for directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes as the same principle among any number of candidates. The persons receiving the first nine (9) highest number of votes shall be the directors. (As amended on June 27, 2008). In the event of a failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy. (As amended on June 24, 2005) <i>(Source: Section 13, Article III, By-Laws)</i>	substitute for such formal education; (iii) at least twenty-one (21) years old; (iv) proven to possess integrity and probity; (v) proven to possess business acumen and/or professional skills based on actual and significant business and/or professional experience; (v) absence of any of the disqualifications provided under applicable laws or these By-Laws. For purposes of Article IV, Section 2(v), no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Company, or a nominee of such person. <i>(Source: Section 2, Article IV, By-Laws)</i> In addition to the grounds for qualification and disqualification for nomination and election to the Board, the Nomination Committee shall consider the following guidelines in the determination of the fitness of any nominee for directorships in the Board: - The nature of the business of the corporations which he is a director; - Age of the director; - Number of directorships/ active memberships and officerships in other corporations or organizations; and - Possible conflict of interest. <i>(Source: Article 4.B.2, Amended Manual on Corporate Governance)</i>

Procedure	Process Adopted	Criteria
b. Re-appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The same process applies to re-appointment/re-election of directors.	
c. Permanent Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Nomination Committee determines the qualification (or disqualification) of a nominee. (Source: Section 12, Article III, By-Laws)	Grounds for Permanent Disqualification: 1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person or any of them; 2. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (the "Commission") or any court or administrative body or competent jurisdiction from: (a) acting as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities; The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or the Bangko Sentral ng Pilipinas ("BSP") or any rule or regulation issued by the Commission or the BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

Procedure	Process Adopted	Criteria
		3. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent act or transgressions; 4. Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or BSP, or any rule, regulation or order of the Commission or the BSP; 5. Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company; 6. Any person judicially declared as insolvent; 7. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct in paragraphs (1) to (5) above; 8. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment. (As amended on May 11, 2010) (Sources: Article 4.B.4, Amended Manual on Corporate Governance; Section 2, Article IV, By-Laws)
d. Temporary Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Nomination Committee determines the qualification (or disqualification) of a nominee. (Source: Section 12, Article III, By-Laws)	For purposes of Article IV, Section 2(v), no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation, or a nominee of such person. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged: (1) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any corporation (other than one in which the Corporation owns at least thirty percent (30%) of the capital stock) engaged in a business which the Board by a majority vote, determines to be competitive, antagonistic, and/or in clear conflict of interest to that

Procedure	Process Adopted	Criteria
		of the Corporation; or (2) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any other corporation or entity engaged in any line of business of the Corporation when in the judgment of the Board by a majority vote the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or (3) If the Board, in the exercise of its judgment in good faith, determines by a majority vote that he is the nominee or agent of, or otherwise represents, any person set forth in (1) or (2) above. In determining whether or not a person is controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relationships. <i>(Source: Section 2, Article IV, By-Laws)</i> The Nomination Committee may also place an existing director under temporary disqualification based on the following: 1. Refusal to fully comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists; 2. Absence or non-participation without justifiable reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election; 3. Dismissal/ termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity; 4. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds 2% of its subscribed capital stock, provided that this disqualification shall be lifted if the limit is later on complied with; 5. Being under preventive suspension by the Company with respect to Executive Directors;

Procedure	Process Adopted	Criteria
		6. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall be permanent. <i>(Source: Article 4.B.4, Amended Manual of Corporate Governance).</i>
e. Removal		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The process complies with Section 28 of the Corporation Code. To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers and staff in case of violation of any of the provisions of this Manual: In case of first violation, the subject person shall be reprimanded. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. For the third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board of Directors of the Company or its subsidiaries and affiliates shall be sufficient cause for removal from directorship. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board. <i>(Source: Article 12, Amended Manual on Corporate Governance).</i>	The criteria comply with Section 28 of the Corporation Code.
f. Re-instatement		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Reinstatement complies with the procedural requirements of the Corporation Code for election of directors.	The criteria for reinstatement comply with the Corporation Code, the Company's By-laws and Manual on Corporate Governance, as amended.
g. Suspension		

Procedure	Process Adopted	Criteria
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers and staff in case of violation of any of the provisions of this Manual: In case of first violation, the subject person shall be reprimanded. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. For the third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board of Directors of the Company or its subsidiaries and affiliates shall be sufficient cause for removal from directorship. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board. <i>(Source: Article 12, Amended Manual on Corporate Governance).</i>	

6) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any.

In compliance with SEC Memorandum Circular No. 20, series of 2013, as amended by SEC Memorandum Circular No. 2, series of 2015, all key officers and directors of the Company shall attend a minimum of four (4) hours of corporate governance training every year conducted by training providers that are duly accredited by the Securities and Exchange Commission.

A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly-recognized private or government institute. *(Source: Article 11, Amended Manual on Corporate Governance)*

- (b) State any in-house training and external courses attended by Directors and Senior Management⁹ for the past three (3) years:

For the past three (3) years, directors and senior management of the Company attended the following Seminar on Corporate Governance:

Date	Name of Training Institution
February 4, 2014	The Institute of Corporate Directors
March 7, 2014	Risks, Opportunities, Assessment and Management (ROAM), Inc.
August 12, 2014	SGV & Co.
November 12, 2014	
December 16, 2014	Philippine Securities Consultancy Corporation
February 18, 2015	The Institute of Corporate Directors
September 7, 2015	The Institute of Corporate Directors
November 14, 2015	Securities and Exchange Commission

⁹ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Members of the senior management of the Company include its corporate officers, its Compliance Officer and Internal Auditor.

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

For the year 2015, the Company's directors attended the following seminars on Corporate Governance:

Name of Director	Date of Training	Program	Name of Training Institution
Ret. C.J. Artemio V. Panganiban	February 18, 2015	Orientation Course for Corporate Governance	The Institute of Corporate Directors
Monico V. Jacob	March 11, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Tony Tan Caktiong	September 7, 2015	Annual Corporate Governance Program	The Institute of Corporate Directors
Ernesto Tanmationg			
William Tan Untiong			
Joseph Tanbuntiong			
Ang Cho Sit			
Antonio Chua Poe Eng			
Cezar P. Consing			

Pursuant to an August 3, 2015 letter issued by the Corporate Governance and Finance Department of the Securities and Exchange Commission ("SEC"), the Commission *en banc* granted the request of Mr. Washington SyCip to be exempted from attending the corporate governance training for 2015. Mr. SyCip is the Company's Independent Adviser.

For the year 2016, The Company shall be holding its annual corporate governance seminar on August 8, 2016. The table below lists the Company's directors who have attended seminars on Corporate Governance this 2016:

Name of Director	Date of Training	Program	Name of Training Institution
Ret. C.J. Artemio V. Panganiban	February 5, 2016	Seminar on Corporate Governance	SGV & Co.
Monico V. Jacob	March 18, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Cezar P. Consing	March 8, 2016	Annual Corporate Governance Program	The Institute of Corporate Directors

Pursuant to a February 24, 2016 letter issued by the Corporate Governance and Finance Department of the Securities and Exchange Commission ("SEC"), the Commission *en banc* granted the request of Mr. Washington SyCip to be given a permanent exemption from the training requirement. Mr. SyCip is the Company's Independent Adviser.

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	For purposes of Article IV, Section 2(v), no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to	The Company has internal policies on conflict of interest which applies to senior management.	The Company has internal policies on conflict of interest which applies to all employees.

Business Conduct & Ethics	Directors	Senior Management	Employees
	that of the Corporation, or a nominee of such person. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged: (1) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any corporation (other than one in which the Corporation owns at least thirty percent (30%) of the capital stock) engaged in a business which the Board by a majority vote, determines to be competitive, antagonistic, and/or in clear conflict of interest to that of the Corporation; or (2) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any other corporation or entity engaged in any line of business of the Corporation when in the judgment of the Board, by a majority vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or (3) If the Board, in the exercise of its judgment in good faith, determines by a majority vote that he is the nominee or agent of, or otherwise represents, any person set forth in (1) or (2) above. In determining whether or not a person is controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relationships. <i>(Source: Section 2, Article IV, By-Laws)</i> Conflict of interest is part of the qualifications that is considered by the Nomination Committee to determine the Final List of Candidates. <i>(Source: Article 4 B.2, Amended Manual on Corporate Governance)</i>		

Business Conduct & Ethics	Directors	Senior Management	Employees
(b) Conduct of Business and Fair Dealings	The Company has internal policies on the conduct of business and fair dealings which apply to its Board of Directors, senior management and employees.		
(c) Receipt of gifts from third parties	The Company has internal policies on receipt of gifts from third parties.		
(d) Compliance with Laws & Regulations	Directors are expected to strictly comply with laws and regulations. In addition, conviction for certain offenses is a ground for permanent disqualification of directors. <i>(Source: Section 2, Article IV, By-Laws)</i> To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to ensure the Company's faithful compliance with all applicable laws, regulations and best business practices. <i>(Source: Article 4.C.2.e, Amended Manual on Corporate Governance).</i>	The Company has internal policies that provide for penalties for non-compliance with laws and regulations committed by employees, including senior management. To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to ensure the Company's faithful compliance with all applicable laws, regulations and best business practices. <i>(Source: Article 4.C.2.e, Amended Manual on Corporate Governance).</i>	The Company has internal policies that provide for penalties for non-compliance with laws and regulations committed by employees. To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to ensure the Company's faithful compliance with all applicable laws, regulations and best business practices. <i>(Source: Article 4.C.2.e, Amended Manual on Corporate Governance).</i>
(e) Respect for Trade Secrets/ Use of Non-public information	Directors are required to maintain all information acquired in the course of directorship strictly confidential.	Employees, including senior management, are required to maintain all information acquired in the course of employment strictly confidential. Appropriate penalties are provided for violation of this undertaking in the Company's Code of Discipline.	Employees, including senior management, are required to maintain all information acquired in the course of employment strictly confidential. Appropriate penalties are provided for violation of this undertaking in the Company's Code of Discipline.
(f) Use of Company Funds, Assets and Information	The Company's Code of Business Ethics and Code of Discipline provide for penalties for misappropriation of company funds, assets and information.		
(g) Employment & Labor Laws & Policies	The Company's Code of Discipline requires compliance with labor laws, rules and regulations. Appropriate penalties are imposed for violations. In addition to statutorily required benefits, employees are provided with healthcare benefits. The Company requires its employees to undergo internal training and encourages external training as and when related to an employee's functions. Employees are provided with all benefits required under the law.		
(h) Disciplinary action	The Company follows a Code of Discipline which provides for the process, policies and sanctions for disciplinary actions, following labor laws and regulations.		

Business Conduct & Ethics	Directors	Senior Management	Employees
(i) Whistle Blower		The Company has instituted an Ethics Committee which is responsible for, among others, investigating alleged violations and proposing corrective actions. The Company has also appointed an officer to handle reports for alleged violations of the Code of Business Ethics. The Company endeavours to maintain the highest standards of business ethics, as well as full compliance with all relevant laws, rules and regulations. As such, it ensures that a system is in place which will enable all stakeholders to submit reports, complaints or any other information regarding any fraudulent, illicit or unethical activity in an anonymous and confidential manner, without fear of reprisal.	
(ii) Conflict Resolution		Any conflicts are resolved through discussion. The Company encourages employees to resort to internal discussions to resolve conflict. To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to establish an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including regulatory authorities. <i>(Source: Article 4.C.2.I, Amended Manual on Corporate Governance).</i>	

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes, the Company's Code of Business Ethics and Code of Discipline have been disseminated to all directors, senior management and employees.

- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

All levels in the Company are responsible for administering the Code of Business Ethics, including investigating alleged violations and determining corrective actions. The Company has an Ethics Committee which is responsible for maintaining and updating the Code of Business Ethics, with inputs from concerned units.

Among the internal control responsibilities of the Board is to ensure that the Company shall have in place an independent internal audit function and mechanism to monitor the adequacy and effectiveness of the Company's governance, operations and information systems. *(Source: Article 4.E.4, Amended Manual on Corporate Governance).*

- 4) Related Party Transactions

- (a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee
(2) Joint Ventures	
(3) Subsidiaries	

Related Party Transactions	Policies and Procedures
(4) Entities Under Common Control	or department, should conduct itself with honesty and integrity in the performance of its duty to formulate and implement policies and procedures that would ensure the integrity and transparency of related-party transactions between and among the Company, its subsidiaries and affiliates, stockholders, officers and directors, including their spouses, children and parents, and of interlocking director relationships by members of the Board. <i>(Source: Article 4.C.2.k. Amended Manual on Corporate Governance)</i> The Board of Directors (or the Executive Committee of the Board of Directors, as applicable) shall approve major transactions entered into by the Company. <i>(Source: 2012 List of Resolutions Approved by the Board of Directors.)</i> Enterprises and individuals that directly or indirectly, through one or more intermediaries, control or are controlled by, or under common control with the Parent Company, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Parent Company. Individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that give them significant influence over the enterprise; key management personnel, including directors and officers of the Parent Company, and close members of the family of these individuals and companies associated with these individuals also constitute related entities. In the normal course of business, the Parent Company engages in transactions with its subsidiaries and other related parties. The Parent Company sells and purchases food items, processed inventories, packaging and other store supplies to/from related parties, at normal market prices. Purchased items temporarily stored at the Company are charged for logistics and warehousing/storage costs. In addition, the Company receives management fees for services rendered under an existing Management Services Agreement and service fees for various services rendered by the Company's personnel. Pass-on charges pertain to advances made by a related party for another. These include payments for various expenditures incurred. The Company receives from and provides to related parties, interest-bearing cash advances for working capital requirements and operations. Transactions with related parties are made at normal market prices. The Company did not make any provision for impairment losses on receivables from related parties. An assessment is undertaken at each financial year by evaluating the financial position of the related party and the market in which the related party operates.
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

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 an arms-length basis and on terms similar to those granted to other franchisees.

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	The Company's independent directors execute certifications confirming that they have all the qualifications and do not possess any disqualifications under the Manual on Corporate Governance. Additionally, the implementing policies of the Manual on Corporate Governance (as approved by the Board of Directors) provide for the standard of conduct of the Board and Senior Management, as well as policies on Conflict of Interest. The Company encourages internal discussions to address or resolve existing or potential conflict of interest.
Group	The Company encourages internal discussions to address or resolve existing or potential conflict of interest.

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,¹⁰ commercial, contractual or business nature that exists between the holders of significant (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Tony Tan Caktiong (Director, Chairman of the Board), Ernesto Tanmantiong (Director, President, CEO), William Tan Untiong (Director, Corporate Secretary, Vice-President for Corporate Real Estate), Joseph Tanbuntiong (Director, Treasurer)	Family	Brothers
Ang Cho Sit (Director)	Family	Brother-in-law of Tony Tan Caktiong
Susana K. Tanmantiong (Head of Corporate Purchasing)	Family	Wife of Ernesto Tanmantiong
Antonio Chua Poe Eng (Director)	Family	Brother-in-law of Tony Tan Caktiong, Ernesto Tanmantiong, William Tan Untiong and Joseph Tanbuntiong.

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

There are no commercial, contractual or business relationship between the Company and holders of significant equity.

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A	N/A	N/A

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

There are no shareholder agreements that may impact on the control, ownership and strategic direction of the Company.

¹⁰ Family relationships up the fourth civil degree either by consanguinity or affinity.

Names of Related Significant Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N/A	N/A	N/A

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

Alternative Dispute Resolution System	
Corporation & Stockholders	Disputes are resolved in accordance with law and regulations.
Corporation & Third Parties	Contracts between the Company and third parties provide for modes of dispute resolution.
Corporation & Regulatory Authorities	The Company liaises directly with regulatory authority to resolve disputes.

C. BOARD MEETINGS & ATTENDANCE

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

Board meetings are scheduled before the beginning of the year.

- 2) Attendance of Directors

The table below refers to the attendance of directors for the calendar year 2015.

Board	Name	Date of Election	No. of Meetings Held During the Year	No. of Meetings Attended	%
Chairman	Tony Tan Caktiong	June 26, 2015	12	11	92%
CEO/ President	Ernesto Tanmantiong	June 26, 2015		12	100%
Corporate Secretary	William Tan Untiong	June 26, 2015		9	75%
Treasurer	Joseph Tanbuntiong	June 26, 2015		11	92%
Director	Ang Cho Sit	June 26, 2015		10	83%
Director	Antonio Chua Poe Eng	June 26, 2015		7	58%
Director	Ref. CJ Artemio V. Panganiban	June 26, 2015		12	100%
Independent Director	Monico V. Jacob	June 26, 2015		9	75%
Independent Director	Cezar P. Consing	June 26, 2015		10	83%

* Per Advisement Letter submitted to SEC dated January 5, 2016.

The Board of Directors have held meetings every month since January 2016 until April 2016, all were present except the following: William Tan Untiong and Antonio Chua Poe Eng were absent on January 15, 2016; Tony Tan Caktiong, Joseph Tanbuntiong and Ang Cho Sit were absent on February 9, 2016; Cezar P. Consing was absent on March 8, 2016.

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

NO.

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

A quorum at any meeting of the directors shall consist of a majority of the entire membership of the Board. A majority of such quorum shall decide any question that may come before the meeting. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum be had. (Source: Section 6, Article IV, By-Laws) This is consistent with Section 25 of the Corporation Code which provides that the quorum requirement shall be a majority of the board of directors, unless a greater requirement is provided by the articles of incorporation or by-laws.

- 5) Access to Information

- (a) How many days in advance are board papers¹¹ for board of directors meetings provided to the board?

Pursuant to the provisions of its By-Laws, notice of either regular or special meetings of the Board of Directors are given at least five (5) days before the day of the meeting. (Source: Section 5, Article IV, By-Laws) The Company issues its notice to meetings of the Board of Directors to comply with this period.

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes. Board members shall be given independent access to Management and Corporate Secretary, as necessary. The members of the Board shall also have access to independent professional advice at the Company's expense. (Source: Article 5, Amended Manual on Corporate Governance).

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Corporate Secretary is an officer of the company and is expected to be loyal to the mission, vision and specific business objectives of the Company.

The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.

The Board of Directors may elect an Assistant Corporate Secretary who may act in behalf of the Corporate Secretary in the latter's absence.

The Corporate Secretary and/or the Assistant Corporate Secretary shall have the following duties and responsibilities:

- 1. Be responsible for the safekeeping and preservation of the integrity of the minutes of meetings of the Board and its committees, as well as other official records of the Company;**
- 2. Be loyal to the mission, vision and objectives of the Company;**
- 3. Work fairly and objectively with the Board, Management, stockholders and other stakeholders;**
- 4. Have appropriate administrative and interpersonal skills;**
- 5. If he is not at the same time the Company's legal counsel, be aware of the laws, rules and regulations in the performance of his duties and responsibilities;**
- 6. Have a working knowledge of the Company's operations;**
- 7. Inform the members of the Board, in accordance with the by-laws, of the agenda of the meetings and ensure that the members of the Board have before them**

¹¹ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

8. Attend all board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents prevent him from doing so;
9. Ensure that all Board procedures, rules and regulations are strictly followed by the Board members; and
10. If he is also the Compliance Officer, perform all the duties and responsibilities of said officer as provided for in this Manual.

To monitor the directors' compliance with the attendance requirements in Board meetings, the Company, through the Corporate Secretary, shall submit to the Commission on or before January 30 of each year a sworn certification about the directors' record of attendance in Board meetings in the previous calendar year. *(Source: Article 4.H, Amended Manual on Corporate Governance)*

Pursuant to SEC Memorandum Circular No. 1, series of 2014, in lieu of the Certificate of Attendance of Directors to Board Meetings, the company shall update the pertinent portion of the ACGR and file with the Commission an advisement letter on directors' attendance within five (5) days from the end of the company's fiscal year.

For the Board attendance for 2015, the Company submitted an Advisement Letter to the Securities and Exchange Commission on January 5, 2016.

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

No. The Corporate Secretary finished civil engineering course for his formal education. His years of experience as corporate secretary of the Company have given him the expertise in addressing the needs and concerns of the Company in the quick service restaurant industry.

Furthermore, he has been and is consistently and continuously attending seminars to further his knowledge and skills in his role as the Company's corporate secretary.

Below is a table of the seminars the Corporate Secretary has attended:

DATE	SEMINAR TITLE	ORGANIZER
September 7, 2015	Annual Corporate Governance Training Program	The Institute of Corporate Directors
August 12, 2014	Corporate Governance	SyCip Gorres Velayo & Co.
September 19-24, 2011	Fundamentals of Fastfood Design and Applications Seminar	Specialized Arts Center of the Philippines
December 13, 2011	Maximize Your Performance While Balancing Your life	Master del Pe
December 12, 2011	8 Types of Leaders Every Leader Should Know	Master del Pe
January 17, 2011	Family Governance Planning Workshop	HSBC Family Office Services Limited
March 12, 2009	Blue Dcean Strategy Seminar	Blue Dcean Strategy Concept
September 13, 1996	Spirit of Enterprise	The Farrell Company
August 8, 1995	Six Thinking Hats	Franklin Covey Organization Services
1995 (no exact date)	The Effective Negotiating Course	Karrass Europe Limited

The Corporate Secretary is assisted by an Assistant Corporate Secretary who is a lawyer and is the Vice President and Head of the Company's Corporate Legal Division.

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes

☒

No

☐

Committee	Details of the procedures
Executive	Request is sent through the Company's Legal Division.
Audit	Request is sent through the Company's Corporate Audit Division.
Nomination	Request is sent through the Company's Corporate Human Resources Division.
Remuneration	Request is sent through the Company's Corporate Human Resources Division.
Others (specify)	

In addition, the members of the Board shall be given independent access to Management and Corporate Secretary, as necessary. The members of the Board shall also have access to independent professional advice at the Company's expense. (Source: Article 5, Amended Manual on Corporate Governance)

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

There is no formal procedure yet but the members of the Board shall also have access to independent professional advice at the Company's expense. (Source: Article 5, Manual on Corporate Governance)

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

There were no changes introduced by the Board of Directors on existing policies that may have an effect on the business of the Company.

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

The Compensation Committee of the Board of Directors sets the parameters and process for remuneration of the CEO and senior management. The process is implemented by the Corporate Human Resources Division.

The Compensation Committee reviews matters regarding compensation of the Company's executives and Board of Directors and make recommendations for approval of the Board. It shall also prepare annual committee report and review disclosures on board and executive management compensation as may be required by law and regulators. (Source: Section A, Compensation Committee Charter)

Process	CEO	Top 4 Highest Paid Management Officer
(1) Fixed remuneration	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(2) Variable remuneration	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(3) Per diem allowance	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(4) Bonus	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(5) Stock Options and other financial instruments	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(6) Others (specify)		

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Directors receive honorarium for each board meeting. In addition, the Company observes a salary administration policy, performance bonus guidelines, and the guidelines in the Stock Option Plan.	The Company provides for fixed monthly compensation, semi-annual performance bonus and stock options.	Compensation is calculated based on company and individual performance. The Company also benchmarks vis-à-vis market practice.
Non-Executive Directors	Directors receive honorarium for each board meeting. The Company observes performance bonus guidelines.	Directors receive honorarium for each board meeting. Non-executive directors also receive annual performance bonus.	Compensation is based on company performance. The Company also benchmarks vis-à-vis market practice.

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

One of the functions of the Compensation Committee of the Board of Directors is to establish a formal and transparent procedure for developing a policy on, among others, the remuneration packages of corporate directors. (See Article 4.G.2, Amended Manual on Corporate Governance) Compensation of non-executive members of the Board is determined and reviewed by the Compensation Committee of the Board of Directors. (Source: Section D.1, Compensation Committee Charter)

3) Aggregate Remuneration

Below is a summary compensation table of the Chief Executive Officer and the four (4) most highly compensated officers of the Company for 2014, 2015 and an estimate for 2016:

Name and Position	Year	Salary (PhP)	Bonus (PhP)	Total (PhP)
Tony Tan Caktiong <i>Chairman</i>				
Ernesto Tanmantiong <i>President and Chief Executive Officer</i>	2014	61,065,769.00	51,901,175.00	112,906,944.00
Joseph Tanbuntiong <i>Treasurer, President – Jollibee Business Unit</i>	2015	93,581,843.00	38,086,879.00	131,668,722.00
Ysmael V. Baysa <i>Chief Financial Officer</i>	*2016	114,590,966.00	59,945,857.00	174,536,823.00
Daniel Rafael Ramon Gomez III <i>Chief Marketing Officer – JFC Group</i>				
All other officers and directors as a group unnamed	2014	236,601,829.00	131,910,177.00	371,512,006.00
	2015	393,351,573.00	156,376,456.00	549,728,029.00
	*2016	501,241,880.00	206,592,350.00	707,834,230.00
* Estimate				

Source: 2015 JFC Annual Report, filed on April 13, 2016.

4) Stock Rights, Options and Warrants

(a) Board of Directors

The discussion in the Company's 2015 Annual Report, filed on April 13, 2016, on the Senior Management Stock Option and Incentive Plan is reproduced below for easy reference:

On December 17, 2002, the SEC approved the exemption requested by the Jollibee Group on the registration requirements of the 101,500,000 options 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.

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.

For instance, on July 1, 2004, the Compensation Committee of the Jollibee Group granted 2,385,000 options under the 1st MSOP cycle to eligible participants. 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. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005 and expired on June 30, 2012. From July 1, 2005 to 2015, the Compensation Committee granted series of MSOP grants under the 2nd to 12th MSOP cycle to eligible participants.

On August 25, 2015, the Compensation Committee granted 3,142,600 options under the 12th MSOP cycle to eligible participants. These options are similar to the 1st MSOP cycle. The 2nd, 3rd and 4th MSOP cycles expired on June 30, 2013, 2014 and 2015, respectively.

The movements in the number of stock options outstanding and related weighted average exercise prices (WAEP) are as follows:

	2015		2014		2013	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options granted as at end of year	40,120,794	P82.22	36,863,194	P73.58	33,404,194	P62.69
Outstanding at beginning of year	13,609,275	P117.51	16,915,937	P83.77	16,788,056	P63.90
Options granted during the year	3,257,600	179.99	3,459,000	178.66	3,595,500	142.51
Options exercised during the year	(1,380,628)	100.42	(6,765,662)	63.57	(3,373,561)	46.34
Options forfeited during the year	(617,810)	104.73	—	—	(94,058)	74.45
Outstanding at end of year	14,868,437	P133.32	13,609,275	P117.51	16,915,937	P83.77
Exercisable at end of year	8,262,670	P100.95	6,865,265	P79.42	10,216,427	P57.83

The weighted average share price of the Parent Company common shares is P206.05, P181.34 and P143.27 in 2015, 2014 and 2013, respectively. The weighted average remaining contractual life for the stock options outstanding as of December 31, 2015, 2014 and 2013 is 5.19 years, 5.83 years and 4.83 years, respectively.

The weighted average fair value of stock options granted in 2015, 2014 and 2013 is P26.13, P32.39 and P30.55, 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
1 st	2004	1.72%	36.91%	6.20%	5-7 years	P24.00	P20.00
2 nd	2005	1.72%	36.91%	6.20%	5-7 years	29.00	27.50
3 rd	2006	1.72%	36.91%	6.20%	5-7 years	35.00	32.32
4 th	2007	1.70%	28.06%	6.41%	3-4 years	52.50	50.77
5 th	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
6 th	2009	2.00%	30.37%	5.28%	3-4 years	48.00	45.45
7 th	2010	2.00%	29.72%	5.25%	3-4 years	70.00	57.77
8 th	2011	2.00%	34.53%	4.18%	3-4 years	89.90	89.90
9 th	2012	2.00%	28.72%	3.50%	3-4 years	107.90	107.90
10 th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00
11 th	2014	2.00%	24.87%	2.64%	3-4 years	179.80	179.80
12 th	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.

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 minimum 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 upcoming 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 is determined by the Jollibee Group with reference to 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 Jollibee Group with reference to the closing market price as of the date of entitlement.

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. 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 were achieved. One-third of the options granted, or 7,583,333 options, vested and may be exercised starting July 1, 2007 and expired on June 30, 2012. On July 1, 2008, October 19, 2012 and August 25, 2015, entitlement to 20,399,999, 24,350,000 and 11,470,000 options were given to eligible participants under the 2nd, 3rd and 4th ELTIP cycles, 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, 2015, 2014 and 2013 follow:

	2015		2014		2013	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options given as at end of year	78,969,999	P74.58	67,499,999	P56.66	67,499,999	P56.66
Outstanding at beginning of year	31,270,560	P90.06	37,186,110	P82.51	37,811,665	P80.51
Options granted during the year	11,470,000	180.00	-	-	750,000	105.00
Options exercised during the year	(3,728,468)	79.46	(5,665,977)	39.85	(1,375,555)	39.85
Options forfeited during the year	(667,093)	105.00	(249,573)	105.00	-	-
Outstanding at end of year	38,344,999	P117.74	31,270,560	P90.06	37,186,110	P82.51
Exercisable at end of year	10,808,048	P70.59	7,170,133	P39.85	12,836,110	P39.85

The weighted average remaining contractual life for the stock options outstanding as of 2015, 2014 and 2013 is 4.85 years, 4.85 years and 5.30 years, respectively.

The fair value of stock options granted is P26.13 in 2015 and P22.96 in 2014. 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 stock options granted under the 2nd, 3rd and 4th ELTIP cycles will expire on April 30, 2017, 2020 and 2023, respectively.

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
1 st	2004	1.72%	36.91%	6.20%	5 years	P24.00	P20.00
2 nd	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
3 rd	2012	2.00%	28.74%	3.60%	3-4 years	105.00	105.00
4 th	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 P173.2 million, P166.5 million and P150.4 million in 2015, 2014 and 2013, respectively.¹² Correspondingly, a credit was made to additional paid-in-capital.

Source: 2015 JFC Annual Report, filed on April 13, 2016.

¹² See Note 22 of the Consolidated Audited Financial Statements.

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Minor amendments in the Stock Option Plan were submitted to the Philippine Stock Exchange and the Securities and Exchange Commission.

Incentive Program	Amendments	Date of Approval
Senior Management Stock Option and Incentive Plan	1. Amended the current retirement condition (clause 6.2) to specifically refer to retirement before age 65, added a new paragraph specifying the conditions applicable to retirement at or beyond age 65; added a condition of non-compete for those availing of the benefit under the new paragraph.	June 27, 2014
	2. Amended Clause 6.3 to specifically identify the court-appointed legal guardian of an incapacitated Eligible Participant as the party entitled to exercise stock options on his behalf.	
	Amendment of the provisions on hurdle rate.	December 19, 2014 (to take effect on January 5, 2015).
	Amendment of the provisions on hurdle rate.	July 1, 2015
	Amendment of the provision on maximum number of shares	November 23, 2015

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Members of the top management who are not executive directors are Ysmael V. Baysa, Vice President – Finance, Chief Financial Officer and Compliance Officer and Daniel Rafael Ramon Z. Gomez III, Chief Marketing Officer. Please refer to Item D(3) for information on remuneration.

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities/ Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)		
Executive (5)	4	1	-		The Executive Committee may act on specific matters within the competence of the Board as may be delegated to it by the Board from time to time, subject to limitations under applicable laws. (Sources: Section 10, Article IV, By-Laws, Article 4.G.4 Amended Manual on Corporate Governance)
Audit (4)	1	1	2	Y	The Audit and Compliance Committee is appointed by the Board of Directors to provide oversight on the integrity of financial reporting process, internal controls, the audit process, and the Corporation's process of monitoring compliance with laws and regulations. (Source: Section A, Audit Committee Charter)

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities/ Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)		
					The Audit Committee is authorized by the Board to undertake any activity within its scope of responsibility, and to recommend appropriate actions to the Board on the basis of the Committee's findings. It is authorized to seek any information it requires from any employee and all employees will be directed to cooperate with any request made by the Committee. The Committee shall have unrestricted access to the Chief Executive Officer, President, Chief Finance Officer and Internal and External Auditors. (Source: Section B, Audit Committee Charter) The Audit Committee shall have the following functions: (1) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; (2) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks, including receipt of information on risk exposures and risk management activities; (3) Perform oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions; (4) Review the internal audit plan, including audit scope, resources and budget necessary to implement it, to ensure its conformity with the Company's objectives; (5) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit; (6) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security; (7) Review the reports submitted by Internal and External Auditors; (8) Review the quarterly and annual financial statements before their submission to the Board with particular focus on the following matters: (a) Any change/s in accounting policies and practices; (b) Major judgmental areas; (c) Significant adjustments resulting from the audit; (d) Going concern assumptions; (e) Compliance with accounting standards; and (f) Compliance with tax, legal and regulatory requirements; (9) Coordinate, monitor and facilitate compliance with laws, rules and regulations; (10) Evaluate and determine the Non-Audit Work, if any, of External Auditor, and review periodically the non-audit fees paid to External Auditor. The Audit Committee shall disallow any non-audit work that will conflict with the primary duties of the External Auditor or may pose a threat to the External Auditor's independence; and

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities/ Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)		
					(11) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Audit Committee shall ensure that in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties. (Source: Article 4.G.3, Amended Manual on Corporate Governance and Audit Committee Charter)
Nomination (5)	3	1	1	Y	The Nomination Committee is constituted for purposes of installing and institutionalizing a process of selection to ensure a mix of competent directors and officers for the Corporation. (Source: Section A, Nomination Committee Charter) The functions of the Nomination Committee shall be as follows: (1) Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and/or disqualifications as described in this Manual, the Company's By-Laws, and applicable laws; (2) Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require the Board's approval; (3) Provide assessment on the Board's effectiveness in directing the process of electing and replacing directors; (4) Recommend to the Board any changes or addition to the role, duties and responsibilities of the Chief Executive Officer, by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times; and (5) Carry out such other duties as may be delegated to it by the Board of Directors from time to time. (Source: Article 4.G.1, Amended Manual on Corporate Governance and Nomination Committee Charter)
Compensation (5)	2	2	1	Y	The Compensation Committee is appointed by the Board of Directors to review matters regarding compensation of the Company's executives and Board of Directors and make recommendations for approval of the Board. The Compensation Committee shall also prepare annual committee reports and review disclosures on board and executive management compensation as may be required by law and regulators. (Source: Section A, Compensation Committee Charter) The functions of the Compensation Committee shall be as follows: (1) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities/ Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)		
					environment; (2) Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully; (3) Carry out such other duties as may be delegated to it by the Board of Directors from time to time. (Source: Article 4.G.2, Amended Manual on Corporate Governance)
Others (specify)					

2) Committee Members

The information below pertains to the period July 2014 – April 2016.

(a) Executive Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Tony Tan Caktiong	June 2015	22	22	100%	2009 to present
Member (ED)	Ernesto Tanmantiong	June 2015	22	22	100%	2009 to present
Member (ED)	William Tan Untiong	June 2015	22	22	100%	2009 to present
Member (ED)	Joseph C. Tanbuntiong	June 2015	22	22	100%	2013 to present
Member (NED)	Ret. Chief Justice Artemio Panganiban	June 2015	22	22	100%	2012 to present

(b) Audit Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Monico V. Jacob	June 2015	9	9	100%	Since start of Committee
Member (ED)	William Tan Untiong	June 2015	9	7	78%	Since start of Committee
Member (NED)	Antonio Chua Poe Eng	June 2015	9	8	89%	Since start of Committee
Member (ID)	Cezar P. Consing	June 2015	9	8	89%	2 years

Disclose the profile or qualifications of the Audit Committee members.

Monico V. Jacob

Mr. Jacob, born in 1945, 70, 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
Independent Director
Independent Director
Independent Director
Director

2 Go Group, Inc. (formerly Aboitiz Transport Systems, Inc.)
Asian Terminals, Inc.
Lopez Holdings Corp.
Phoenix Petroleum Philippines, Inc.
STI Education Systems Holdings, Inc.

Non-listed Companies

Director	Ateneo de Naga University
Director	De Los Santos – STI College
Director	De Los Santos – STI Medical Center
Director	Information and Communications Technology (i-Academy), Inc.
Independent Director	Negros Navigation Co., Inc.
Director	STI Education Services Group, Inc.
Director	PhilPlans First, Inc.
Director	Philhealthcare, Inc.
Director	Philippine Life Financial Assurance, Inc.
Director	Total Consolidated Asset Management, Inc.
Director	Republic Surety Insurance Corp.

William Tan Untiong

Mr. Tan Untiong, born in 1953, 62, 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 Executive 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.
Director	Coffeetap Corporation ¹³
Director	BK Titans, Inc.
Director	RRB Holdings, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	Grandworth Resources Corporation
Director	Zenith Foods Corporation
Director	Honeystar Holdings Corporation
Director	Chanceux, Inc.
Director	Honeybee Foods Corp.
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	Adgraphix, Inc.
Director	Belmont Enterprises Ventures Ltd. (BVI)
Director	Golden Plate Pte. Ltd.
Director	JSF Investments Pte. Ltd.
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	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	WJ Investments Limited
Director	JC Properties & Ventures Corporation
Director	Jollimart Corporation
Director	Centregold Corporation
Director	Winall Holding Corporation
Director	Iconnect Multimedia Network, Inc.
Director	Metroguards Security Agency Corp.
Director	Honeyworth Corporation
Director	Mainspring Resources Corporation
Director	Queenbee Resources Corporation

¹³ Pending dissolution.

Director	Hyper Dynamic Corporation
Director	Kingsworth Corporation
Director	Honeysea Corporation
Trustee	Jollibee Group Foundation, Inc.

Cezar P. Consing

Mr. Consing, born in 1959, 56, 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.

Mr. Consing is the President and Chief Executive Officer of the Bank of the Philippine Islands. 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

Director	BPI Family Savings Bank, Inc.
Chairman / Director	BPI Globe BankO, Inc.
Chairman	BPI/MS Insurance Corp.
Director	BPI-Philam Life Assurance Corp.
Vice-Chairman	BPI Capital Corp.
Chairman	BPI Europe PLC
Chairman	BPI Direct Savings Bank, Inc.
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	LGU Guarantee Corp.
Board Director & Non-Executive Chairman	Filgifts.com
Board Partner	TRG Management Principals LP
Director	Sqreem Technologies Private Ltd.
Director	Endeavor Philippines

Source: 2015 JFC Annual Report, filed on April 13, 2016.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee shall, among others:

- (a) Perform oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions;
- (b) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit;
- (c) Review the reports submitted by Internal and External Auditors;
- (d) Evaluate and determine the Non-Audit Work, if any, of External Auditor, and review periodically the non-audit fees paid to External Auditor. The Audit Committee shall disallow any non-audit work that will conflict with the primary duties of the External Auditor or may pose a threat to the External Auditor's independence. (Source: Article 4.G.3, Amended Manual on Corporate Governance)
- (e) Review audit and audit-related matters and make appropriate recommendations to the Board. In this connection, the Committee shall, among others:

- i. Recommend to the Board the retention and, if appropriate, the termination and replacement of External Auditors;
- ii. Review and confirm management's endorsement for audit and non-audit services of the External Auditor;
- iii. Review results of audits performed by Internal and External Auditors including any changes in accounting procedures and/or system of internal controls noted or developed during the audit examination along with matters of controversy, if any, with management;
- iv. Evaluate and determine non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor, and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties as external auditor, or that may pose a threat to the external auditor's independence. Non-audit work, if allowed, shall be disclosed in the Corporation's annual report.
- v. Ensure that there is appropriate coordination between External and Internal Auditors. (Source: Section C.5, Audit Committee Charter)

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Ret. Chief Justice Artemio Panganiban	June 2015	One (1)	One (1)	100%	3 years
Member (ED)	Tony Tan Caktiong	June 2015				2 years
Member (ED)	Ernesto Tanmantiong	June 2015				3 years
Member (ED)	William Tan Untiong	June 2015				2 years
Member (NED)	Monico V. Jacob	June 2015				2 years

(d) Compensation Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Tony Tan Caktiong	June 2015	One (1)	One (1)	100%	2 years
Member (ED)	Joseph Tanbuntiong	June 2015				2 years
Member (NED)	Ret. Chief Justice Artemio V. Panganiban	June 2015				3 years
Member (NED)	Ang Cho Sit	June 2015				2 years
Member (ID)	Cezar P. Consing	June 2015				2 years

(e) Finance Committee – not applicable

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	No changes for the year.	
Audit		
Nomination		
Remuneration/Compensation		
Others (specify)		

4) Work Done and Issues Addressed

Name of Committee	Work Done	Issues Addressed
Executive	Approval of matters delegated by the Board of Directors	
Audit	Approval of audited financial statements and quarterly results; recommendation for approval to the Board of Directors of audited financial statements and quarterly results.	
Nomination	Submitted list of final candidates to the Board of Directors to the Corporate Secretary.	
Remuneration	Reviewed the Company's Stock Option Plan	
Others (specify)		

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Each committee performs the functions set out in the Company's By-laws, Amended Manual on Corporate Governance and committee charter. In the performance of such functions, each Committee examines applicable risks, discusses issues and proposes (and implements, as necessary) improvements to the policies and processes.

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- Overall risk management philosophy of the company;
- A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof.
- Period covered by the review;
- How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- Where no review was conducted during the year, an explanation why not.

The Company and its subsidiaries, in global growth and expansion, requires a comprehensive approach to corporate risk management that promotes extensive strategic thinking and analysis, while fundamentally integrating and maintaining highest ethical standards in the company's core values and beliefs. Risk management will provide the organization with the superior capabilities to identify, assess and manage the risks and enable the organization and its employees at all levels to better understand and manage 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.

JFC directors and management periodically review the effectiveness of the Company's risk management system. *(Source: 2015 JFC Definitive Information Statement)*

The implementing policies of the Manual on Corporate Governance also provide that the comprehensive risk assessment shall be conducted at least once every 2 years by the Finance Committee of the Board of Directors. The findings shall be presented to the CEO and the Board.

2) Risk Policy

During the Board meeting last May 12, 2015, the identified Top 10 Risks of the Company was presented to the Board. Among the risks identified were operational risks, competitive risks, organizational and financial risks, business growth risks and hazards.

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Directors and Officers	Respect, integrity and safety for employees, customers and stakeholders	To protect directors, officers and employees of the Company
Assets	Safeguard assets of the Company including loss of income for a specific time	To avoid catastrophic losses that would affect the Company
Third Party Liability	Maintain good rapport and brand name with third parties	To protect the company and its brands against legal claims of third parties

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit Risk – the risk that a customer or counterparty fails to fulfill its contractual obligations to the Jollibee Group. This includes risks of non-payment by borrowers and issuers, failed settlement of transactions and default on outstanding contracts.	The Jollibee Group has a very strict credit policy. Its credit transactions are only with franchisees that have gone through rigorous screening before granting them the franchise. The credit terms are very short, deposits and advance payments are also required before rendering the service or delivering the goods. In cases of defaults of debtors, the exposure is contained as transactions that will increase the exposure of the Jollibee Group are not permitted. The Jollibee Group has no significant concentration of credit risk with counterparty since it has short credit terms to franchisees, which it implements consistently. In addition, the	To mitigate the risk of non-collection from customers or counterparties.

Risk Exposure	Risk Management Policy	Objective
	Jollibee Group's franchise profile is such that no single franchisee accounts for a significant portion of the total systemwide sales of the Jollibee Group. 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 maximum exposure equal to the carrying amount of these instruments. The credit quality of financial assets is managed by the Jollibee Group using internal credit ratings.	
Liquidity Risk – the risk that the Jollibee Group's financial liabilities are not serviced in a timely manner and that its working capital requirements and planned capital expenditures are not met.	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. 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.	To ensure sufficient liquidity levels – financial liabilities are serviced in a timely manner and working capital requirements and planned capital expenditures are met.
Foreign Currency Risk – arises from the Jollibee Group's investments outside the Philippines, which are mainly in People's Republic of China and United States of America.	While the foreign businesses have been rapidly growing, the total exposure to foreign currency risk of the Jollibee Group is still not significant. The Jollibee Group also has transactional foreign currency exposures. Such exposure arises from the Jollibee Group's Philippine operation's cash and cash equivalents, receivables and long-term debt in foreign currencies.	
Interest Rate Risk	The Jollibee Group is not exposed to significant interest rate risk as majority of its interest-bearing short-term and long-term debts bear fixed interest rates.	
Equity Price Risk	The Jollibee Group is not exposed to significant equity price risk on its investments in quoted equity securities consisting of investments in club shares and shares of public utility companies.	

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power

Risk to Minority Shareholders

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Action Taken)
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.
Third Party Liability	Regular audit/evaluation of sites based on food, service and cleanliness (FSC) standards	Emergency response procedures at the sites in case of third party claims. The Company has third party liability insurance for all sites.
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Action Taken)
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.
Third Party Liability	Regular audit/evaluation of sites based on food, service and cleanliness (FSC) standards	Emergency response procedures in the sites in case of third party claims. The Company has third party liability insurance for all sites.

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Various divisions, including but not limited to Finance and Comptrollership, detail and supervise the implementation of control mechanisms.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

The Company's internal control system covers all the policies and procedures, systems and processes that ensure the effectiveness and efficiency of the Company's operations, reliability of its financial reporting and compliance with laws and regulation. The Board of Directors sets the general policies and management is responsible for the design, implementation and maintenance of the internal control system of the Company. The Board, through its Audit Committee, oversees the actions of Management and monitors the effectiveness of the internal control system put in place by Management. Recommendations are provided by Management, the Board, Internal Audit, Risk and Compliance functions, to address certain issues and concerns of the Company.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The Chief Internal Auditor reports to the Audit Committee on the procedures performed by Internal Audit in evaluating the internal control system of the Company that include its policies, procedures and processes. The Audit Committee reports to the Board the results of the audit processes conducted by the internal and external auditors.

The Company shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

The Audit Committee shall ensure that the internal auditors shall have free and full access to all of the Company's records, properties and personnel relevant to the internal audit activity and that the internal audit activity shall be free from interference in determining the scope of internal auditing examinations, performing work and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan. (Source: Article 4.K, Amended Manual on Corporate Governance).

(c) Period covered by the review;

From the date of the last report.

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The scope and frequency of the review of internal controls are conducted in accordance with the annual audit plan approved by the Audit Committee. Regular meetings to discuss the audit results (at least quarterly) are held between the Audit Committee and Internal Audit.

(e) Where no review was conducted during the year, an explanation why not. **N/A**

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting Process
Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.	JFC and subsidiaries	In-house	Lorna Atun ¹⁴ / SGV & Co.	Internal Audit reports quarterly to the Audit Committee before the Committee endorses to the Board the release of the quarterly financial statements
Review the internal control system to check compliance with policies, procedures, plans, laws and regulations and to check the economy and efficiency with which resources are employed.	Critical Processes and systems indicated in the approved annual internal audit plan	Co-source	Lorna Atun / Various accredited Service Providers	Internal Audit reports the audit results to the Audit Committee at least quarterly. Special meetings may be held for matters which require immediate attention of the Committee.
Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.		In-house	Lorna Atun	

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting/auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

YES. Included among the functions of the Audit Committee is the duty to establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties. (Source: Article 4.G.3.k, Amended Manual on Corporate Governance).

- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Audit Committee has oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions. (Sources: Article 4.G.3, Amended Manual on Corporate Governance and Section C.3, Audit Committee Charter)

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

¹⁴ Effective January 1, 2015, Ms. Lorna Atun is head of Corporate Audit.

Name of Audit Staff ¹⁵	Reason for Resignation
Anastacia Masancay	Retirement
Rachelie Castillo	Transfer
Irish Sumayang	Other employment opportunity
Pearlynn Ganir	Other employment opportunity
Nerjerie Garcia	Other employment opportunity
Mario Valino, Jr.	Other employment opportunity
Rhoel Liagan	Other employment opportunity
Mark James Tanyag	Other employment opportunity
Marysa Abinal (probationary employee)	Other employment opportunity
Remczell Sabando (probationary employee)	Other employment opportunity

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	84% of the 2014 approved audit plan was completed. In addition to the audit areas specified in the approved audit plan, fifteen (15) audit requests were completed.
Issues ¹⁶	No critical issues were noted.
Findings ¹⁷	No critical issues were noted.
Examination Trends	The average audit rating of company-owned and franchise stores across all subsidiaries, where compliance audits were conducted, have generally improved due to regular updates on the cash and inventory management controls, re-trainings and orientations of the operations team and most especially the solid commitment in championing the standards by the management.

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "implementation."

Policies & Procedures	Implementation
1. Risk-based audit planning should be improved to enhance the prioritization of audit activity and to ensure alignment of audit activity with the Company's goal.	implemented
2. Audit process should be streamlined to improve turn-around-time of audit projects.	implemented
3. Continuous auditing aided by technology should be established in identified areas.	Implemented

¹⁵ Data as of December 31, 2015.

¹⁶ "Issues" are compliance matters that arise from adopting different interpretations.

¹⁷ "Findings" are those with concrete basis under the company's policies and rules.

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for the transactions, limitations on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The auditors report directly to the Board of Directors through the Audit Committee and are not involved in the day to day operation of the company.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		
Restriction on trading in the company's shares 2 trading days before and after any disclosure to the public.	Trading in the Company's shares is prohibited two (2) trading days from submission of the Company's disclosures. In practice, the trading prohibition is observed after the Board meeting approving the matter or after the disclosure (whichever is earlier).		
Limitation on the non-audit services that the external auditors provide to the company.			

- (h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

In compliance with SEC Memorandum Circular No. 12, series of 2014, in lieu of the notarized signature page, the Consolidated Changes in the ACGR shall be accompanied by a Secretary's Certificate with excerpts of Board Resolutions or Minutes of meetings regarding said updates and changes in the ACGR.

On March 31, 2016, the Company submitted to the Philippine Stock Exchange its Corporate Governance Guidelines for Listed Companies Disclosure Template for the year 2015, signed by the Company's President and Chief Executive Officer and an Independent Director.

H. ROLE OF STAKEHOLDERS

- 1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	Quick-service restaurants like those maintained by the Company are expected to maintain high quality in terms of food, service and cleanliness ("FSC"). (Source: 2015 JFC Annual Report)	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. (Source: 2015 JFC Annual Report)
Supplier/contractor selection practice	Economies of scale allow the Company to avail of low purchase costs from local and foreign suppliers, leveraged on sustained volume growth and reliable credit handling. (Source: 2015 JFC Annual Report)	JFC follows an accreditation process for suppliers. (Source: 2015 JFC Annual Report)
Environmentally friendly value-chain	In keeping with its Corporate Social Responsibility, JFC places great premium in its commitment to environmental conservation and protection. The Company takes reasonable efforts to comply with environmental laws and regulations. Strict compliance with environmental laws would entail substantial capital investment for the Company. (Source: 2015 JFC Annual Report)	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

	Policy	Activities
		laws and regulations being applied to the quick-service restaurant sector. Part of the proactive measures being undertaken at the store level, the Company currently implements two programs, namely, the Environmental Education and Awareness Program ("EEAP"), and the Cleaner Production Pollution Prevention ("CP2P") Program. Under the former, restaurant managers undergo the requisite 40-hour Basic Pollution Control Officer (PCO) Training, while area managers, group managers as well as managing directors undergo the 8-hour Environmental Management Training. In the CP2P program, the Company's environmental policy is inculcated in every store personnel and they are also taught Best Management Practices (BMPs) in the kitchen. Strict adherence to the tenets of environmental responsibility actually begins the moment a JFC store is constructed. The Fiber Cement (Ficem) boards utilized for the drywall partitions and ceiling assemblies are not only asbestos-free, non-combustible, inorganic and termite proof, they are also 100% reusable. Even the Low VOC paint used in JFC stores is free of harmful chemicals like asbestos and mercury, in addition to being eco-efficient in terms of coverage and durability. The use of light-colored roofing materials, which reflect heat, contribute to a much cooler building as well as reduced electrical bills. Additionally, for general lighting, conversion to Light Emitting Diodes (LED), capable of over 50,000 "burning" hours while consuming only 9 watts each, have been implemented in most stores. The air-conditioning systems being installed in newly-built stores now utilize chilled water instead of a refrigerant to cool the room, saving approximately 32,000 kilowatt hours per store every year. The energy saved with its installation for every 20 stores is equivalent to the yearly power consumption of almost 400 households. Not only that, evaporative fresh air blowers are also employed, which draw warm outside air through wet filter pads, resulting in a similar cooling effect through evaporation. This reduces the use of air conditioners, saving around 25,000 kilowatt-hours of energy per year with every installed unit. Additional energy economy is achieved with the heat recovery water heater, which traps the heat emitted by the air conditioner to produce hot water for cleaning the floors. This mechanism results in additional savings of 20,700 kilowatt-hours of energy per unit per year, enough to provide the electrical requirement of 2,678 households for every 220 Jollibee stores using this facility. The exhaust systems of the kitchens contain variable speed drives, programmed to automatically reduce the speed of exhaust motors during off-peak hours when less food is cooked, saving up to 14,000 kilowatt-hours of energy per motor per year. JFC continues to innovate by developing alternative energy sources like the solar power system and wind power. JFC store roofs are potential sources of carbon free electricity. Installation of roof-mounted, grid-tied solar panels on Jollibee stores started in 2015. 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

	Policy	Activities
		efforts to anticipate and address issues through continuous feedback and communication with the Company's partners in the government and the customer base. (Source: 2015 JFC Annual Report)
Community interaction	The Company's corporate social responsibility efforts are coursed through, and spearheaded by, the Jollibee Group Foundation, Inc. (Source: 2015 JFC Annual Report)	Among the projects of the Jollibee Group Foundation, Inc. are the (1) Busog, Lusog, Talino School Feeding Program and (2) Farmer Entrepreneurship Program (Source: 2015 JFC Annual Report)
Anti-corruption programmes and procedures		
Safeguarding creditor's rights		

- 2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

The Company's corporate social responsibility efforts are spearheaded by the Jollibee Group Foundation, Inc. The Foundation's activities are detailed in the 2015 Annual Report.

- 3) Performance-enhancing mechanisms for employee participation.

- (a) What are the company's policy for its employees' safety, health, and welfare?

Employees are provided with all benefits required under the law. The Company also provides other benefits like a healthcare provider.

- (b) Show data relating to health, safety and welfare of its employees.

The Company provides its regular employees, including qualified dependents, healthcare plan. To ensure the safety and welfare of its employees, medical personnel and facilities to provide medical assistance are present at the Company's workplace. Annual physical check-up for all regular employees are required.

- (c) State the company's training and development programmes for its employees. Show the data.

Employees are required to undergo internal training. The Company offers internal trainings on various topics. External training, when related to an employee's functions, is also encouraged.

Among the various training programs made available to the Company's employees are Team Effectiveness Program, Workforce Effectiveness Program, First Line Leaders Curriculum and programs for middle management. These training programs are offered to all regular employees.

- (d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

The Company provides for performance-based rewards to its employees.

- 4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

The Company has a Code of Business Ethics which includes a procedure for reporting possible violations. The process protects the anonymity of the reporting party and guarantees protection from retaliation. All information is kept strictly confidential.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Non-Filipino) G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City No relationship	305,736,020	28.58%	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.
Hyper Dynamic Corporation 6 th Floor Jollibee Center, San Miguel Ave., Pasig City Affiliate	273,218,750	25.54%	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.
Honeysea Corporation 6 th Floor Jollibee Center, San Miguel Ave., Pasig City Affiliate	127,743,747	11.94%	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.
PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Ave., Makati City No relationship	99,960,017 ¹⁸	9.34%	
Winall Holding Corporation 6 th Floor Jollibee Center, San Miguel Ave., Pasig City Affiliate	54,140,736	5.06%	Majority of the shares in Winall Holding Corporation are owned or controlled by certain relatives within the fourth degree of consanguinity or affinity.

(Source: 2015 JFC Annual Report, filed on April 13, 2016)

Name of Senior Management ¹⁹ (Corporate Officers)	Number of Direct shares	Number of Indirect shares/Through (name of record owner)	% of Capital Stock
Tony Tan Caktiong	8,254,565	240,000 (through Deutsche Regis Partners, Inc.)	0.79%
Ernesto Tanmantiong	4,743,951	457,019 (through Deutsche Regis Partners, Inc.)	0.49%
William Tan Untiong	7,396,722	279,667 (through Deutsche Regis Partners, Inc.)	0.72%
Joseph Tanbuntiong	64,630	n/a	0.01%
Ang Cho Sit	11	n/a	0.00%
Antonio Chua Poe Eng	1 38,857,446 ²⁰	1,208,037 (through Honeyworth Corporation)	3.75%
Ret. CJ Artemio V. Panganiban	1	11,000	0.00%
Monico V. Jacob	100	n/a	0.00%
Cesar P. Consing	1	n/a	0.00%
Ysmael V. Baysa	511,667	n/a	0.05%
Daniel Rafael Ramon Z. Gomez III	0	0	0.0%
Valerie F. Amante	0	0	0.00%

Source: 2015 JFC Annual Report, filed on April 13, 2016)

¹⁸ Net of indirect shares of JFC directors and officers.

¹⁹ The list includes Corporate Officers, as identified by the Company and disclosed in the 2015 JFC Annual Report.

²⁰ Through Honeyworth Corporation as disclosed in Antonio Chua Poe Eng's SEC Form 23-B.

2) Does the Annual Report disclose the following:

Key risks	YES
Corporate objectives	YES
Financial performance indicators	YES
Non-financial performance indicators	YES
Dividend policy	YES
Details of whistle-blowing policy	NO, but the whistle-blowing policy is found in the Company's website.
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	YES
Training and/or continuing education programme attended by each director/commissioner	YES
Number of board of directors/commissioners meetings held during the year	NO, but attendance in board meetings is disclosed in the Annual Corporate Governance Report which forms part of the Annual Report.
Attendance details of each director/commissioner in respect of meetings held	NO, but attendance in board meetings is disclosed in the Annual Corporate Governance Report which forms part of the Annual Report. <u>Attendance in board meetings for 2015 was disclosed to the Securities and Exchange Commission in the Company's Advisement Letter dated January 5, 2016.</u>
Details of remuneration of the CEO and each member of the board of directors/commissioners	YES

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's Fee

Name of Auditor	Audit Fee	Non-audit Fee
SyCip Gorres Velayo & Co.	Approximately PHP17.5 Million	None

Source: 2015 JFC Annual Report, as filed on April 13, 2016.

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

Information is disseminated through ordinary, registered and electronic mail and through the company website (pursuant to SEC Memorandum Circular No. 11, series of 2014).

The Company holds one-on-one meetings, conference calls and electronic mail communication with investors, analysts and members of the media, upon request.

5) Date of release of audited financial report: 2015 Audited Financial Statements (both Consolidated and Parent) was filed with the Bureau of Internal Revenue on April 8, 2016 and with the Securities and Exchange Commission on April 11, 2016.

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	YES
Financial statements/reports (current and prior years)	YES
Materials provided in briefings to analysts and media	YES
Shareholding structure	YES
Group corporate structure	YES
Downloadable annual report	YES
Notice of AGM and/or EGM	YES
Company's constitution (company's by-laws, memorandum and articles of association)	YES

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

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. (Source: 2015 JFC Annual Report, as filed on April 13, 2016)

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

Related party transactions are addressed through discussions and on a case-to-case basis.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	A majority of the subscribed capital, present in person or presented by proxy shall be the required at every meeting to constitute a quorum for the election of directors and for the transaction of any business whatever except in those cases in which the Corporation Code requires the affirmative vote of a greater proportion. (As amended on December 1992) In the absence of quorum, any officer entitled to preside or act as Secretary of such meeting, shall have the power to adjourn the meeting from time to time until stockholders holding the requisite number of stock shall be present or represented. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called. (As amended on December 4, 1992) (Source: Section 3, Article III, By-Laws)

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	At each meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy, all shares of stock held by him which have voting power upon any matter duly raised in such meeting. The votes for the election of directors, as well as the votes upon any question raised before the meeting, except with respect to procedural questions which may be determined by the chairman of the meeting, shall be by viva voce or show of hands, except when written balloting shall be requested by any stockholder. (As amended on December 4, 1992). (Source: Section 10, Article III, By-Laws)
Description	Stockholders may vote in person or by proxy.

(c) Stockholders' Rights

Stockholders' Right under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Right to vote on all matters that require consent and approval.	
Power of Inspection	
Right to Information	
Right to Dividends	
Appraisal Right	

Dividends

Declaration Date	Record Date	Payment Date
April 7, 2014	May 8, 2014	May 30, 2014
November 12, 2014	November 27, 2014	December 18, 2014
April 7, 2015	May 7, 2015	May 29, 2015
November 9, 2015	November 20, 2015	December 9, 2015
<u>April 6, 2016</u>	<u>April 21, 2016</u>	<u>May 6, 2016</u>

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the view of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Inquiries, suggestions, comments and any communication from stockholders may be coursed through the Company's Investor Relations Group or Legal Division.	Recipient of the information shall address the inquiry or comment, or relay such inquiry or comment to the proper person or group.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

Stockholder approval is required to amend the Company's Articles of Incorporation, an increase in the outstanding capital stock of the Company, and the sale of all or substantially all assets of the Company, following the Corporation Code.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
 - a. Date of sending out notices: **Notices were sent on June 5, 2015 for the annual stockholders' meeting and on October 26, 2015 for the special stockholders' meeting.**
 - b. Date of the Annual/Special Stockholders' Meeting: **June 26, 2015 (Annual) and November 23, 2015 (Special).**
4. State, if any, question and answers during the Annual/Special Stockholders' Meeting.

After presentation of the Management's Report, stockholders were invited to raise questions. Below is the summary of questions raised during the meeting and the response given:

On restroom facilities. In response to the query on restroom facilities per store, Mr. Tan Untiong, as the Chief Real Estate Executive of the Corporation, reiterated the Corporation's compliance with the requirements provided in the National Building Code and other relevant laws and regulations.

On products. Comments were given by stockholders on the Corporation's current products and its effects to the health of the consumers. Chairman of the Board, Mr. Tan Caktiong, responded that the Corporation serves its food products in moderate food proportions.

On supply. A stockholder sought clarification if the supply disruption in 2014 affected the Corporation's local and international operations. Chairman of the Board, Mr. Tan Caktiong, clarified that the disruption in 2014 was not a supply or sourcing issue but was attributable to the implementation of the SAP software. In response to a follow-up question on how the Corporation will address future software system upgrades, Mr. Tan Caktiong assured the public that with its key learnings from its 2014 experience, the Corporation shall ably manage future systems upgrades with implementation and contingency plans.

On suggestions to the Corporation's annual stockholders' meetings. A stockholder gave her inputs and suggestions on the preferred time of the year to hold the stockholders' meeting including suggested corporate souvenir items to be distributed to attending stockholders.

5. Result of Annual/Special Stockholders' Meetings Resolutions
6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

A disclosure was submitted to the Philippines Stock Exchange immediately after the Annual Stockholders' Meeting on June 26, 2015 and after the Special Stockholders' Meeting on November 23, 2015.

- e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

There were no modifications made in the regulations.

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board Members/ Officers present	Date of Meeting	Voting Procedure (by poll, show of Hands, etc.)	% of SH Attending In Person	% of SH in Proxy	Total % of SH attendance
Annual Stockholders' Meeting	Tony Tan Caktiong - Chairman Ernesto Tanmantiong – President and CEO William Tan Untiong – Corporate Secretary Joseph Tanbuntiong - Treasurer Ang Cho Sit Antonio Chua Poe Eng Ret. CJ Artemio V. Panganiban Cezar P. Consing – Independent Director Ysmael V. Baysa – Chief Financial Officer Daniel Rafael Ramon Z. Gomez III – Chief Marketing Officer Atty. Valerie F. Amante – Assistant Corporate Secretary	June 26, 2015	Voting was done by poll.	2.24%	82.52%	84.76%
Special Stockholders' Meeting	Tony Tan Caktiong - Chairman Ernesto Tanmantiong – President and CEO William Tan Untiong – Corporate Secretary Joseph Tanbuntiong - Treasurer Ang Cho Sit Ret. CJ Artemio V. Panganiban Ysmael V. Baysa – Chief Financial Officer	November 23, 2015	Voting was done by poll.			85.07%

Type of Meeting	Names of Board Members/ Officers present	Date of Meeting	Voting Procedure (by poll, show of Hands, etc.)	% of SH Attending In Person	% of SH in Proxy	Total % of SH attendance
	Atty. Valerie F. Amante – Assistant Corporate Secretary					

- (ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMSs?

The Company appoints RCBC Stock Transfer Office to count and/or validate the votes.

- (iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Each common share is entitled to one vote.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	A stockholder may attend the meeting by submitting a duly-accomplished proxy substantially in the form attached hereto which must be received by the Corporate Secretary not later than ten (10) days before the meeting ("Cut-Off Date"). Proxies received after Cut-Off Date shall not be recognized for this meeting. Proxies duly received by the Corporate Secretary on or before Cut-Off Date shall be recognized for the meeting unless revoked by personal appearance of the stockholder or by a later proxy received on or before Cut-Off Date. (Source: Section 2, Article III, By-Laws)
Notary	Proxies need not be notarized.
Submission of Proxy	Proxies must be submitted at least 10 days before the meeting. (Source: Section 2, Article III, By-Laws)
Several Proxies	There are no policies on multiple proxies.
Validity of Proxy	The proxy is valid only for the specific meeting.
Proxies executed abroad	Proxies executed abroad are accepted.
Invalidated Proxy	There are no policies on invalidated proxies.
Validation of Proxy	There are no policies on validation of proxies.
Violation of Proxy	There are no policies on violations of proxies.

(h) Sending Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting

Policies	Procedure
Except as otherwise provided by law, written or printed notice of all annual meetings of stockholders, stating the place and time of the meeting and, if necessary, the general nature of the business to be considered shall be transmitted by personal delivery, mail, telegraph, facsimile or cable to each stockholder of record entitled to vote thereat at his address last known to the Secretary of the Corporation at least twenty (20) days before the date of the meeting. Except where expressly required by law, no publication of any notice of annual meeting of stockholders shall be required. If any stockholder shall, in person or by attorney-in-fact thereunto authorized, in writing, or by telegraph, cable, or facsimile, waive notice of any meeting, whether before or after the holding of such meeting, notice thereof need not be given to him. Notice of any adjourned meeting of the stockholders shall not be required to be given, except when expressly required by law. (As amended on December 4, 1992). (Source: Section 5, Article III, By-Laws)	The notice of annual stockholders' meeting, along with a copy of the Company's Annual Report and Definitive Information Statement, is sent to stockholders of record at least twenty (20) days before the date of the meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All stockholders of record as of the Record Date set by the Board of Directors shall be provided with the notice of annual stockholders' meeting, along with a copy of the Company's Annual Report and Definitive Information Statement.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 5, 2015 (for the Annual Stockholders' Meeting) November 3, 2015 (for the Special Stockholders' Meeting)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	June 5, 2015 (for the Annual Stockholders' Meeting) November 3, 2015 (for the Special Stockholders' Meeting)
State whether CD format or hard copies were distributed	Annual Report – CD Format (hard copies are provided upon request) Information Statement – CD Format
If yes, indicate whether requesting stockholders were provided hard copies	Yes. Hard copies of the Information Statement were provided to requesting stockholders.

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	YES
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	NO, as these are indicated in the Definitive Information Statement provided with the Notice.
The auditors to be appointed or re-appointed.	NO, as this is indicated in the Definitive Information Statement provided with the Notice.
An explanation of the dividend policy, if any dividend is to be declared.	NO, as this is indicated in the Definitive Information Statement provided with the Notice.
The amount payable for final dividends.	NO, but these are included in periodic disclosures on dividend declaration.
Documents required for proxy vote.	YES.

Should any of the foregoing information be not disclosed, please indicated the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Right to vote on all matters that require their consent or approval;	Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code of the Philippines. Cumulative voting shall be used in the election of directors. A director shall not be removed without cause if it will deny minority stockholders representation in the Board of Directors.
Power of Inspection	A stockholder may inspect corporate books and records in accordance with the Corporation Code and only for a legitimate purpose and during reasonable office hours and at no cost to the Company. The annual reports, including financial statements, to be provided by the Company to its stockholders shall, however, be for the account of the Company.
Right to Information	Upon request, stockholders shall be provided with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the company, relationships among directors and key officers, and the aggregate compensation of directors and officers.
Right to Dividends	Stockholders shall have the right to receive dividends subject to the discretion of the Board. The company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the board; or (b) when the company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.
Appraisal Right	The stockholders shall have the appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances: 1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence. 2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and 3. In case of merger and consolidation. Stockholders shall be encouraged to personally attend the annual stockholders' meeting and any special meeting that may be called. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy, subject to the requirements of the Company's By-laws. It shall be duty of the directors to promote stockholders' rights, remove impediments to the exercise of stockholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of stockholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to stockholders participating in meetings and/or voting in person or by proxy. Accurate and timely information shall be made available to stockholders to enable them to make a sound judgment on all matters brought to their consideration or approval

(Source: Article 7, Amended Manual on Corporate Governance)

(b) Do minority stockholders have a right to nominate candidates for board of directors?

YES, subject to the submission of nominees to the Nomination Committee.

K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

All internal and external communications are prepared in consultation with the relevant internal groups, including Finance, Human Resources and Legal. The Company's Chief Financial Officer and its Corporate Legal Counsel sign all disclosures made to the public.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	JFC, through its Investor Relations Group, seeks to provide its stakeholders with information necessary to make informed decisions about our Company. It manages relationships with investors and analysts as well as with regulatory bodies that oversee the financial markets. The department also interfaces with the organization's senior management for the purpose of sharing market insights and investor feedback.
(2) Principles	- JFC's disclosure practices are designed to give all investors and analysts fair access to information. The Company complies with all security regulations of the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC). - JFC reports its financial results and material developments to the PSE and the SEC, its shareholders and other stakeholders in an open and comprehensive manner. - JFC provides reasonable access to analysts, investors and the media to help them make informed opinions of JFC, but not influencing those opinions and to address reports or questions that they may have about JFC. However, JFC does not share earnings projections and does not provide focused guidance to analysts for the development of their earnings estimates.
(3) Modes of Communications	JFC adopts the following communications channel: one-on-one meetings, road shows, phone meetings, Company website/ email. JFC meetings with investors and analysts will not be a forum for sharing non-public information.
(4) Investors Relations Officer	Corazon B. Palomar, Investor Relations Director Investor Relations Department, 14F Jollibee Plaza, No. 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City - Direct Line: 632 6887141

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portion of corporate assets?

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

The Company's corporate social responsibility efforts are coursed through, and spearheaded by, the Jollibee Group Foundation, Inc.

Initiative	Beneficiary
Busog Lusog Talino School Feeding Program	Since the program started in 2007, BLT has steadily grown to cover more than 1,560 schools in 200 towns and cities across the country reaching more than 165,000 pupils. Year-on-year, 85% of pupils reach normal weight after completing the feeding cycle. In 2015, in addition to regular school feeding activities, JGF undertook two major initiatives in support of the Department of Education's (DepEd) nationwide implementation of its School-Based Feeding Program: the BLT Excellence Awards and the BLT School Feeding Kitchen.
Farmer Entrepreneurship Program	Over 900 smallholder farmers from 27 farmer groups nationwide.

Source: 2015 Annual Report, filed on April 13, 2016.

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
Board of Committees	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
Individual Directors	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
CEO/President	The Company conducts an individual performance appraisal, and an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

The following penalties shall be imposed after notice and hearing on the Company's directors, officers and staff in case of violation of the Company's Manual on Corporate Governance:

Violations	Sanctions
First Violation	Reprimand
Second Violation	Suspension
Third Violation	Removal from office Director – removal from directorship

(Source: Article 12, Amended Manual on Corporate Governance)

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 7, 2015:

RESOLVED, that Jollibee Foods Corporation declares out of its unrestricted retained earnings as of 2009, a cash dividend of Eighty Centavos (Php0.80) per common share, due to all stockholders of record as of May 7, 2015 (ex-dividend date of May 4, 2015) and payable on May 29, 2015.

2. The above-mentioned resolution have 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
at Pasig City

APR 07 2015


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:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. BC0232914 issued on February 7, 2014 valid until February 6, 2019	

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 APR 07 2015

Doc. No. 312;
Page No. 404;
Book No. 3;
Series of 2015.


ANGELINA L. CHONG
Notary Public - Pasig City
Until December 31, 2015
Attorney's Roll No. 54490
Appointment No. 6
PTR No. 4990946; 01/13/14; Pasig City
IBP No. 958344; 01-16-14; RSM
14/F Jollibee Plaza, 10 F. Ortigas Jr. Avenue
Ortigas Center, Pasig City 1405
MCLE Certificate No. IV-M1115/06;
Notary Public - Pasig City

SECRETARY'S CERTIFICATE

I, **VALERIE FERIA AMANTE**, Filipino, of legal age and with office address at the 14/F Jollibee Plaza Bldg., 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City, being the duly appointed Assistant Corporate Secretary of **JOLLIBEE FOODS CORPORATION** (the "Corporation"), a corporation duly organized and existing under Philippine law, with business address at Jollibee Plaza Bldg., 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 November 9, 2015:

RESOLVED, that Jollibee Foods Corporation declares out of its unrestricted retained earnings as of 2010, a cash dividend of Ninety Seven Centavos (PhP0.97) per common share, due to all stockholders of record as of November 20, 2015 (ex-dividend date of November 17, 2015) and payable on December 9, 2015.

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 09 NOV 2015 day of 09 NOV 2015 at Pasig City.


VALERIE FERIA AMANTE
Assistant Corporate Secretary

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

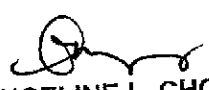
Before me, a Notary Public in and for the city named above, personally appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
Valerie Feria Amante	SSS ID# 07-17692471	

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 09 NOV 2015 day of 09 NOV 2015.

Doc. No. 422;
Page No. 86;
Book No. 5;
Series of 2015.

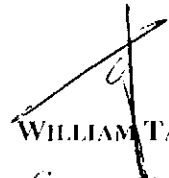

ANGELINE L. CHONG
Notary Public - Pasig City
Until December 31, 2015
Attorney's Roll No. 54490
Appointment No. 6
PTR No. 4990946; 01/13/14; Pasig City
IBP No. 958344; 01-15-14; RSM
14/F Jollibee Plaza, 10 F. Ortigas Jr. Avenue
Ortigas Center, Pasig City 1605
MCLE Compliance No. IV-0009764;
11/12/12; Pasig City

SECRETARY'S CERTIFICATE

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

1. The Board of Directors duly approved the proposed revisions to the Stock Option Plan on November 23, 2015. A copy of the revised Stock Option Plan is attached hereto as Annex A (with revisions highlighted for easy reference).
2. 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 _____ day of
24 NOV 2015 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:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

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 _____ day of 24 NOV 2015.

Doc. No. 513 ;
Page No. 104 ;
Book No. 5 ;
Series of 2015.


ANGELINA L. CHONG
Notary Public—Pasig City
Until December 31, 2015
Attorney's Roll No. 54490
Appointment No. 6
PTR No. 4909848; 01/13/14; Pasig City
IBP No. 45834011113, 14; RSM
14/F Jollibee Plaza, 10th Floor, Ortigas Jr. Avenue
Ortigas Center, Pasig City 1605
MCLE Compliance No. IV-0009764;
11/12/12; Pasig City

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. As corporate secretary of the Corporation, I have custody over corporate records and files and hereby certify that the following are the incumbent officers of the Corporation:

<u>Position</u>	<u>Name</u>
Chairman of the Board	Tony Tan Caktiong
President and Chief Executive Officer	Ernesto Tanmantiong
VP for Corporate Finance and Chief Finance Officer	Ysmael V. Baysa
VP for Comptrollership - Worldwide	Marilou N. Sibayan

2. The following is a true and correct copy of the resolutions adopted and approved by the Board of Directors of the Corporation on April 6, 2016:

a. Approval of 2015 Audited Financial Statements

RESOLVED, that the Board of Directors confirms and approves the 2015 Consolidated Audited Financial Statements of Jollibee Foods Corporation and Subsidiaries as audited by SyCip Gorres Velayo & Co.

b. Designation of authorized signatories to Statement of Management Responsibility

RESOLVED, that the Board of Directors authorize, as it hereby authorizes, the following officers to sign, execute and deliver the Statement of Management Responsibility to be included in the approved 2015 Audited Financial Statements: Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Comptroller.

3. The above-mentioned resolutions have not been amended, modified or rescinded, and are in full force and effect as of the date hereof.
4. The foregoing statements are true and correct and in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have executed this Secretary's Certificate at Pasig City this
13 APR 2016


WILLIAM TAN UNTIONG
Corporate Secretary

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

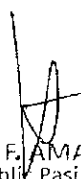
Before me, a Notary Public in and for the city named above, personally appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

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 _____ day of 13 APR 2016

Doc. No. 476;
Page No. 97;
Book No. 1;
Series of 2016.


VALERIE F. AMANTE
Notary Public, Pasig City
Notarial Commission No. 189 expiring on December 31, 2016
14/Jollibee Plaza, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City
PTR No. 0397564 issued on January 13, 2015/Pasig City
IBP No. 702167 / Lifetime Member / Pasig City
Rol. of Attorney's No. 46166

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, 2016:

RESOLVED, that Jollibee Foods Corporation declares out of its unrestricted retained earnings as of 2010, a cash dividend of Eighty Six Centavos (PhP0.86) per common share, due to all stockholders of record as of April 21, 2016 (ex-dividend date of April 18, 2016) and payable on May 6, 2016.

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 6th day of April 2016 at Pasig City.


WILLIAM TAN UNTIONG
Corporate Secretary

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

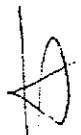
BEFORE ME, a Notary Public in and for the city named above, personally appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

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 2016

Doc. No. 460;
Page No. 93;
Book No. 11;
Series of 2016.


VALERIE F. AMANTE
Notary Public Pasig City
Notarial Commission No. 189 expiring on December 31, 2016
14/Jollibee Plaza, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City
PTR No. 3297564 issued on January 13, 2015/Pasig City
IBP No. 702167 / Lifetime Member / Pasig City
Roll of Attorney's No. 46166



101052015002118

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

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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 101052015002118
Document Type LETTER/MISC
Document Code LTR
Period Covered January 05, 2015
No. of Days Late 0
Department CED/CFD/CRMD/MRD/NTD
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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

2014 Attendance of Members of Board of Directors

Form Type

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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



January 5, 2015

Securities and Exchange Commission
SEC Building, EDSA
Greenhills, Mandaluyong City 1554

Attention:

Acting Director Justina F. Callangan
Corporation Finance Department

Dear Director Callangan,

In compliance with SEC Memorandum Circular No. 1, issued by the Honorable Commission on 10 January 2014, Jollibee Foods Corporation ("JFC") respectfully submits the pertinent portion of the updated Annual Corporate Governance Report on the attendance of the members of the Board of Directors at Board meetings held in 2014.

We trust that the attached submissions sufficiently comply with the Commission's requirements.

Thank you for your kind consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "Valerie F. Amante".

Valerie Feria Amante
Vice President and Head, Corporate Legal
Assistant Corporate Secretary

Jollibee Foods Corporation

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



The attendance of directors in board meetings in 2014 is as follows:

C. BOARD MEETINGS AND ATTENDANCE

2) Attendance of Directors:

Board	Name	Date of Election	No. of Meetings Held During the Year	No. of Meetings Attended	%
	Tony Tan Caktiong	1978	6	6	100%
	Ernesto Tanmantiong	1987	6	6	100%
	William Tan Untiong	1993	6	5	83%
	Joseph Tanbuntiong	June 2013	6	6	100%
	Ang Cho Sit	1978	6	4	67%
	Antonio Chua Poe Eng	1978	6	6	100%
	Ret. CJ Artemio Panganiban	June 2012	6	6	100%
	Monico C. Jacob	2001	6	4	67%
	Cezar P. Consing	June 2012	6	5	83%

COVER SHEET

7 7 4 8 7

S.E.C. Registration Number

J O L L I B E E F O O O 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 O 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)

Contact Person

Company Telephone Number

31-Oec

Month Day Year
Fiscal Year

Any Oay in June

Month Day Year
Annual Meeting

Signing of Master Franchise Agreement

17-C

Form Type

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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
Emerald 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

Signing of Master Franchise Agreement

(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

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





101062015001701

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

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Receiving Branch : SEC Head Office
Receipt Date and Time : January 06, 2015 02:33:06 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 101062015001701
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered January 05, 2015
No. of Days Late 0
Department CFD
Remarks

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 January 2015**
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	<u>1,066,790,190</u>
Treasury Shares	<u>16,447,340</u>

Note: Total common outstanding share of 1,066,790,190 is inclusive of 4,383,780 shares entrusted with Deutsche Regis Partners, Inc. with the following details

MSOP Shares:

Beginning balance (per SEC Form 17-C dated December 29, 2014)	2,255,733
Shares applied for listing	-
Ending balance, as of January 5, 2014	<u>2,255,733</u>

ELTIP Shares:

Beginning Balance (as of December 29, 2014)	2,128,047
Shares applied for listing	-
Ending balance, as of January 5, 2014	<u>2,128,047</u>

TOTAL	<u><u>4,383,780</u></u>

11. Other Events

THE JOLLIBEE GROUP OF COMPANIES

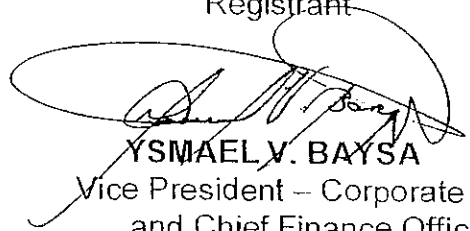
Further to its disclosure last December 19, 2014, Jollibee Foods Corporation disclosed today that Golden Cup Pte. Ltd. and Dunkin Donuts Franchising LLC have signed a Master Franchise Agreement granting Golden Cup Pte. Ltd. the exclusive right to develop Dunkin' Donuts in the following territories in the People's Republic of China: Hong Kong, Macau, Fujian, Hunan, Jianxi, Guangdong, Hainan, Guanxi, Beijing, Tianjin, Hebei, Shangxi, Chongqing, Guizhou, Sichuan, Yunnan, Heilongjiang and Jilin. Golden Cup Pte. Ltd. is the joint venture company formed by Jollibee Worldwide Pte. Ltd. (a wholly owned subsidiary of JFC) and Jasmine Asset Holding Ltd. (a wholly owned subsidiary of RRJ Capital Master Fund II, L.P.).

[Nothing follows after this section. Signature page to follow]

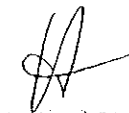
SIGNATURE

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
Vice President – Corporate Finance
and Chief Finance Officer



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



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

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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 101082015000947
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered January 07, 2015
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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Amended Stock Option Plan Rules

Form Type

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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. Ave.

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)

SEC Form 17-C

Amended Stock Option Plan Rules

(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 **January 7, 2015**
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. AVE. 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	<u>1,066,790,190</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,066,790,190 is inclusive of 4,175,623 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:

Beginning balance (per SEC Form 17-C dated January 6, 2015)	2,219,366
Shares applied for listing	<u>(890)</u>
Ending balance, as of January 7, 2015	2,218,476

ELIP Shares:

Beginning Balance (as of January 6, 2015)	1,987,147
Shares applied for listing	<u>(30,000)</u>
Ending balance, as of January 7, 2015	1,957,147

TOTAL	<u><u>4,175,623</u></u>

11. Item 9. Other Events

Please see attached submissions on the Amended Plan Rules of the Company's Senior Management Stock Option and Incentive Plan

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

A handwritten signature in black ink, appearing to read 'V. Amante', with a long horizontal stroke extending to the right.

VALERIE FERIA AMANTE
Vice President – Corporate Legal
Corporate Information Officer



January 5, 2015

Securities and Exchange Commission
SEC Building, EDSA, Greenhills,
Mandaluyong City, Metro Manila

Attention: **Director Justina F. Callangan**
Corporate Finance Department

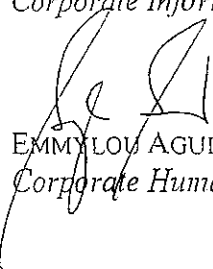
Dear Director Callangan:

Jollibee Foods Corporation respectfully submits a copy of the Amended Plan Rules of the Company's Senior Management Stock Option and Incentive Plan (the "Revised Rules"). A copy of the Secretary's Certificate confirming the adoption of the said Revised Rules by the Compensation Committee of the Board of Directors of the Company is attached for your reference. This also confirms that optionees are provided with notices of grant and the procedure for the exercise of their option under the Revised Rules.

We trust that everything is in order. Thank you for your attention.

Very truly yours,


VALERIE FERRA AMANTE
Vice President – Corporate Legal
Corporate Information Officer


EMMYLOU AGUIRRE
Corporate Human Resources

Jollibee Foods Corporation

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



SECRETARY'S CERTIFICATE

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

1. The Compensation Committee of the Board of Directors of the Corporation is duly authorized to "promulgate, amend, modify and rescind rules and regulations relating to the implementation, administration and maintenance of the Senior Management Stock Option and Incentive Plan (hereinafter, the "Stock Option Plan") as stated in subparagraph 1.2 of paragraph 3 of the Stock Option Plan.
2. The Compensation Committee of the Board of Directors duly approved the proposed revisions to the Stock Option Plan on December 19, 2014. A copy of the revised Stock Option Plan is attached hereto as Annex A (with revisions underscored for easy reference).
3. The foregoing statements are true and correct and in accordance with the records of the Corporation.

DEC 23 2014

IN WITNESS WHEREOF, I have hereunto set my hand this _____ 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:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

JOLLIBEE FOODS CORPORATION
SENIOR MANAGEMENT STOCK OPTION AND INCENTIVE PLAN
Amended Plan Rules (as amended on December 19, 2014)

1. DESCRIPTION OF PROGRAM AND PURPOSE

This Senior Management Stock Option and Incentive Plan ("Plan") has been established by Jollibee Foods Corporation ("Company") to encourage increased proprietary interest in the Company and to provide incentives for long-term performance for (a) selected key members of management of the Company and certain subsidiaries and (b) Designated Affiliated Entities.

The Plan is divided into two (2) Programs, namely, the Management Stocks Option Program ("MSOP") and the Executive Long-Term Incentive Program ("ELTIP").

The MSOP is designed to achieve the following objectives:

- Provide a yearly stock option grant program based on Company performance to complement the participant's annual total cash compensation
- Alignment of participant's interest with those of shareholders

The ELTIP is designed to achieve the following objectives:

- Provide stock ownership as an incentive that will reinforce entrepreneurial and long-term ownership behavior for the participants
- Provide a program that rewards superior performance in achieving medium to long-term goals

2. DEFINITION OF TERMS

In this Plan, the following terms have the following meanings:

- a. **Board** – the Board of Directors of the Company
- b. [reserved]
- c. **Company** – Jollibee Foods Corporation
- d. **Committee** – the Compensation Committee created by the Board as defined in 3.1
- e. **Designated Consultants** – any individual who has rendered technical or management consultancy services to the Jollibee Group and whom the Board of Directors of the Company designates as such for the purpose of this Plan.
- f. [reserved]
- g. **Disability** – as determined by the Committee in accordance with standards and procedures similar to those under the Company's long-term disability plan. Disability shall mean the inability of a participant, as determined by the Committee, substantially to perform such Participant's regular duties and responsibilities due to a medically determinable physical or mental illness which has lasted for a period of six (6) consecutive months.
- h. **Eligible Participant or Participant** - an individual eligible to be granted Stock Options under the MSOP or Stock Incentives under the ELTIP

- i. **ELTIP Entitlement Date** – the date when the ELTIP Participant is granted the offer to earn the ELTIP Incentives, as defined in Section 4.2.2
- j. **ELTIP Exercise Period** – the five-year period beginning in the ELTIP Grant Date during which the ELTIP Participant may purchase Shares corresponding to the vested ELTIP Incentives at the given Exercise Price, as defined in Section 4.2.5
- k. **ELTIP Grant Date** – the date on which an ELTIP Participant achieves the Hurdle Rate and Personal Goals within the Hurdle Period and earns the ELTIP Incentives, as defined in the Section 4.2.3
- l. **ELTIP Incentive** – the Stock Incentives offered under the ELTIP
- m. **ELTIP Participant** – an individual eligible to be granted ELTIP Incentives under the ELTIP as defined in the Section 4.2.1
- n. **Exercise Price** – in respect of a Stock Option/Incentive, means the price designated by the Company at which the Participant may purchase a Share.
- o. **ELTIP Vesting Date** – the dates on which the ELTIP Incentives accrue at a rate of one-third per year, beginning on the ELTIP Grant Date and on each of the first and second year anniversary dates thereof, as defined in the Section 4.2.4
- p. [reserved]
- q. **Hurdle Period** – the period set by the Company and Committee at which the Hurdle Rate and Personal Goals must be achieved to earn the ELTIP Incentives and Trigger the ELTIP Grant Date, as defined in the Section 4.2.2
- r. **Hurdle Rate** – the medium to long-term goals set by the Committee to be achieved by the ELTIP Participants in order to earn the ELTIP Incentives, as defined in the Section 4.2.2
- s. **Incentive Cycle** – in respect of the ELTIP, means the period commencing on the ELTIP Entitlement Date and ending on the last day of the ELTIP Exercise Period
- t. **Incentive Holder** – an Eligible Participant who is granted and accepts Stock Incentives under the ELTIP
- u. **Jollibee Group** – the Company and its Subsidiaries
- v. **MSOP Exercise Period** – the seven-year period beginning on the first year from the MSOP Grant Date during which the MSOP Participant may purchase Shares corresponding to the vested MSOP Options at the given Exercise Price, as defined in Section 4.1.4
- w. **MSOP Grant Date** – the date when MSOP Participant is granted the MSOP Options, as defined in Section 4.1.2
- x. **MSOP Option** – the Stock Options offered under the MSOP
- y. **MSOP Participant** – an individual eligible to be granted MSOP Options under the MSOP as defined under Section 4.1.1
- z. **MSOP Vesting Date** – the first, second and third year anniversary dates of MSOP Grant Date on which the MSOP Options accrue at a rate of one-third per year, as defined in Section 4.1.3

- aa. **Notice of Entitlement to Earn ELTIP Incentives** – the written notice of entitlement to earn ELTIP Incentives distributed by the Committee to ELTIP Participants as described in Section 4.2.2
- bb. **Notice of MSOP Option Grant** – the written notice distributed by the Committee to MSOP Participants as described in 4.1.2
- cc. **Option Cycle** – in respect of the MSOP, means the period commencing on the MSOP Grant Date and ending on the last day of the MSOP Exercise Period
- dd. **Option Holder** – an Eligible Participant who is granted and accepts Stock Options under the MSOP
- ee. **Personal Goals** – the individual objectives set by the ELTIP Participants for their respective operating units or work areas that will contribute to the medium to long-term goals, as defined in Section 4.2.2
- ff. **Plan** – refers to the Senior Management Stock Option and Incentive Plan, as amended
- gg. **Program** – refers to either the MSOP and the ELTIP of the Plan and Programs refers collectively to the MSOP and the ELTIP
- hh. **PSE** – The Philippine Stock Exchange, Inc.
- ii. **Resignation** – a voluntary act by the Eligible Participant to cease, for any reason, (i) employment or membership in the relevant management committee of the Company or its Subsidiaries, as the case may be, or (ii) provision of contracted services, in the case of a Designated Consultant
- jj. **Retirement** – (i) retirement from employment with the Company and its Subsidiaries on or after the retirement date(s) specified in the Company's qualified retirement plans or such earlier date as approved in writing by the Committee for the purposes of this Plan; or (ii) in the case of Designated Consultants, expiration of the relevant contract for consulting services.
- kk. **Shareholder(s)** – owners of record of Shares of the Company
- ll. **Shares** – common shares of stock of the Company and in case of any declassification of the shares of the Company, the common shares or any subsequent classification thereof comprising the authorized capital stock of the Company
- mm. **Strategic Business Unit or SBU** – the discrete businesses operated by the Company (directly or through Subsidiaries) under such brands as the Company may develop or acquire;
- nn. **Stock Incentive** – refers to the ELTIP Incentive granting the holder thereof the right to subscribe to Shares under the terms and conditions of the Plan
- oo. **Stock Option** – refers to the MSOP Option granting the holder thereof the right to subscribe to Shares under the terms and conditions of the Plan
- pp. **Subsidiary(ies)** – any corporation at least fifty percent (50%) of the voting stock of which is effectively owned by the Company
- qq. [reserved]

- rr. **Termination** – separation from the Company or its Subsidiaries: (a) due to authorized or just causes under the Labor Code or under the Company's or its Subsidiaries' Code of Conduct or (b) termination by the Company of the services of a Designated Consultant

3. ADMINISTRATION OF THE PLAN

- 3.1 **The Compensation Committee.** The Plan shall be administered by the Corporation's Compensation Committee, as constituted pursuant to the By-Laws of the Corporation (as may be amended from time to time). Any act or acts approved in writing by all of the members of the Committee, then serving, shall be the act or acts of the Committee (as if taken by unanimous vote at a meeting of the Committee duly called and held).
- 3.2 **Plan Administration and Plan Rules.** The Committee is authorized to construe and interpret the Plan and to promulgate, amend, modify and rescind rules and regulations relating to the implementation, administration and maintenance of the Plan, and grant exemptions from Plan rules. Subject to the terms and conditions of the Plan, the Committee shall make all determinations necessary or advisable for the implementation, administration and maintenance of the Plan, including, without limitation, (a) coverage and eligibility of the Plan's Eligible Participants, (b) granting Stock Options/Incentives in such amounts and form as the Committee shall determine, (c) imposing such restrictions, terms and conditions upon such Stock Options/Incentives as the Committee shall deem appropriate, and (d) correcting any defect or omission, or reconciling any inconsistency, in the Plan. The Committee may designate persons other than members of the Committee to carry out the day-to-day administration of the Plan under such conditions and limitations as it may prescribe, except that the Committee shall not delegate its authority with regard to eligibility for participation in the Plan and/or the granting of any Stock Options/Incentives to Eligible Participants. Any determinations, decision or action of the Committee in connection with the construction, interpretation, administration, implementation or maintenance of the Plan may be appealed to the Board and the Board's decision shall be final, conclusive and binding upon all Eligible Participants and any person(s) claiming under or through any Eligible Participants. The Company shall effect the determination made by the Committee, by execution of written agreements and/or instruments in such forms as may be required by the Committee.
- 3.3 **Chief Executive Officer.** The Chief Executive Officer may recommend exemptions from Plan rules for the Compensation Committee's approval.

4. FEATURES OF THE PROGRAMS

4.1 The MSOP Program

- 4.1.1. **MSOP Participants** – MSOP Options shall be granted to Eligible Participants identified by the Committee from any of the following:
 - (a) Members of senior management of the Company as identified by the Chairman of the Board and Chief Executive Officer of the Company, including without limitation heads of SBUs and corporate functions.
 - (b) Members of management committees of SBUs and other key talents of Jollibee Group of Companies, and,
 - (c) Designated Consultants
- 4.1.2. **Grant of MSOP Options** – The Committee shall grant MSOP Options to an MSOP Participant on a date to be determined by the Committee for a particular Option Cycle ("MSOP Grant Date").

All MSOP Participants shall receive a Notice of MSOP Option Grant indicating the following:

- (a) Number of MSOP Options granted as determined by the Committee
- (b) MSOP Grant Date
- (c) Vesting and exercise schedule including the applicable MSOP Vesting Dates, MSOP Exercise Period, the first day of the MSOP Exercise Period and the last day of the MSOP Exercise Period
- (d) Exercise price

The receipt of the Notice of MSOP Option Grant is not, and shall not, be construed as an exercise of the MSOP Options. A MSOP Participant deciding to exercise the MSOP Options must submit a written notice to the Committee specifying the number of Stock Options to be exercised and delivering payment for the Stock Options to the Company.

The grant of MSOP Options shall in no case be construed as a continuing obligation on the part of the Company to grant, or a continuing entitlement on the part of the MSOP Participant to receive, MSOP Options in any succeeding years or Option Cycles.

Neither should any grant of the MSOP Options be construed as a guarantee of employment or engagement of services or continuing employment or engagement benefit in favor of any Eligible Participant.

- 4.1.3. **MSOP Vesting Date** – Once granted, the MSOP Options shall vest at the rate of one-third (1/3) of the total MSOP Options granted on each anniversary of the MSOP Grant Date for the next three (3) years.
- 4.1.4. **MSOP Exercise Period** – Vested MSOP Options may be exercised for a period of seven (7) years, beginning on the first year from the MSOP Grant Date; provided that, for the ninth MSOP Option Cycle, the exercise period shall commence on July 1, 2013 and end on June 30, 2020. Only vested MSOP Options may be exercised during the Exercise Period.

All MSOP Options that remain unexercised as of 5:00 pm: (a) on June 30, 2020, in respect of the ninth MSOP Option Cycle and (b) on the seventh anniversary of the Grant Date, in respect of any succeeding Option Cycles, shall forthwith lapse and shall be deemed forfeited. In such case, the Company shall not be liable to issue or deliver the Shares pertaining to any such unexercised MSOP Options.

- 4.1.5. **MSOP Options Grant, Vesting and Exercise Schedule** – For the avoidance of doubt, the MSOP Option grant, vesting and exercise schedule for each Option Cycle is illustrated as follows (dates are applicable for the first MSOP Option Cycle only):

	MSOP	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Grant Date	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period
	1-Jul-12	1-Jul-13	1-Jul-14	1-Jul-15	1-Jul-16	1-Jul-17	1-Jul-18	1-Jul-19
Vesting		33.40%	66.70%	100%				
Exercise		33.40%	66.70%	100%	100%	100%	100%	100%

Note: One (1) year refers to a 12 month-period from Grant Date.

- 4.1.6. **Modes of Exercise of MSOP Options** – The holder of MSOP Options may exercise such MSOP Options through any one of the following modes

(a) **Exercise and Hold**

Under this mode, the holder of the MSOP Options shall purchase the Shares underlying the MSOP Options in his name. In this case, the Committee shall cause the Company to issue the Shares to such exercising holder corresponding to the MSOP Options, after which, the Company shall cease to be liable to the exercising holder for such exercised MSOP Options; or

(b) **Exercise and Sell**

Under this mode, the holder shall cause the Company to sell the Shares in the PSE at a price to be designated by such holder and receive the proceeds of the sale of such Shares, net of the Exercise Price, applicable taxes, broker's commission and any other costs and expenses of the sale. Upon sale of the Shares in the PSE by the Company at the price indicated by the holder of the MSOP Options and delivery of the net proceeds of such sale by the Company to such holder, the Company shall cease to be liable to the holder of such exercised MSOP Options.

Any costs to be incurred in issuing the Shares to the holder of the MSOP Options shall be borne by the Company while costs related to the sale of the Participant's shares in the PSE shall be borne by the MSOP Participant.

- 4.1.7. **Procedure for Exercise of MSOP Options** – During the Exercise Period, the holder of the MSOP Options may wholly or partially exercise the MSOP Options by delivering to the Committee:

- (a) the duly accomplished, signed and irrevocable Exercise Notice specifying the number of MSOP Options to be exercised and the mode of exercise of the MSOP Options to the Committee;
- (b) the payment of the applicable Exercise Price, in the event the holder chooses the Exercise and Hold mode provided in Section 4.1.6 (a);
- (c) the indication in the Exercise Notice of the purchase price at which the holder decides to sell his Shares, in the event the holder chooses the Exercise and Sell mode provided in Section 4.1.6 (b).

- 4.1.8. **MSOP Exercise Price** – The Committee shall determine the MSOP Exercise Price for each MSOP Option Cycle. For the ninth MSOP Option Cycle, the exercise price is set at P107.90 per share.

4.2. The ELTIP Program

- 4.2.1. **ELTIP Participants** – ELTIP Incentives shall be granted to Eligible Participants as may be identified by the Committee from any of the following:

- (a) Members of senior management of the Company as identified by the Chairman of the Board and Chief Executive Officer of the Company, including without limitation heads of SBUs and corporate functions; and
- (b) Designated Consultants

- 4.2.2. **Entitlement to Earn ELTIP Incentives** – On a date designated by the Committee ("ELTIP Entitlement Date"), the Committee shall identify the ELTIP Participants who will be entitled to earn a specified number of ELTIP Incentives at a specified Exercise Price if the ELTIP Incentive is granted in accordance with this Plan. The ELTIP stock option will be earned upon achievement of the Company's medium to long term hurdle rate ("Hurdle Rate") and the Personal Goals within a period to be set also by the Committee ("Hurdle Period"), subject to the following:

- (a) The Employee's Personal Goals shall serve as the gate which opens the Entitlement to the ELTIP Incentives. Achieving the Personal Goals entitles the Participants to be eligible for the ELTIP Incentives.
- (b) The Company's medium to long term Hurdle Rate is based on the targeted percentage in annual earnings per share and ELTIP incentives will be earned and granted as follows:

<u>% Growth in annual earnings</u>	<u>% of Options to be Granted</u>
<u>per share</u>	
<u>20% and above</u>	<u>200% of options</u>
<u>15% to < 20%</u>	<u>150% of options</u>
<u>12% to < 15%</u>	<u>100% of options</u>
<u>10% to < 12%</u>	<u>50% of options</u>
<u>Below 10%</u>	<u>Zero options</u>

The Board of Directors may, at any time, set a new Hurdle Rate for purposes of Section 4.2.2(b), to take effect as of the immediately succeeding Hurdle Period.

- (c) In the event that the Company achieves the minimum Hurdle Rate and the individual's Personal Goals on or prior to the last day of the Hurdle Period, then the ELTIP Incentives shall be earned, granted and one third shall vest on the designated ELTIP Grant Date.
- (d) In the event that the Corporation fails to achieve the minimum Hurdle Rate by the last day of the Hurdle Period, then no ELTIP Incentives shall be earned, granted and vested.
- (e) In the event that the Company achieves the minimum Hurdle Rate prior to the last day of the Hurdle Period but the individual fails to accomplish the ELTIP Participant's Personal Goals, then the ELTIP Participant shall not earn any ELTIP Incentives.
- (f) A newly hired or promoted employee may be identified as an ELTIP Participant in the middle of the hurdle period. The newly hired or promoted employee will earn a specified number of ELTIP Incentives at an Exercise Price based on the ELTIP Entitlement Date in the middle of the hurdle period.

All ELTIP Participants shall receive a Notice of Entitlement to Earn ELTIP Incentives indicating the following:

- (a) Number of ELTIP Incentives that may be earned
- (b) Hurdle Rate and personal goals
- (c) Entitlement Date
- (d) Grant/Earning, Vesting and Exercise Schedule including the applicable ELTIP Grant Date, ELTIP Vesting Dates, ELTIP Exercise Period, the first day of the Exercise Period and the last day of the Exercise Period
- (e) Exercise Price

The receipt of the Notice of Entitlement to Earn ELTIP Incentive is not, and shall not, be construed a grant of the ELTIP Incentives.

4.2.3. **Grant of ELTIP Incentives** – The Committee shall grant ELTIP Incentives to ELTIP Participants that have earned ELTIP Incentives on a date designated by the Committee (“ELTIP Grant Date”). Subject to the provisions of Section 4.2.1 hereof, all ELTIP Participant shall receive a Notice of ELTIP Incentive Grant indicating the following:

- (a) Confirmation of achievement of Hurdle Rate and personal goals
- (b) Number of ELTIP Incentives granted as determined by the Committee
- (c) ELTIP Grant Date
- (d) Vesting and exercise schedule including the earliest and latest dates
- (e) Exercise price

The receipt of the Notice of ELTIP Incentives Grant is not, and shall not be, construed as an exercise of the ELTIP Incentives. The ELTIP Participants deciding to exercise the ELTIP Incentives must submit to the Committee a duly accomplished Exercise Form, to be obtained from the Committee.

The grant of ELTIP Incentives is not, and shall not, be, construed as a continuing obligation on the part of the Company to grant or a continuing entitlement on the part of the ELTIP Participant to receive ELTIP Incentives in any succeeding years or Incentive Cycles.

Neither should any grant of the ELTIP Incentives be construed as a guarantee of employment or engagement of services benefit in favor of any Eligible Participant.

4.2.4. **ELTIP Vesting Date** – On ELTIP Grant Date, the first one-third (1/3) of the ELTIP Incentives shall vest. The second and third portions shall vest on the second year anniversary and third year anniversary, respectively, from ELTIP Grant Date.

4.2.5. **ELTIP Exercise Period** – The vested ELTIP Incentives may be exercised over a period of five (5) years beginning on the ELTIP Grant Date; provided that for the third ELTIP Incentives Cycle, the exercise period shall commence on May 1, 2015 and end on April 30, 2020. Only vested ELTIP Incentives may be exercised during the Exercise Period.

All ELTIP Incentives that remain unexercised as of 5:00 pm: (a) on April 30, 2020, in respect of the third ELTIP Incentive Cycle and (b) on the fifth anniversary of the Grant Date, in respect of any succeeding Incentive Cycles, shall forthwith lapse and shall be deemed forfeited. In such case, the company shall not be liable to issue or deliver the Shares pertaining to any such unexercised ELTIP Incentives.

4.2.6. **ELTIP Incentives Entitlement, Grant/Earning, Vesting and Exercise Schedule** – For the avoidance of doubt, the ELTIP Incentive Cycle is illustrated as follows (dates are applicable for the first ELTIP Incentive Cycle only):

	ELTIP Entitlement Date (EED)	Hurdle Period					
			ELTIP Grant/Earning Date				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period
	19-Oct-12	1-Jan-12 to 31-Dec-14	1-May-15	1-May-16	1-May-17	1-May-18	1-May-19
Earning			100%				
Vesting			33.40%	66.70%	100%		
Exercise			33.40%	66.70%	100%	100%	100%

Note: One (1) year refers to a 12 month-period from Grant/Earning Date.

4.2.7. **Modes of Exercise of ELTIP Incentives** – The holder of ELTIP Incentives may exercise such ELTIP Incentives by indicating one of the following modes in the written notice of exercise to the Company:

(a) Exercise and Hold

Under this mode, the holder of the ELTIP Incentives shall purchase the Shares underlying the ELTIP Incentives in his name. In this case, the Committee shall cause the Company to issue the Shares in favor of the exercising holder corresponding to exercised ELTIP Incentives. Upon issuance of the Shares to the holder of the ELTIP Incentives, the Company shall cease to be liable to the exercising holder for such exercised ELTIP Incentives; or

(b) Exercise and Sell

Under this mode, the holder shall cause the Company to sell the Shares in the PSE at a price to be designated by such holder and receive the proceeds of the sale of such Shares, net of the Exercise Price, applicable taxes, broker's commission and any other costs and expenses of the sale. Upon sale of the Shares in the PSE by the Company at the price indicated by the holder of the ELTIP Incentives and delivery of the net proceeds of such sale by the Company to such holder, the Company shall cease to be liable to the exercising holder for such exercised ELTIP Incentives.

Any costs to be incurred in issuing the Shares to the holder of the ELTIP Incentives shall be borne by the Company while costs related to the sale of the Participant's shares in the PSE shall be borne by the ELTIP Participant.

4.2.8. **Procedure for Exercise of ELTIP Incentives** – During the Exercise Period, the holder of the ELTIP Incentives may wholly or partially exercise the ELTIP Incentives by delivering to the Committee:

- the duly accomplished, signed and irrevocable Exercise Notice specifying the number of ELTIP Incentives to be exercised and the mode of exercise of the ELTIP Incentives;
- the payment of the applicable Exercise Price, in the event the holder chooses the Exercise and Hold mode provided in Section 4.2.7 (a);
- the indication in the Exercise Notice of the purchase price at which the holder decides to sell his Shares, in the event the holder chooses the Exercise and Sell mode provided in Section 4.2.7 (b).

4.2.9. **ELTIP Exercise Price** – The Committee shall determine the ELTIP Incentive Cycle. For the ninth ELTIP Incentive Cycle, the exercise price is set at P105.00 per Share.

4.3. **Maximum Number of Shares.** The maximum number of Shares in respect of which Stock Options/Incentives may be granted under this Plan shall not exceed the equivalent of two percent (2%) of the issued and outstanding capital stock of the Company per year.

4.4. **Changes in Common Stocks.** In the events of merger, consolidation, reorganization, re-capitalization, reclassification of stock, stock dividend, stock split, change in par value or other change in corporate structure or capitalization affecting the Company's Shares, the proper adjustments shall be made to the amount of Shares covered by the Stock Options/Incentives which have been granted, and other price per Share of the Stock Options/Incentives.

5. TAXES

All taxes, including income tax and transaction tax, due on the Options/ Incentives granted, vested and exercised shall be for the account of the Participants. The Company shall be bound to withhold any tax payment that is lawfully required to be withheld by the employer.

6. TERMINATION OF EMPLOYMENT

6.1. **Resignation/Termination.** Except as otherwise herein provided, should an Eligible Participant's employment or contract for services cease by reason of Resignation or Termination during any particular Option/Incentive Cycle, all Stock Options/Incentives which have not been vested as of the date of Resignation or Termination shall immediately revert to the Company. All the rights of the said Eligible Participant over such Stock Options/Incentives, which have not been vested, shall likewise cease. Nevertheless, such Eligible Participant shall be entitled to all Stock Options/Incentives which, as of the date of Resignation or Termination, have been vested; Provided, that the Eligible Participant must exercise all vested Stock Options/Incentives within thirty (30) days from the date of Resignation or Termination; provided, further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant, whose employment or contract for services has ceased, to the Company or any of its Subsidiaries.

6.2. Retirement.

(a) Should an Eligible Participant's employment or contract for services cease by reason of Retirement before the age of 65 during any particular Options/Incentive Cycle, all the Stock Options/ Incentives which have not been vested shall immediately revert to the Company. All the rights of the said Eligible Participant over such Stocks Options/ Incentives, which have not been vested, shall likewise cease. Nevertheless, such Eligible Participant shall be entitled to all Stock Options/ Incentives which, as of the date of Retirement, have been vested; provided, that the Eligible Participant must exercise all vested Stock Options/Incentives not later than the last day of the Exercise Period of the relevant MSOP Option Cycle and/or ELTIP Incentive Cycle; provided further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant whose employment or contract for services has ceased to the Company or any of its Subsidiaries.

(b) If an Eligible Participant's employment or contract for services ceases by reason of Retirement at or beyond the age of 65 during any particular Stock Options/Incentives Cycle, *and* such Eligible Participant has served the Company or its Subsidiaries for at least 6 months of the Hurdle Period of the relevant ELTIP Incentive Cycle (with respect to a retiring ELTIP Participant), or for at least

6 months from MSOP Grant Date of the relevant MSOP Cycle (with respect to a retiring MSOP Participant), the following rules shall apply:

- (1) for ELTIP Participants: (i) if the retirement occurs after the ELTIP Entitlement Date but before the ELTIP Grant Date of the relevant Incentive Cycle, the retiring ELTIP Participant shall continue to be eligible to be granted Stock Incentives upon the occurrence of the ELTIP Grant Date; provided that the number of Stock Incentives to be granted shall be pro-rated based on the time period during which the Eligible Participant actually served during the Hurdle Period of the relevant Incentive Cycle. The pro-rated Stock Incentives so granted shall continue to vest in accordance with the schedule stated in the Plan; (ii) if the retirement occurs after the ELTIP Grant Date but before all granted Stock Incentives have vested, all granted Stock Incentives shall continue to vest in accordance with the schedule stated in the Plan.
- (2) for MSOP Participants, all granted Stock Options shall continue to vest in accordance with the schedule stated in the Plan.

In all cases of Retirement under Section 6.2(b), all the rights of the Eligible Participant over the Stock Options or Stock Incentives as specified herein shall be preserved notwithstanding such Retirement; provided, that, the Eligible Participant must exercise all vested Stock Options or Stock Incentives not later than the last day of the twelve months immediately following the last vesting date of the relevant MSOP Option Cycle and/or ELTIP Incentive Cycle; provided further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant whose employment has ceased with the Company or any of its Subsidiaries.

As a condition for the enjoyment of the foregoing benefit, Eligible Participants shall sign a non-compete agreement in form and substance acceptable to the Company, to cover the whole period starting from the date on which the Eligible Participant retires and ending on the last date of vesting, both dates inclusive. The Eligible Participant will forfeit the unvested Stock Options/Incentives in the event of breach of the non-compete agreement. This non-compete agreement shall be without prejudice to other non-compete covenants signed by the Eligible Participants in connection with their employment with the Company or its Subsidiaries.

- 6.3. **Death or Permanent Disability.** In case of death or permanent Disability of the Eligible Participant, all Stock Options/Incentives that have not yet vested at the time of death or permanent disability shall be deemed vested; provided that all vested Stock Options/Incentives and deemed vested Stock Options/Incentives must be exercised not later than the last day of the Exercise Period of the relevant MSOP Stock Option Cycle and/or ELTIP Incentive Cycle.

In case of death, the vested Stock Options/Incentives and deemed vested Stock Options/Incentives may be exercised by:

1. If there is a judicial settlement of estate, the court appointed executor or administrator; or
2. If there is extra-judicial settlement of estate, the heirs authorized under the duly executed extra-judicial settlement.

In case of permanent Disability coupled with incapacity, the vested and deemed vested Stock Options may be exercised by the court-appointed legal guardian of the incapacitated Eligible Participant.

- 6.4. **No Exercise.** Under no circumstances shall any vested Stock Options/Incentives be exercisable after the periods for exercise specified in Section 4.1.4, 4.1.5, 4.2.5 and 4.2.6 hereof.

7. NON-TRANSFERABILITY OF AWARDS

No Notice of Entitlement to Earn, Notice of Stock Option/Incentive Grant or Stock Options/Incentives under the Plan and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, pledged, disposed of or otherwise encumbered by an Eligible Participant or his heirs. Except as allowed by law, no such interest shall be subject to seizure for the payment of the debts, liabilities, judgments of the Eligible Participant (or any beneficiary) or be transferable in the event of the latter's bankruptcy or insolvency. Subject to Section 6.3 in cases of incapacity, during the lifetime of the Eligible Participant, Stock Options/Incentives are exercisable only by the Eligible Participant.

8. RANKING OF SHARES

The Shares to be issued and allotted upon the exercise of an option shall rank *pari passu* in all respect with the then existing issued and outstanding Shares of the Company, and will be subject to all the provisions of the Articles of Incorporation and By-laws of the Company then in effect.

9. DISPUTES

Any dispute arising under this Plan may be referred to the Board who in turn may retain one or more competent, disinterested third parties who shall act as experts and not as arbitrators. The Board's decision shall be final and binding.

10. SUSPENSION, TERMINATION, OR AMENDMENT OF THE PLAN

10.1 **Suspension and/or Termination.** Upon the recommendation of the Committee, the Board may, at any time, suspend or terminate this Plan. All Stock Options/Incentives that have not been vested as of the date of suspension or termination of the Plan, shall immediately revert to the Company. All Stock Options/Incentives that have vested but have not been exercised as of the date of the suspension or termination of this Plan, may be exercised by the Eligible Participant for a period not to exceed three (3) months after such suspension or termination. The Eligible Participant shall be entitled to all fully paid shares and dividends (including interest income earned) accrued on such fully paid shares.

10.2 **Amendment.** The Board may, in its discretion, amend or modify the Plan or any provision thereof provided any such amendment shall not prejudice any rights already vested or any privilege already exercised.

11. MISCELLANEOUS

11.1 **No Right to Employment.** Neither the adoption of the Plan, granting of any agreement, shall confer upon any employee of the Company or any Subsidiary any right to continued employment with the Company or any Subsidiary, as the case may be, nor shall it interfere in any way with the right, if any, of the Company or any Subsidiary to terminate the employment of any employee at any time for any reason.

11.2 **Unfunded Plan.** The Plan shall be unfunded and the Company shall not be required to segregate any assets in connection with any benefits under the Plan. Any liability of the Company shall be based solely upon the contractual obligations that may be created as a result of the Plan or any corresponding agreement. No such obligation of the Company shall be deemed to be secured by any pledge of, encumbrance on, or other interest in, any property or asset of the Company or any Subsidiary. Nothing contained in the Plan or any Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant of Stock Option shall be construed as creating in respect of any Eligible Participant (or beneficiary thereof or any other person) any equity or other interest of any kind in any asset of the Company or any

Subsidiary or creating a trust of any kind or a fiduciary relationship of any kind between the Company, any Subsidiary and/or any such Participant, any beneficiary or any other person.

11.3 Administrative Cost. The Company shall bear the costs of establishing, maintaining and administering this Plan.

11.4 Other Company Benefit and Compensation Programs. Payments and other benefits received by an Eligible Participant pursuant to the Plan shall not be deemed a part of an Eligible Participant's compensation for the purposes of the determination of the benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company or any Subsidiary unless expressly provided in such other plans or arrangements, or except where the Board expressly determines in writing that inclusion of a Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option should be included to accurately reflect competitive annual base salary or other cash compensation. Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option under the Plan may be in addition to, in combination with, or as alternatives to, grants, awards or payments under any other plans or arrangements that the Company or any of its Subsidiaries may adopt. The Company or its Subsidiaries may adopt such other compensation plans or programs and additional compensation arrangements as it deems necessary to attract, retain and motivate employees.

11.5 Leaves of Absence/Transfer. The Committee shall have the power to promulgate rules and regulations and to make determinations, as it deems appropriate, under the Plan in respect of any leave of absence from the Company or any Subsidiary granted to an Eligible Participant. If a participant transfers within the Company, or to or from the Subsidiary, such Eligible Participant shall not be deemed to have terminated employment as a result of such transfer.

11.6 Dissolution. In the event the shareholders of the Company pass a resolution for the voluntary dissolution of the Company prior to the expiry of the Stock Options/Incentives, a holder of Stock Options/Incentives may, by notice in writing and within three (3) months after the resolutions duly passed, elect to be treated as if his Stock Options/Incentives had been exercised in full before the resolution, and will qualify to receive in respect of the Shares which are the subject of such election reduced by the Exercise Price which would otherwise have been payable in respect thereof.

11.7 Governing Laws. The Plan and all the actions taken thereunder shall be governed by and construed in accordance with the laws of the Republic of the Philippines, without regard to principles of conflict of laws. Any titles and headings herein are for reference purposes only, and shall in no way limit, define or otherwise affect the meaning, construction or interpretation of any provisions of the Plan.

11.8 Date of Approval. The Board of Directors of unanimously approved the latest amendment to this Plan on 19 December 2014, to take effect on January 5, 2015.

APPROVED BY:



TONY TAN CAKTIONG
Chairman

ATTESTED By:



WILLIAM TAN UNTIONG
Corporate Secretary

-----Nothing Follows-----

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

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

Document Information

Document ID 101092015001148
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered January 09, 2015
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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Press Release Issued by Dunkin' Donuts

17-C

Form Type

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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
Emerald 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
Press Release issued by Dunkin' Donuts
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

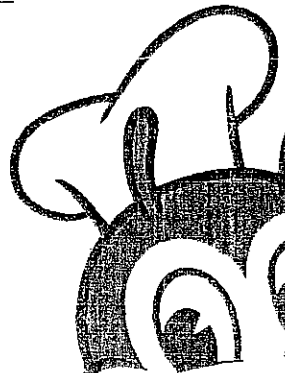
DTU

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 09 January 2015
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, EMERALD AVENUE, 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	<u>1,066,790,190</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,066,790,190 is inclusive of 4,175,623 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:

Beginning balance (per SEC Form 17-C dated January 7, 2015)	2,218,476
Shares applied for listing	-
Ending balance, as of January 9, 2015	<u>2,218,476</u>

ELTIP Shares:

Beginning Balance (as of January 7, 2015)	1,957,147
Shares applied for listing	-
Ending balance, as of January 9, 2015	<u>1,957,147</u>

TOTAL	<u><u>4,175,623</u></u>

11. Other Events

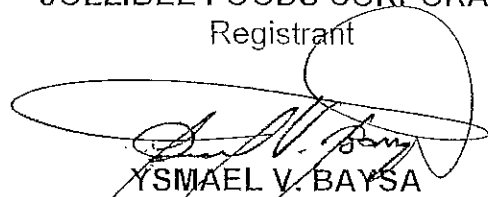
Please see attached press release issued by Dunkin' Donuts on the Master Franchise Agreement executed with Golden Cup Pte. Ltd.

[Nothing follows after this section. Signature page to follow]

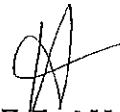
SIGNATURE

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.

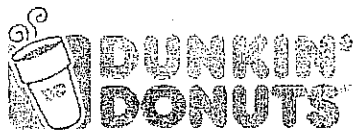
JOLLIBEE FOODS CORPORATION
Registrant



YSMAEL V. BAYSA
Vice President – Corporate Finance
and Chief Finance Officer



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



DUNKIN' DONUTS ANNOUNCES EXPANSION PLANS IN CHINA WITH SIGNING OF LARGEST DEVELOPMENT AGREEMENT IN COMPANY HISTORY

More than 1,400 Dunkin' Donuts restaurants to be developed in China as part of new joint venture between Jollibee Worldwide Pte. Ltd. and Jasmine Asset Holding Ltd., a subsidiary of RRJ Capital Master Fund II, L.P.

CANTON, Mass. (January 8, 2015) – Dunkin' Donuts, one of the world's leading coffee and baked goods chains, today announced that it has signed the largest development agreement in the company's history with the goal of expanding Dunkin' Donuts in China. The company has entered into a long-term master franchise agreement in which Golden Cup Pte. Ltd., a joint venture between Jollibee Worldwide Pte. Ltd. and Jasmine Asset Holding Ltd., a wholly owned subsidiary of RRJ Capital Master Fund II, L.P. ("RRJ"), will serve as the franchisee and plans to open and operate more than 1,400 Dunkin' Donuts restaurants across China over the next 20 years. The joint venture has exclusive rights to expand Dunkin' Donuts in new territories, including Beijing, Chongqing, Fujian, Guangdong, Guangxi, Guizhou, Hainan, Hebei, Heilongjiang, Hong Kong, Hunan, Jiangxi, Jilin, Macau, Shanxi, Sichuan, Tianjin and Yunnan. The opening of the first restaurant is expected in Q4 2015.

"We are delighted to enter into this relationship with Jollibee and RRJ, a group with a proven track record of success in the quick service restaurant industry in China and a deep knowledge of the consumer," said Nigel Travis, Chairman and CEO, Dunkin' Brands. "Through this franchise development agreement, the largest in our history, we believe we can significantly expand and accelerate Dunkin' Donuts presence in China."

Dunkin' Donuts currently has more than 11,000 restaurants in 36 countries around the world, including 16 in China and more than 2,200 across the Asia Pacific region. Dunkin' Donuts restaurants in China feature the brand's wide range of hot and iced coffees, espresso-based beverages, teas, Coolatta® frozen drinks, bagels, muffins, croissants, donuts, and sandwiches, all served fast in friendly, convenient locations and at a great value. The brand also offers regional items to cater to local tastes, including a lineup of Mochi Ring Donuts.

"We are excited about the prospect of bringing Dunkin' Donuts to China. Dunkin' Donuts is a leading global brand in baked goods and coffee, and the China market offers a tremendous opportunity as its consumer base continues to grow in number and spending power," said Tony Tan Caktiong, Chairman of Jollibee Foods Corporation. "We look forward to working with Dunkin' Donuts and our joint venture partner RRJ to growing the presence of Dunkin' Donuts in China in the coming years."

Jollibee Worldwide Pte. Ltd. is a wholly owned subsidiary of Jollibee Foods Corporation, which operates the largest food service network in the Philippines with more than 2,200 stores located in the country. Jasmine Asset Holding Ltd is a wholly owned subsidiary of RRJ Capital Master Fund II, L.P., which was established by RRJ Capital. Founded in 2011, RRJ Capital is an Asian-based investment firm with offices in Hong Kong and Singapore. The company has significant investments in the food and consumer sectors in China.

"We are pleased to partner with Jollibee to expand Dunkin' Donuts' presence in key regions across China in the years ahead," said Charles Ong, Co-CEO, RRJ. "There is a strong demand in China for Dunkin' Donuts high-quality foods and beverages, served in a welcoming restaurant environment with fast and friendly service, all at a great value to consumers."

The master franchise agreement with Golden Cup Pte. Ltd., the joint venture between Jollibee Worldwide Pte. Ltd. and Jasmine Asset Holding Ltd. is the latest step in Dunkin' Donuts' plan to accelerate its international growth. In 2013, Dunkin' Donuts signed a master franchise agreement with Fast Gourmet Group to develop the brand in Eastern China to open more than 100 restaurants in the Shanghai, Jiangsu and Zhejiang regions. Additionally in 2014, Dunkin' Donuts signed agreements to develop in key markets including Brazil, Sweden and Austria.

For more information about Dunkin' Donuts, please visit www.DunkinDonuts.com.

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Forward-Looking Statements

This news release contains projections and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These projections and statements reflect the Company's current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain risk factors. A discussion of these risk factors is included in the Company's periodic reports filed with the Securities and Exchange Commission.

About Dunkin' Donuts

Founded in 1950, Dunkin' Donuts is America's favorite all-day, everyday stop for coffee and baked goods. Dunkin' Donuts is a market leader in the hot regular/decaf/flavored coffee, iced coffee, donut, bagel and muffin categories. Dunkin' Donuts has earned the No. 1 ranking for customer loyalty in the coffee category by Brand Keys for eight years running. The company has more than 11,000 restaurants in 36 countries worldwide. Based in Canton, Mass., Dunkin' Donuts is part of the Dunkin' Brands Group, Inc. (Nasdaq: DNKN) family of companies. For more information, visit www.DunkinDonuts.com.



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**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No. 0000077487
Company Name JOLLIBEE FOODS CORP.
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Company Type Stock Corporation

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Remarks ACGR

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Annual Corporate Governance Report
(Consolidated Changes in the ACGR for 2014)

Form Type

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM - ACGR

ANNUAL CORPORATE GOVERNANCE REPORT
(Consolidated Changes in the ACGR for 2014)

1. Report is Filed for the Year 2014
2. Exact Name of Registrant as Specified in its Charter JOLLIBEE FOODS CORPORATION
3. 10/F Jollibee Plaza 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City 1605
Address of Principal Office Postal Code
4. SEC Identification Number 77487 5.  (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number 000-388-771
7. + 63 2 634 1111
Issuer's Telephone number, including area code
8. N/A
Former name or former address, if changed from last report

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9

Actual number of Directors for the year	9

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type (Executive (ED), Non-Execution (NED) or Independent Director (ID))	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID state the number of years served as ID)	Elected when (Annual/Special Meeting)	No. of years served as director
Tony Tan Caktiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1978	2014	6/27/2014	36
Ernesto Tanmantiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1987	2014	6/27/2014	27
William Tan Untiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1993	2014	6/27/2014	21
Joseph Tanbuntiong	ED	JFC	Submitted to the Nomination Committee by shareholders	2013	2014	6/27/2014	1
Antonio Chua Poe Eng	NED	JFC	Submitted to the Nomination Committee by shareholders	1978	2014	6/27/2014	36
Ang Cho Sit	NED	JFC	Submitted to the Nomination Committee by shareholders	1978	2014	6/27/2014	36
Ret. Chief Justice Artemio V. Panganiban	NED	JFC	Submitted to the Nomination Committee by shareholders	June 2012	2014	6/27/2014	2
Monico V. Jacob	ID ¹	JFC	Submitted to the Nomination Committee by shareholders	2001	2014 (2)	6/27/2014	13
Cezar P. Consing	ID	JFC	Submitted to the Nomination Committee by shareholders	June 2010	2014 (2)	6/27/2014	4

¹ Per SEC Memorandum Circular No. 9 series of 2011, effective January 2, 2012, all previous terms served by existing independent directors shall not be included in the application of the term limits subject of the circular.

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Company has adapted implementing policies of the Manual of Corporate Governance. These policies have been approved by the Board of Directors and cover, among others, (i) membership of the Company's directors in other corporate boards, (ii) standard of conduct of the Board and Senior Management and Conflict of Interest policy; (iii) selection process for directors and senior management; (iv) major capital expenditures; (v) principles in developing remuneration policies, (vi) risk management, (vii) financial management policies and procedures, (viii) shareholder grievance procedure and (ix) an evaluation system for determining and measuring compliance with the Company's Manual of Corporate Governance.

- (c) How often does the Board review and approve the vision and mission?

The Company's senior management reviews and approves the Company's vision and mission as necessary.

- (d) Directorship in Other Companies

- (i) Directorship in the Company's Group²

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
Tony Tan Caktiong	Fresh N'Famous Foods, Inc.	Chairman, Executive
	Mang Inasal Phils., Inc.	Chairman, Executive
	Coffeetap Corporation ³	Chairman, Executive
	BK Titans, Inc.	Executive
	PFN Holdings, Corp.	Executive
	Perf Restaurants, Inc.	Executive
	Perf Trinoma, Inc.	Executive
	Perf MOA Pasay, Inc.	Executive
	RRB Holdings, Inc.	Chairman, Executive
	Red Ribbon Bakeshop, Inc.	Chairman, Executive
	Doubledragon Properties Corp.	Director
	Honeystar Holding Corporation	Director
	Honeybee Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Director
	Chanceux, Inc.	Executive
	Jollibee Worldwide Pte. Ltd.	Executive
	Belmont Enterprises Ventures Ltd.	Executive
	Jollibee International (BVI) Ltd.	Executive
	WJ Investments Limited	Executive
	JSF Investments Pte. Ltd.	Executive
	Golden Plate Pte. Ltd.	Executive
	Golden Beeworks Pte. Ltd.	Executive
	SF Vung Tau Joint Stock Company	Executive
	Blue Sky Holdings Ltd.	Executive
	Southsea Binaries Limited	Executive
	Jollibee Foods Processing Pte. Ltd.	Executive
	Jollibee (China) Food & Beverage Management	Executive

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company. Note: Companies owning shares in the parent corporation is not included in the list.

³ For dissolution.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
	Co. Ltd.	
	Guangxi San Pin Wang Food & Beverage Co. Ltd.	Executive
	Beijing New Honghuangyuan Food & Beverage Management Co. Ltd.	Executive
	Shanghai Yong He King Food & Beverage Management Co. Ltd.	Executive
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Hangzhou Yongtong Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Shenzhen Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Jollibee Foods Processing (Anhui) Co. Ltd.	Executive
	12 Sabu (Shanghai) Food & Beverage Management Co. Ltd.	Director
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	Shanghai Belmont Enterprises Management & Adviser Co. Ltd.	Executive
	Jollibee Group Foundation, Inc.	Executive
	Mary's Foods Corporation	Executive
	Queenbee Resources Corporation	Executive
	Hyper Dynamic Corporation	Chairman, Executive
	Honeysea Corporation	Chairman, Executive
	Mainspring Resources Corporation	Director
	Centregold Corporation	Executive
	Temasek Foundation of Singapore	Member
	St. Luke's Medical Hospital	Trustee
	Makati Business Club	Trustee
	Chief Executives' Organization, Inc. (USA)	Member
	World Presidents' Organization	Member
William Tan Untiong	Fresh N'Famous Foods, Inc.	Executive
	Mang Inasal Phils., Inc.	Executive
	Coffeetap Corporation ⁴	Executive
	BK Titans, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Red Ribbon Bakeshop, Inc.	Executive
	Honeybee Foods Corp.	Executive
	Grandworth Resources Corporation	Executive
	Zenith Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Director
	Doubledragon Properties Corp.	Executive
	Honeystar Holding Corp.	Executive
	Chanceux, Inc.	Executive
	JC Properties & Ventures Corporation	Executive
	Zenith Foods Corporation	Executive
	Adgraphix, Inc.	Executive
	Belmont Enterprises Ventures Ltd.	Executive
	Golden Plate Pte. Ltd.	Executive
	Jollibee (China) Food & Beverage Management Co. Ltd.	Executive
	Shanghai Yong He King Food & Beverage	Executive

⁴ For dissolution.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
	Management Co. Ltd.	
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Shenzhen Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	WJ Investments Limited	Director
	Jollibee Group Foundation, Inc.	Executive
	Jollimart Corporation	Director
	Metroguards Security Agency Corp.	Director
	Honeyworth Corporation	Director
	Mainspring Resources Corporation	Director
	Queenbee Resources Corporation	Director
	Antares Holdings, Inc.	Director
	Hyper Dynamic Corporation	Executive
	Honeysea Corporation	Executive
	Kingsworth Corporation	Executive
Ernesto Tanmantiong ⁵	Fresh N'Famous Foods, Inc.	Executive
	Mang Inasal Phils., Inc.	Executive
	BK Titans, Inc.	Executive
	PFN Holdings, Corp.	Executive
	Perf Restaurants, Inc.	Executive
	Perf Trinoma, Inc.	Executive
	Perf MOA Pasay, Inc.	Executive
	Red Ribbon Bakeshop, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Zenith Foods Corp. ⁶	Executive
	Honeybee Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Executive
	Honeystar Holding Corporation	Executive
	Chanceux, Inc.	Executive
	Adgraphix, Inc.	Executive
	Grandworth Resources Corp.	Executive
	EST 28 Corporation	Executive
	Jollibee Worldwide Pte. Ltd.	Executive
	Belmont Enterprises Ventures Ltd.	Executive
	Jollibee International (BVI) Ltd.	Executive
	Jollibee Hong Kong Ltd.	Executive
	Hanover Holdings Ltd.	Executive
	P.T. Jollibee Indonesia	Executive
	Jollibee Vietnam Co. Ltd.	Executive
	P.T. Chowking Indonesia	Executive
	Golden Plate Pte. Ltd.	Executive
	Golden Beeworks Pte. Ltd.	Executive
	Jollibee (China) Food & Beverage Management Co. Ltd.	Executive
	Shanghai Yong He King Food & Beverage Management Co. Ltd.	Executive

⁵ Effective on July 1, 2014, Mr. Tanmantiong will assume the position of President and Chief Executive Officer of the Company.

⁶ Effective March 31, 2014, Mr. Tanmantiong is no longer a director of Zenith Foods Corporation.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	Jollibee Group Foundation, Inc.	Member
	Hyper Dynamic Corporation	Executive
	Honeysea Corporation	Executive
	Winall Holding Corporation	Chairman, Executive
	Kingsworth Corporation	Executive
	Centregold Corporation	Executive
	Tutuban Chow Foods Corporation	Executive
	Antares Holdings, Inc.	Executive
	Mary's Foods Corporation	Executive
	Queenbee Resources Corporation	Executive
	Metroguards Security Agency Corp.	Executive
	Mainspring Resources Corporation	Executive
Joseph Tanbuntiong	Red Ribbon Bakeshop, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Doubledragon Properties Corporation	Executive
	Honestar Holding Corporation	Executive
	Jollibee Group Foundation, Inc.	Member
Ang Cho Sit	Grandworth Resources Corp.	Executive
	Freemont Foods Corp.	Executive
	Hyper Dynamic Corporation	Executive
	Venice Corporation	Chairman, Executive
	A-Star Holding Corporation	Executive
	Longshore Corporation	Executive
Antonio Chua Poe Eng	Hyper Dynamic Corporation	Executive
	Honeyworth Corporation	Chairman, Executive
	Albany Resources Corporation	Executive
Ret. Chief Justice Artemio V. Panganiban	Pan Philippine Resources Corp.	Chairman
	Peecee Realty, Inc.	Chairman
	Foundation for Liberty and Prosperity	Chairman, Board of Trustees
	Philippine Dispute Resolution Center, Inc.	Chairman Emeritus
	Meralco	Independent Director
	Petron Corporation	Independent Director
	Bank of the Philippine Islands	Independent Director
	First Philippine Holdings Corp.	Independent Director
	Philippine Long Distance Telephone Company	Independent Director
	Metro Pacific Investment Corp.	Independent Director
	Robinsons Land Corp.	Independent Director
	GM Network	Independent Director
	GMA Holdings	Independent Director
	Metro Pacific Tollways Corp.	Independent Director
	Tollways Management Corporation	Independent Director
	Metrobank Foundation	Chairman of the Board of Advisers
	Asian Terminals	Independent Adviser
	Metropolitan Bank and Trust Company	Senior Adviser

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
	Manila Cathedral – Basilica Foundation	President
	Mapua Blue Falcon Honor Society	Adviser
	Dela Salle University College of Law	Adviser
	Asian Institute of Management Corporate Governance Center	Adviser
	World Bank (Philippines)	Adviser
	Johann Strauss Society	Adviser
	University of Asia and the Pacific College	Adviser
Monico Jacob	2 Go Group, Inc. (formerly Aboitiz Transport Systems, Inc.)	Independent Director
	Advent Capital and Finance Corporation	Director
	Anvaya Cove Beach and Nature Club	Director
	Asian Terminals, Inc.	Director
	Ateneo de Naga University	Director
	Century Properties, Inc.	Director
	De Los Santos – STI College	Director
	De Los Santos – STI Medical Center	Director
	Information and Communications Technology (i-Academy), Inc.	Director
	Negros Navigation Co., Inc.	Independent Director
	Philippine Health Educators, Inc.	Director
	Phoenix Petroleum Philippines, Inc.	Director
	UNLAD Resources Development Corporation	Director
Cesar P. Consing	Bank of the Philippine Islands	Director
	First Gen Corporation	Director

Source: 2013 JFC Annual Report; 2014 Information Statement

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly listed companies outside its group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tony Tan Caktiong	First Gen Corporation	Independent Director
	Philippine Long Distance Telephone Company	Non-Executive Director
Ret. Chief Justice Artemio V. Panganiban	Meralco	Independent Director
	Petron Corporation	Independent Director
	Bank of the Philippine Islands	Independent Director
	First Philippine Holdings Corp.	Independent Director
	Metro Pacific Tollways Corp.	Independent Director
	Metro Pacific Investment Corp.	Independent Director
	GMA Holdings	Independent Director
	Asian Terminals	Independent Director
	Robinsons Land Corp.	Independent Director

Source: 2013 JFC Annual Report

(iii) Relationship with the Company and its Group

Provide details, as and if applicable, of any relation among the member of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship

Tony Tan Caktiong	Hyper Dynamic Corporation	Chairman, President
William Tan Untiong	Hyper Dynamic Corporation	Director
Ernesto Tanmantiong	Hyper Dynamic Corporation	Director
Antonio Chua Poe Eng	Hyper Dynamic Corporation	Director
Ang Cho Sit	Hyper Dynamic Corporation	Director
Tony Tan Caktiong	Honeysea Corporation	Chairman, President
Ernesto Tanmantiong	Honeysea Corporation	Director
William Tan Untiong	Honeysea Corporation	Director
Ernesto Tanmantiong	Winall Holding Corporation	Chairman, President
Antonio Chua Poe Eng	Honeyworth Corporation	Chairman, President
William Tan Untiong	Honeyworth Corporation	Director
Ernesto Tanmantiong	Kingsworth Corporation	Chairman, President
William Tan Untiong	Kingsworth Corporation	Director
Tony Tan Caktiong	Centregold Corporation	Director
Ernesto Tanmantiong	Centregold Corporation	Director
William Tan Untiong	Centregold Corporation	Chairman, President
Ang Cho Sit	Venice Corporation	Chairman, President
Ang Cho Sit	A-Star Holding Corporation	Director
Ang Cho Sit	Longshore Corporation	Director

Source: 2013 JFC Annual Report; 2014 Information Statement

- (iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

The Company has not set a limit on the number of board seats in other companies. However, the Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number shall be related to the capacity of a director to perform his duties diligently in general. (Source: Article 4(B)(2), Manual of Corporate Governance, as amended on June 27, 2014)

	Guidelines	Maximum Number of Directorship in other Companies
Executive Director		
Non-Executive Director		
CEO		

(c) Shareholding in the Company

Complete the following table on the members of the Company's Board of Directors who directly and indirectly own shares in the company.⁷

Name of Director	Number of Direct shares	Number of Indirect shares/Through (name of record owner)	% of Capital Stock
Tony Tan Caktiong	8,254,565	740,000 (through Deutsche Regis Partners, Inc.)	0.90%
Ernesto Tanmantiong	4,478,951	457,019 (through Deutsche Regis Partners, Inc.)	0.50%
William Tan Untiong	6,937,054	279,667 (through Deutsche Regis Partners, Inc.)	0.70%
Joseph Tanbuntiong	37,630	n/a	0.00%
Ang Cho Sit	11	n/a	0.0%

⁷ As of December 31, 2013, and as disclosed in the Company's 2013 Annual Report.

Name of Director	Number of Direct shares	Number of Indirect shares/Through (name of record owner)	% of Capital Stock
Antonio Chua Poe Eng	1	2,713,815 (through Honeyworth Corporation)	0.3%
Ret C.J. Artemio V. Panganiban	1		0.0%
Monico Jacob	100	n/a	0.0%
Cezar P. Consing	1	n/a	0.0%
TOTAL	19,708,314	4,190,501	

Source: 2013 JFC Annual Report

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes

☒

No

☐

Identify the Chair and CEO:

Chairman of the Board	Tony Tan Caktiong
CEO/President	Ernesto Tanmantiong

- (b) Roles, Accountabilities and Deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	Preside over board meetings	* General charge, supervision and control of business affairs of the Company, subject to the control of the Board of Directors. * May appoint and discharge all agents and employees. (Section 3, Article V, By-Laws)
Accountabilities		* See to it that all resolutions of the Board of Directors are duly carried out. * Vote and represent shares of stocks owned or held by the Company in another corporation, firm or entity. * Execute on behalf of the Corporation all contracts, agreements and other instruments affecting the interests of the Company, except as otherwise directed by the Board of Directors. * Assign the exercise or performance of any of the powers, duties and functions to any other officer(s), subject to his control and supervision.
Deliverables		

- 3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

The Nomination Committee, with the support of the Human Resources Division, is developing and formalizing a process for screening nominees for appointment to senior management positions within the Company. In particular, key talents participate in an Executive Development Program as part of the plan for the succession of top key management positions.

- 4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board?

Yes. The Nomination Committee of the Board of Directors shall be responsible for evaluating the qualifications of all persons nominated to the Board. The Nomination Committee has promulgated guidelines for the conduct of nominations to the Board. (Source: Section 9(a), Article IV, By-Laws)

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Among the qualifications of a director is sufficient experience in managing the business. (Source: Article 4(B)(1)(a), Manual of Corporate Governance, as amended on June 27, 2014)

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Executive directors' inputs are expected to be based on his/her knowledge of the day-to-day business of the Company.	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors.	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Independent directors are expected to give input based on their extensive experience and to provide suggestions and solutions based on best practices.
Accountabilities	Accountability of all directors are in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation).	Accountability of all directors are in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation).	Accountability of all directors are in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation).
Deliverables	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Executive directors' inputs are expected to be based on his/her knowledge of the day-to-day business of the	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors.	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Independent directors are expected to give input based on their extensive experience and to provide

	Executive	Non-Executive	Independent Director
	Company.		suggestions and solutions based on best practices.

Provide the company's definition of "independence" and describe the company's compliance to the definition.

An independent director shall hold no interests or relationships with the Company that may hinder his independence from the Company or management or that may interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

An independent director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Company, management or controlling stockholder at the time of his election or re-appointment and/or re-election as director. (Source: Section 1, Article IV, By-Laws)

An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. (Source: Manual of Corporate Governance, as amended on June 27, 2014)

The Company complies with the requirements of law and regulations on the qualifications of independent directors, including limits on shareholdings and term, and the submission of Certifications of Independent Directors. (Source: 2014 Definitive Information Statement)

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

In connection with SEC Memorandum Circular No. 9 (s. 2011), an independent director can serve for five (5) consecutive years, provided that service for a period for at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the position was relinquished or terminated. After completion of the five-year period, an independent director shall be ineligible for election as such for two (2) years. After serving as independent director for ten (10) years, he or she shall be perpetually barred from being elected as such in the Company. This shall be applicable to all independent directors elected as of June 2012. (Source: 2014 Definitive Information Statement)

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

There were no changes in the composition of the Board of Directors.

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Nomination to the Board of Directors (including the independent director) shall be submitted to the Nominations Committee for consideration by the latter prior to the annual meeting of stockholder or a special meeting called for the purpose of electing the Corporation's directors. All such submissions shall be signed by the stockholders nominating a particular nominee together with the written acceptance of such nominee. The Nominations Committee shall review the qualifications for the nominees for directors and prepare a final list of candidates. (Source: Section 12, Article III, By-Laws) Subject to existing laws, rules and regulations of the SEC or any stock exchange having jurisdiction over the Company, the conduct of election of directors shall be made in accordance with the standard election procedures contained in these By-Laws. It shall be the responsibility of the Chairman of the meeting to inform all stockholders of the requirement of electing independent directors. The Chairman of the Meeting shall ensure that the independent director is elected during the stockholders' meeting. Specific slots for independent Directors shall not be filled up by unqualified nominees. (As amended on June 27, 2008). The nine (9) directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for the year at which a quorum is present. At each election for directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes as the same principle among any number of candidates. The persons receiving the first nine (9) highest number of votes shall be the directors. (As amended on June 27, 2008). In the event of a failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy. (As amended on June 24, 2005) (Source: Section 13, Article III, By-Laws)	The qualifications for nomination and election to the Board of Directors are as follows: (i) at least one (1) share of the Corporation registered in his name; (ii) at least a college graduate or with sufficient experience in managing the business to substitute for such formal education; (iii) at least twenty-one (21) years old; (iv) proven to possess integrity and probity; (v) proven to possess business acumen and/or professional skills based on actual and significant business and/or professional experience; (v) absence of any of the disqualifications provided under applicable laws or these By-Laws. (Source: Section 2, Article IV, By-Laws) In addition to the grounds for qualification and disqualification for nomination and election to the Board, the Nomination Committee shall consider the following guidelines in the determination of the fitness of any nominee for directorships in the Board: a. The nature of the business of the corporations which he is a director; b. Age of the director; c. Number of directorships/active memberships and officerships in other corporations or organizations; and d. Possible conflict of interest. (Source: Article 4(B)(2), Manual of Corporate Governance, as amended on June 27, 2014)

Procedure	Process Adopted	Criteria
b. Re-appointment		
(i) Executive Directors	The same process applies to re-appointment/re-election of directors.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Nomination Committee determines of the qualification (or disqualification) of a nominee. (Source: Section 12, Article III, By-Laws)	Grounds for Permanent Disqualification: 1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person or any of them; 2. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (the "Commission") or any court or administrative body or competent jurisdiction from: (a) acting as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities; The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or the Bangko Sentral ng Pilipinas ("BSP") or any rule or regulation issued by the Commission or the BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of

Procedure	Process Adopted	Criteria
		an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization; 3. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent act or transgressions; 4. Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or BSP, or any rule, regulation or order of the Commission or the BSP; 5. Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company; 6. Any person judicially declared as insolvent; 7. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct in paragraphs (1) to (5) above; 8. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment. (As amended on May 11, 2010) (Source: Section 2, Article IV, By-Laws)
d. Temporary Disqualification (i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Nomination Committee determines of the qualification (or disqualification) of a nominee. (Source: Section 12, Article III, By-Laws)	For purposes of Article IV, Section 2(v), no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation, or a nominee of such person. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

Procedure	Process Adopted	Criteria
		(1) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any corporation (other than one in which the Corporation owns at least thirty percent (30%) of the capital stock) engaged in a business which the Board by a majority vote, determines to be competitive, antagonistic, and/or in clear conflict of interest to that of the Corporation; or (2) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any other corporation or entity engaged in any line of business of the Corporation when in the judgment of the Board by a majority vote the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or (3) If the Board, in the exercise of its judgment in good faith, determines by a majority vote that he is the nominee or agent of, or otherwise represents, any person set forth in (a) or (b). In determining whether or not a person is controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relationships. (Source: Section 2, Article IV, By-Laws) The Nomination Committee may also place an existing director under temporary disqualification based on the following: 1. Refusal to fully comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists; 2. Absence or non-participation without justifiable reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election; 3. Dismissal/termination from directorship in another listed corporation for cause. This

Procedure	Process Adopted	Criteria
		disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity; 4. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds 2% of its subscribed capital stock, provided that this disqualification shall be lifted if the limit is later on complied with; 5. Being under preventive suspension by the Company with respect to Executive Directors; 6. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall be permanent. <i>(Source: Article 4(B), Manual of Corporate Governance, as amended on June 27, 2014)</i>
e. Removal		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The process follows Section 28 of the Corporation Code.	The criteria follow Section 28 of the Corporation Code.
f. Re-instatement		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Reinstatement will follow the procedural requirements of the Corporation Code for election of directors.	The criteria for reinstatement will follow the Corporation Code, the Company's By-laws and Manual of Corporate Governance.
g. Suspension		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	There is, as yet, no formal process or criteria for the suspension of directors.	

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Tony Tan Caktiong	
Ernesto Tanmantiong	
William Tan Untiong	
Joseph Tanbuntiong	
Antonio Chua Poe Eng	
Ang Cho Sit	
Ret. Chief Justice Artemio Panganiban	
Monico V. Jacob	
Cesar P. Consing	

6) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any.

A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly-recognized private or government institute.

(Source: Article XI, Manual of Corporate Governance, as amended on June 27, 2014)

- (b) State any in-house training and external courses attended by Directors and Senior Management⁸ for the past three (3) years:

Directors and senior management of the Company attended the Seminar on Corporate Governance with the following details:

Date	Name of Training Institution
February 4, 2014	The Institute of Corporate Directors
March 7, 2014	Risks, Opportunities, Assessment and Management (ROAM), Inc.
August 12, 2014	SGV & Co.
November 21, 2014	
December 16, 2014	Philippine Securities Consultancy Corporation

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

The Company's directors attended the following seminar on Corporate Governance.

Name of Director	Date of Training	Program	Name of Training Institution
Artemio V. Panganiban	February 4, 2014	Corporate Governance and Risk Management Summit	The Institute of Corporate Directors
Cezar P. Consing			
Monico V. Jacob	March 7, 2014	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Tony Tan Caktiong	August 12, 2014	Corporate Governance Seminar	SGV & Co.
William Tan Untiong			
Antonio Chua Poe Eng			
Ang Cho Sit			
Ernesto Tanmantiong	November 21, 2014	Corporate Governance Seminar	SGV & Co.
Joseph Tanbuntiong			

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Conflict of interest is part of the qualifications that are considered by the Nomination Committee to determine the Final List of Candidates. (Source: Article 4(B)(2), Manual of Corporate Governance, as amended on June 27, 2014)	The Company has internal policies on conflict of interest which applies to senior management.	The Company has internal policies on conflict of interest which applies to all employees.
(b) Conduct of Business and Fair Dealings	The Company has internal policies on the conduct of business and fair dealings.	The Company has internal policies on the conduct of business and fair dealings which apply to senior management.	The Company has internal policies on the conduct of business and fair dealings which apply to all employees.
(c) Receipt of gifts from third parties	The Company has internal policies on receipt of gifts from third parties.	The Company has internal policies on receipt of gifts from third parties.	The Company has internal policies on receipt of gifts from third parties.
(d) Compliance with Laws & Regulations	Directors are expected to strictly comply with laws and regulations. In addition, conviction for	The Company has internal policies that provide for penalties for non-compliance with laws and	The Company has internal policies that provide for penalties for non-compliance with laws and

⁸ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Business Conduct & Ethics	Directors	Senior Management	Employees
	certain offenses is a ground for permanent disqualification of directors. (Source: Section 2, Article IV, By-Laws)	regulations committed by employees, including senior management.	regulations committed by employees.
(e) Respect for Trade Secrets/ Use of Non-public information	Directors are required to maintain all information acquired in the course of directorship strictly confidential.	Employees, including senior management, are required to maintain all information acquired in the course of employment strictly confidential. Appropriate penalties are provided for violation of this undertaking in the Company's Code of Discipline.	Employees, including senior management, are required to maintain all information acquired in the course of employment strictly confidential. Appropriate penalties are provided for violation of this undertaking in the Company's Code of Discipline.
(f) Use of Company Funds, Assets and Information	The Company's Code of Business Ethics and Code of Discipline provide for penalties for misappropriation of company funds, assets and information.	The Company's Code of Business Ethics and Code of Discipline provide for penalties for misappropriation of company funds, assets and information.	The Company's Code of Business Ethics and Code of Discipline provide for penalties for misappropriation of company funds, assets and information.
(g) Employment & Labor Laws & Policies	The Company's Code of Discipline requires compliance with labor laws, rules and regulations. Appropriate penalties are imposed for violations.	The Company's Code of Discipline requires compliance with labor laws, rules and regulations. Appropriate penalties are imposed for violations.	The Company's Code of Discipline requires compliance with labor laws, rules and regulations. Appropriate penalties are imposed for violations.
(h) Disciplinary action	The Company follows a Code of Discipline which provides for the process, policies and sanctions for disciplinary actions, following labor laws and regulations.	The Company follows a Code of Discipline which provides for the process, policies and sanctions for disciplinary actions, following labor laws and regulations.	The Company follows a Code of Discipline which provides for the process, policies and sanctions for disciplinary actions, following labor laws and regulations.
(i) Whistle Blower	The Company has instituted an Ethics Committee which is responsible for, among others, investigating alleged violations and proposing corrective actions. The Company has also appointed an officer to handle reports for alleged violations of the Code of Business Ethics.	The Company has instituted an Ethics Committee which is responsible for, among others, investigating alleged violations and proposing corrective actions. The Company has also appointed an officer to handle reports for alleged violations of the Code of Business Ethics.	The Company has instituted an Ethics Committee which is responsible for, among others, investigating alleged violations and proposing corrective actions. The Company has also appointed an officer to handle reports for alleged violations of the Code of Business Ethics.
(j) Conflict Resolution	Any conflicts are resolved through discussion.	The Company encourages employees to resort to internal discussions to resolve conflict.	The Company encourages employees to resort to internal discussions to resolve conflict.

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes, the Company's Code of Business Ethics and Code of Discipline have been disseminated to all directors, senior management and employees.

- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

All levels in the Company are responsible for administering the Code of Business Ethics, including investigating alleged violations and determining corrective actions. The Company has an Ethics Committee which is responsible for maintaining and updating the Code of Business Ethics, with inputs from concerned units.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	The board of directors (or the Executive Committee of the Board of Directors, as applicable) shall approve major transactions entered into by the Company. (Source: 2012 List of Resolutions Approved by the Board of Directors.)
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Parent Company, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Parent Company. Individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that give them significant influence over the enterprise; key management personnel, including directors and officers of the Parent Company, and close members of the family of these individuals and companies associated with these individuals also constitute related entities.
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	In the normal course of business, the Parent Company engages in transactions with its subsidiaries and other related parties. The Parent Company sells and purchases food items, processed inventories, packaging and other store supplies to/from related parties, at normal market prices. Purchased items temporarily stored at the Company are charged for logistics and warehousing/storage costs. In addition, the Company receives management fees for services rendered under an existing Management Services Agreement and service fees for various services rendered by the Company's personnel. Pass-on charges pertain to advances made by a related party for another. These include payments for various expenditures incurred. The Company receives from and provides to related parties, interest-bearing cash advances for working capital requirements and operations. Transactions with related parties are made at normal market prices. The Company did not make any provision for impairment losses on receivables from related parties. An assessment is undertaken at each financial year by evaluating the financial position of the related party and the market in which the related party operates.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

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 an arms-length basis and on terms similar to those granted to other franchisees.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	The Company's independent directors execute certifications confirming that they have all the qualifications and do not possess any disqualifications under the Manual of Corporate Governance. Additionally, the implementing policies of the Manual of Corporate Governance (as approved by the Board of Directors) provide for the standard of conduct of the Board and Senior Management, as well as policies on Conflict of Interest. The Company encourages internal discussions to address or resolve existing or potential conflict of interest.
Group	The Company encourages internal discussions to address or resolve existing or potential conflict of interest.

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁹ commercial, contractual or business nature that exists between the holders of significant (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Tony Tan Caktiong (Director, Chairman of the Board), Ernesto Tanmantiong (Director, President, CEO), William Tan Untiong (Director, Corporate Secretary, Vice-President for Corporate Real Estate), Joseph Tanbuntiong (Director, Treasurer)		Brothers
Ang Cho Sit (Director)		Brother-in-law of Tony Tan Caktiong
Susana K. Tanmantiong (Head of Corporate Purchasing)		Wife of Ernesto Tanmantiong
Antonio Chua Poe Eng (Director)		Brother-in-law of Tony Tan Caktiong, Ernesto Tanmantiong and William Tan Untiong.

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

There are no commercial, contractual or business relationship between the Company and holders of significant equity.

⁹Family relationship up the fourth civil degree either by consanguinity or affinity.

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A	N/A	N/A

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

There are no shareholder agreements that may impact on the control, ownership and strategic direction of the Company.

Names of Related Significant Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N/A	N/A	N/A

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	Disputes are resolved in accordance with law and regulations.
Corporation & Third Parties	Contracts between the Company and third parties provide for modes of dispute resolution.
Corporation & Regulatory Authorities	The Company liaises directly with regulatory authority to resolve disputes.

C. BOARD MEETINGS & ATTENDANCE

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

YES.

- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held During the Year	No. of Meetings Attended	%
	Tony Tan Caktiong	06/27/2014	6	6	100%
	Ernesto Tanmantiong	06/27/2014	6	6	100%
	William Tan Untiong	06/27/2014	6	5	83%
	Joseph Tanbuntiong	06/27/2014	6	6	100%
	Ang Cho Sit	06/27/2014	6	4	67%
	Antonio Chua Poe Eng	06/27/2014	6	6	100%
	Ret. CJ Artemio Panganiban	06/27/2014	6	6	100%
	Monico V. Jacob	06/27/2014	6	4	67%
	Cezar P. Consing	06/27/2014	6	5	83%

* Per Advisement Letter submitted to SEC dated January 5, 2015.

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? NO.

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

A quorum at any meeting of the directors shall consist of a majority of the entire membership of the Board. (Source: Section 6, Article IV, By-Laws) This is consistent with Section 25 of the Corporation Code which provides that the quorum requirement shall be a majority of the board of directors, unless a greater requirement is provided by the articles of incorporation or by-laws.

- 5) Access to Information

- (a) How many days in advance are board papers¹⁰ for board of directors meetings provided to the board?

Board members receive the notice and agenda at least ten (10) days before the date of the meeting.

- (b) Do board members have independent access to Management and the Corporate Secretary? Yes.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Corporate Secretary is an officer of the company and is expected to be loyal to the mission, vision and specific business objectives of the Company.

The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.

The Board of Directors may elect an Assistant Corporate Secretary who may act in behalf of the Corporate Secretary in the latter's absence.

The Corporate Secretary and/or the Assistant Corporate Secretary shall have the following duties and responsibilities:

1. Be responsible for the safekeeping and preservation of the integrity of the minutes of meetings of the Board and its committees, as well as other official records of the Company;
2. Be loyal to the mission, vision and objectives of the Company;
3. Work fairly and objectively with the Board, Management and stockholders;
4. Have appropriate administrative and interpersonal skills;
5. If he is not at the same time the Company's legal counsel, be aware of the laws, rules and regulations in the performance of his duties and responsibilities;
6. Have a working knowledge of the Company's operations;
7. Inform the members of the Board, in accordance with the by-laws, of the agenda of the meetings and ensure that the members of the Board have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
8. Attend all board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents prevent him from doing so;
9. Ensure that all Board procedures, rules and regulations are strictly followed by the Board members; and

¹⁰ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

10. If he is also the Compliance Officer, perform all the duties and responsibilities of said officer as provided for in this Manual.

To monitor the director's compliance with the attendance requirements in Board meetings, the Company, through the Corporate Secretary, shall submit to the Commission on or before January 30 of each year a sworn certification about the directors' record of attendance in Board meetings in the previous calendar year. (Source: Article IV(H), Manual of Corporate Governance, as amended on June 27, 2014)

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

No, but the Corporate Secretary is supported by an Assistant Corporate Secretary, who is a lawyer, and the Legal Division of the Company.

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ☒

No ☐

Committee	Details of the procedures
Executive	Request is sent through the Company's Legal Division.
Audit	Request is sent through the Company's Corporate Audit Division.
Nomination	Request is sent through the Company's Corporate Human Resources Division.
Remuneration	Request is sent through the Company's Corporate Human Resources Division.
Others (specify)	

In addition, the members of the Board shall be given independent access to Management and Corporate Secretary, as necessary. (Source: Article V, Manual of Corporate Governance, as amended on June 27, 2014)

- 6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

There is no formal procedure yet but the members of the Board shall also have access to independent professional advice at the Company's expense. (Source: Article V, Manual of Corporate Governance, as amended on June 27, 2014)

Procedures	Details
Executive	
Audit	
Nomination	
Remuneration	
Others (specify)	

- 7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

There were no changes introduced by the Board of Directors on existing policies that may have an effect on the business of the Company.

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

The Compensation Committee of the Board of Directors sets the parameters and process for remuneration of the CEO and senior management. The process is implemented by the Corporate Human Resources Division.

Process	CEO	Top 4 Highest Paid Management Officer
(1) Fixed remuneration	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(2) Variable remuneration	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(3) Per diem allowance	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(4) Bonus	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(5) Stock Options and other financial instruments	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(6) Others (specify)		

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Directors receive honorarium for each board meeting. In addition, the Company observes a salary administration policy, performance bonus guidelines, and the guidelines in the Stock Option Plan.	The Company provides for fixed monthly compensation, semi-annual performance bonus and stock options.	Compensation is calculated based on company and individual performance. The Company also benchmarks vis-à-vis market practice.
Non-Executive Directors	Directors receive honorarium for each board meeting. The Company observes performance bonus guidelines.	Directors receive honorarium for each board meeting. Non-executive directors also receive annual performance bonus.	Compensation is based on company performance. The Company also benchmarks vis-à-vis market practice.

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

One of the functions of the Compensation Committee of the Board of Directors is to establish a formal and transparent procedure for developing a policy on, among others, the remuneration packages of corporate directors. (See Article 4[G][2], Manual of Corporate Governance) Compensation of

non-executive members of the Board is determined and reviewed by the Compensation Committee of the Board of Directors.

Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

Below is a summary compensation table of the Chief Executive Officer and the four (4) most highly compensated officers of the Company for 2012, 2013 and an estimate for 2014:

Name and Position	Year	Salary (Php)	Bonus (Php)	Total (Php)
<i>Tony Tan Caktiong</i> <i>Chairman, President and Chief Executive Officer</i>	2012	51,672,391	28,307,475	79,979,866
<i>Ernesto Tanmantiong</i> <i>Treasurer, Executive Vice-President and Chief Operating Officer</i>	2013	56,093,060	36,002,400	92,095,460
<i>Joseph Tanbuntiong</i> <i>President – Red Ribbon Business</i>	2014*	60,030,793	43,202,880	103,233,673
<i>Ysmael V. Baysa</i> <i>Chief Finance Officer</i>				
<i>Jose Maria A. Minana</i> <i>Group President</i>				
All other officers and directors as a group unnamed	2012	203,384,384	76,411,441	279,795,825
	2013	232,507,848	106,803,077	339,310,925
	2014*	250,921,276	124,290,638	375,211,914

* Estimate

Source: 2013 JFC Annual Report

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
(a) Fixed Remuneration			
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
TOTAL			

Other Benefits	Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
(a) Advances			
(b) Credit granted			
(c) Pension Plan/s Contributions			
(d) Pension Plans, Obligations incurred			
(e) Life Insurance Premium			
(f) Hospitalization Plan			
(g) Car Plan			
(h) Others (Specify)			
TOTAL			

4) Stock Rights, Options and Warrants

(a) Board of Directors

The discussion in the Company's 2013 Annual Report on the Senior Management Stock Option and Incentive Plan is reproduced below for easy reference:

On December 17, 2002, the Securities and Exchange Commission approved the exemption requested by the Jollibee Group of Companies ("Jollibee Group") on the registration requirements of the 101,500,000 options 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, 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 executive participants.

MSOP. The MSOP is a yearly stock option grant program open to members of the corporate 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 to 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 as at date of grant.

The stock options expire eight years after grant date. The Jollibee Group does not pay cash as a form of settlement.

On July 1, 2004, the Compensation Committee of the Jollibee Group granted 2,385,000 options under the 1st MSOP cycle to eligible participants. 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 MSOP grant date. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005 and expired on June 30, 2012. On July 1, 2005 to 2013, the Compensation Committee granted series of MSOP grants under the 2nd to 10th MSOP cycle to eligible participants. The options vest similar to the 1st MSOP cycle.

The movements in the number of stock options outstanding and related weighted average exercise prices (WAEP) are as follows:

	2013	of	2012	of	2011	of
	Number	WAEP	Number	WAEP	Number	WAEP
	Options		Options		Options	
Total options granted as at end of year	33,404,194	P62.69	29,808,694	P53.07	26,790,664	P46.89
Outstanding at beginning of year	16,788,056	P63.90	17,505,395	P52.39	15,904,997	P43.46
Options granted during the year	3,595,500	142.51	3,018,030	107.90	3,516,970	89.90
Options exercised during the year	(3,373,561)	46.34	(3,375,915)	41.80	(1,507,813)	43.07
Options forfeited during the year	(94,058)	74.45	(359,454)	80.52	(408,759)	62.03
Outstanding at end of year	16,915,937	P83.77	16,788,056	P63.90	17,505,395	P52.39
Exercisable at end of year	10,216,427	P57.83	10,367,798	P45.83	10,424,829	P40.10

The average share price is P143.27, P103.41 and P85.48 in 2013, 2012 and 2011, respectively. The weighted average remaining contractual life for the stock options outstanding as of December 31, 2013, 2012 and 2011 is 4.83 years, 4.66 years and 4.88 years, respectively.

The weighted average fair value of stock options granted in 2013, 2012 and 2011 is P30.55, P23.43 and P23.67, 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 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 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	P24.00	P20.00
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
10 th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00

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 corporate 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 minimum medium to long-term goals and individual targets in a given period, and the employment of the employee-participants to the Jollibee Group within the vesting period. If the goals are achieved, the options will be granted. Starting with 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.

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 entitlement.

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

On July 1, 2004, the Compensation Committee gave an entitlement of 22,750,000 options under the 1st ELTIP cycle to eligible participants. The options will vest at the rate of one-third of the total options granted on each anniversary date which will start after a year of the ELTIP grant date. One-third of the options granted, or 7,583,333 options, vested and may be exercised starting July 1, 2007 and expired on June 30, 2012. On July 1, 2008 and October 19, 2012, a total entitlement of 20,399,999 and 24,350,000 options were given to eligible participants under the 2nd and 3rd ELTIP cycle, respectively.

The movements in the number of stock options outstanding for the 2nd and 3rd ELTIP cycles and related WAEP for the years ended December 31, 2013, 2012 and 2011 follow:

	2013		2012		2011	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options given as of end of year	67,499,999	P56.66	66,749,999	P56.12	43,149,999	P29.38
Outstanding at beginning of year	37,811,665	P80.51	27,674,569	P32.52	30,661,735	P32.72
Options granted during the year	750,000	105.00	23,600,000	105.00	750,000	39.85
Options exercised during the year	(1,375,555)	39.85	(12,962,905)	24.19	(787,166)	20.00
Options forfeited during the year	-	-	(499,999)	39.85	(2,950,000)	39.85
Outstanding at end of year	37,186,110	P82.51	37,811,665	P80.51	27,674,569	P32.52
Exercisable at end of year	12,836,110	P39.85	7,411,665	P39.85	10,224,570	P20.00

The weighted average remaining contractual life for the stock options outstanding as of 2013, 2012 and 2011 is 5.30 years, 5.68 years and 3.02 years, respectively.

The fair value of stock options granted is P22.96 in 2013 and 2012. 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 stock options granted under the 2nd and 3rd ELTIP cycles will expire on April 30, 2017 and 2020, respectively. The inputs to the model used for the options granted on the dates of grant for each ELTIP cycle is 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
1 st	2004	1.72%	36.91%	6.20%	5 years	P24.00	P20.00
2 nd	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
3 rd	2012	2.00%	28.74%	3.60%	3-4 years	105.00	105.00

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 under "General and administrative expenses" account amounted to P150.4 million, P77.0 million and P73.6 million in 2013, 2012 and 2011, respectively.¹¹

Source: 2013 JFC Annual Report

Complete the following table, on the member of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Minor amendments in the Stock Option Plan were submitted to the Philippine Stock Exchange and the Securities and Exchange Commission.

¹¹ See Note 22 of the Audited Financial Statements. Please note that the Plan Rules has been further amended on June 27 and December 19, 2014.

Incentive Program	Amendments	Date of Approval
Senior Management Stock Option and Incentive Plan		June 27, 2014
		December 19, 2014

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Members of the top management who are not executive directors are Ysmael V. Baysa, Vice President – Finance, Chief Finance Officer and Compliance Officer and Daniel Rafael Ramon Z. Gomez, Chief Marketing Officer. Please refer to Item D(3) for information on remuneration.

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NEO)	Independent Director (IO)				
Executive (5)	4	1	-		The Executive Committee may act on specific matters within the competence of the Board as may be delegated to it by the Board from time to time. (Source: Section 10, Article IV, By-Laws)		
Audit (4)	1	1	2	Y	The Audit Committee shall have the following functions: (1) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; (2) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks, including receipt of information on risk exposures and risk management activities; (3) Perform		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
					oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions; (4) Review the internal audit plan, including audit scope, resources and budget necessary to implement it, to ensure its conformity with the Company's objectives; (5) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit; (6) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security; (7) Review the reports submitted by Internal and External Auditors; (8) Review the quarterly and annual financial statements before their submission to the Board with particular focus on the following matters: (a) Any change/s in accounting policies and practices; (b) Major judgmental areas; (c) Significant adjustments resulting from the audit; (d) Going concern assumptions; (e) Compliance with accounting standards; and (f) Compliance with tax, legal and regulatory requirements; (9) Coordinate,		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
					monitor and facilitate compliance with laws, rules and regulations; (10) Evaluate and determine the Non-Audit Work, if any, of External Auditor, and review periodically the non-audit fees paid to External Auditor. The Audit Committee shall disallow any non-audit work that will conflict with the primary duties of the External Auditor or may pose a threat to the External Auditor's independence; and (11) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Audit Committee shall ensure that in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties. (Source: Article IV(G)(3), Manual of Corporate Governance, as amended on June 27, 2014)		
Nomination (5)	3	1	1	Y	The functions of the Nomination Committee shall be as follows: (1) Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and/or disqualifications as described in this Manual, the Company's By-Laws, and applicable laws; (2) Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require the Board's approval; (3) Provide assessment on the Board's effectiveness in directing the process of electing		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
					and replacing directors; (4) Recommend to the Board any changes or addition to the role, duties and responsibilities of the Chief Executive Officer, by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times; and (5) Carry out such other duties as may be delegated to it by the Board of Directors from time to time. (Source: Article 4(G)(1), Manual of Corporate Governance, as amended on June 27, 2014)		
Compensation (5)	2	2	1	Y	The functions of the Compensation Committee shall be as follows: (1) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment; (2) Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully; (3) Carry out such other duties as may be delegated to it by the Board of Directors from time to time. (Source: Article		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
					4(G)(2), Manual of Corporate Governance, as amended on June 27, 2014)		
Others (specify)							

2) Committee Members

(a) Executive Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Tony Tan Caktiong	June 2014	13	13	100%	2009 to present
Member (ED)	Ernesto Tanniantiong	June 2014	13	13	100%	2009 to present
Member (ED)	William Tan Untiong	June 2014	13	13	100%	2009 to present
Member (ED)	Joseph C. Tanbuntiong	June 2014	13	13	100%	2013 to present
Member (NED)	Ret. Chief Justice Artemio Panganiban	June 2014	13	13	100%	2012 to present

(b) Audit Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Monico V. Jacob	June 2014	6	5	83%	Since start of Committee
Member (ED)	William Tan Untiong	June 2014	6	4	67%	Since start of Committee
Member (NED)	Antonio Chua Poe Eng	June 2014	6	6	100%	Since start of Committee
Member (ID)	Cezar P. Consing	June 2014	6	5	83%	1 year

Disclose the profile or qualifications of the Audit Committee members.

MONICO V. JACOB

Mr. Jacob, born in 1945, 69, 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 chair of the Audit Committee.

Other directorships are:

Independent Director	2 Go Group, Inc. (formerly Aboitiz Transport Systems, Inc.)
Director	Advent Capital and Finance Corporation
Director	Anvaya Cove Beach and Nature Club
Director	Asian Terminals, Inc.
Director	Ateneo de Naga University
Director	Century Properties, Inc.
Director	De Los Santos – STI College
Director	De Los Santos – STI Medical Center
Director	Information and Communications Technology (i-Academy), Inc.
Independent Director	Negros Navigation Co., Inc.
Director	Philippine Health Educators, Inc.
Director	Phoenix Petroleum Philippines, Inc.
Director	UNLAD Resources Development Corporation

WILLIAM TAN UNTIONG

Mr. Tan Untiong, born in 1953, 61, 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.

Other directorships are:

Director	Fresh N'Famous Foods, Inc.
Director	Mang Inasal Phils., Inc.
Director	Coffeelap Corporation ¹²
Director	BK Titans, Inc.
Director	RRB Holdings, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	Grandworth Resources Corporation
Director	Zenith Foods Corp.
Director	Doubledragon Properties Corp.
Director	Honeystar Holding Corporation
Director	Chanceux, Inc.
Director	Honeybee Foods Corp.
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	Adgraphix, Inc.
Director	Belmont Enterprises Ventures Ltd.
Director	Golden Plate Pte. Ltd.
Director	Jollibee (China) Food & Beverage Management Co. Ltd.
Director	Shanghai Yong He King 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	Shenzhen Yong He King Food and Beverage Co. Ltd.
Director	Wuhan Yonghe King Food and Beverage Co. Ltd.
Director	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	WJ Investments Limited
Member	Jollibee Group Foundation, Inc.
Director	JC Properties & Ventures Corporation
Director	Jolimart Corporation
Director	Melroguards Security Agency Corp.
Director	Honeyworth Corporation
Director	Mainspring Resources Corporation
Director	Queenbee Resources Corporation
Director	Zenith Foods Corporation
Director	Antares Holdings, Inc.
Director	Hyper Dynamic Corporation
Director	Kingsworth Corporation
Director	Honeysea Corporation

ANTONIO CHUA POE ENG

Mr. Chua Poe Eng, born in 1948, 66, 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

CEZAR P. CONSING

Mr. Consing, born in 1960, 55, 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.

Mr. Consing is the president of the Bank of the Philippine Islands. Previous to this, Mr. Consing was a partner with The Rohatyn Group, a New York-based investment management company, and was an investment banker with J.P. Morgan & Co. from 1985 to 2004.

Other directorships are:

Director	Bank of the Philippine Islands
Director	First Gen Corporation

(Source: 2013 JFC Annual Report)

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee shall, among others:

- (a) Perform oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions;
- (b) Review the reports submitted by Internal and External Auditors;
- (c) Evaluate and determine the Non-Audit Work, if any, of External Auditor, and review periodically the non-audit fees paid to External Auditor. The Audit Committee shall disallow any non-audit work that will conflict with the primary duties of the External Auditor or may pose a threat to the External Auditor's independence. (Source: Article IV(G)(3), Manual of Corporate Governance, as amended on June 27, 2014)

(c) Nomination Committee

No meeting was held by the Nomination Committee for the year 2014.

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Ret. Chief Justice Artemio Panganiban	June 2014	none			2 years
Member (ED)	Tony Tan Caktiong	June 2014				5 months
Member (ED)	Ernesto Tanmantiong	June 2014				2 years
Member (ED)	William Tan Untiong	June 2014				6 months
Member (NEO)	Monico V. Jacob	June 2014				1 year

(d) Compensation Committee

No meeting was held by the Compensation Committee for the year 2014.

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Tony Tan Caktiong	June 2014	none			1 year
Member (ED)	Joseph Tanbuntiong	June 2014				1 year
Member (NED)	Ret. Chief Justice Artemio V. Panganiban	June 2014				2 years
Member (NED)	Ang Cho Sit	June 2014				6 months
Member (ID)	Cezar P. Consing	June 2014				1 year

(e) Finance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	none	
Audit	none	
Nomination	Addition of Mr. Tan Caktiong and Mr. Tan Unhiong	Replace Mr. Ang Cho Sit
Remuneration/Compensation	Addition of Mr. Ang Cho Sit	
Others (specify)		

4) Work Done and Issues Addressed

Name of Committee	Work Done	Issues Addressed
Executive	Approval of matters delegated by the Board of Directors	
Audit	Approval of audited financial statements and quarterly results; recommendation for approval to the Board of Directors of audited financial statements and quarterly results.	
Nomination	Submitted list of final candidates to the Board of Directors to the Corporate Secretary.	
Remuneration	Reviewed the Company's Stock Option Plan	
Others (specify)		

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Each committee performs the functions set out in the Company's By-laws and Manual of Corporate Governance. In the performance of such functions, each Committee examines applicable risks, discusses issues and proposes (and implements, as necessary) improvements to the policies and processes.

Name of Committee	Planned Programs	Issues to be Addressed
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- Overall risk management philosophy of the company;
- A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof.
- Period covered by the review;
- How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

- (e) Where no review was conducted during the year, an explanation why not.

The Company and its subsidiaries, in global growth and expansion, requires a comprehensive approach to corporate risk management that promotes extensive strategic thinking and analysis, while fundamentally integrating and maintaining highest ethical standards in the company's core values and beliefs. Risk management will provide the organization with the superior capabilities to identify, assess and manage the risks and enable the organization and its employees at all levels to better understand and manage 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.

JFC directors and management periodically review the effectiveness of the Company's risk management system. (Source: 2014 JFC Definitive Information Statement)

The implementing policies of the Manual of Corporate Governance also provide that the comprehensive risk assessment shall be conducted at least once every 2 years by the Finance Committee of the Board of Directors. The findings shall be presented to the CEO and the Board.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Directors and Officers	Respect, integrity and safety for employees, customers and stakeholders	To protect directors, officers and employees of the Company
Assets	Safeguard assets of the Company including loss of income for a specific time	To avoid catastrophic losses that would affect the Company
Third Party Liability	Maintain good rapport and brand name with third parties	To protect the company and its brands against legal claims of third parties

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing, the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit Risk – the risk that a customer or counterparty fails to fulfill its contractual obligations to the Jollibee Group. This includes risks of non-payment by borrowers and issuers, failed settlement of transactions and default on outstanding contracts.	The Jollibee Group has a very strict credit policy. Its credit transactions are only with franchisees that have gone through rigorous screening before granting them the franchise. The credit terms are very short, deposits and advance payments are also required before rendering the service or delivering the goods. In cases of defaults of debtors, the exposure is	To mitigate the risk of non-collection from customers or counterparties.

Risk Exposure	Risk Management Policy	Objective
	contained as transactions that will increase the exposure of the Jollibee Group are not permitted. The Jollibee Group has no significant concentration of credit risk with counterparty since it has short credit terms to franchisees, which it implements consistently. In addition, the Jollibee Group's franchise profile is such that no single franchisee accounts for a significant portion of the total systemwide sales of the Jollibee Group. 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 maximum exposure equal to the carrying amount of these instruments. The credit quality of financial assets is managed by the Jollibee Group using internal credit ratings.	
Liquidity Risk – the risk that the Jollibee Group's financial liabilities are not serviced in a timely manner and that its working capital requirements and planned capital expenditures are not met.	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. 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.	To ensure sufficient liquidity levels – financial liabilities are serviced in a timely manner and working capital requirements and planned capital expenditures are met.
Foreign Currency Risk – arises from the Jollibee Group's investments outside the Philippines, which are mainly in PRC and USA.	While the foreign businesses have been rapidly growing, the total exposure to foreign currency risk of the Jollibee Group is still not significant. The Jollibee Group also has transactional foreign currency exposures. Such exposure arises from the Jollibee Group's Philippine operation's cash and cash equivalents, receivables and long-term debt in foreign currencies.	
Interest Rate Risk	The Jollibee Group is not exposed to significant interest rate risk as majority of its interest-bearing short-term and long-term debts bear fixed interest rates.	
Equity Price Risk	The Jollibee Group is not exposed to significant equity price risk on its investments in quoted equity securities consisting of investments in club shares and shares of public utility companies.	

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power

Risk to Minority Shareholders

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Action Taken)
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.
Third Party Liability	Regular audit/evaluation of sites based on food, service and cleanliness (FSC) standards	Emergency response procedures in the sites in case of third party claims. The Company has third party liability insurance for all sites.
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Action Taken)
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.
Third Party Liability	Regular audit/evaluation of sites based on food, service and cleanliness (FSC) standards	Emergency response procedures in the sites in case of third party claims. The Company has third party liability insurance for all sites.

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Various divisions, including but not limited to Finance and Comptrollership, detail and supervise the implementation of control mechanisms.

Committee/Unit	Control Mechanism	Details of its Functions

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

The Company's internal control system covers all the policies and procedures, systems and processes that ensure the effectiveness and efficiency of the Company's operations, reliability of its financial reporting and compliance with laws and regulation. The Board of Directors sets the general policies and management is responsible for the design, implementation and maintenance of the internal control system of the company. The Board, through its Audit Committee oversees the actions of Management and monitors the effectiveness of the internal control system put in place by Management. Recommendations are provided by Management, the Board, Internal Audit, Risk and Compliance functions, to address certain issues and concerns of the Company.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The Chief Internal Auditor reports to the Audit Committee on the procedures performed by Internal Audit in evaluating the internal control system of the Company that include its policies, procedures and processes. The Audit Committee reports to the Board the results of the audits conducted by the internal and external auditors.

(c) Period covered by the review;

From the date of the last report.

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The scope and frequency of the review of internal controls are conducted in accordance with the annual audit plan approved by the Audit Committee. Regular meetings to discuss the audit results (at least quarterly) are held between the Audit Committee and Internal Audit.

(e) Where no review was conducted during the year, an explanation why not. N/A

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting Process
Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.	JFC and subsidiaries	In-house	Anastacia S. Masancay / SGV & Co.	Internal Audit reports quarterly to the Audit Committee before the Committee endorses to the Board the release of the quarterly financial statements
Review the internal control system to check compliance with policies, procedures, plans, laws and regulations and to check the economy and efficiency with which resources are employed.	Critical Processes and systems indicated in the approved annual internal audit plan	Co-source	Anastacia S. Masancay / Various accredited Service Providers	Internal Audit reports the audit results to the Audit Committee at least quarterly. Special meetings may be held for matters which require immediate attention of the Committee.
Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.		In-house	Anastacia S. Masancay	

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting/auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee? YES.
- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Audit Committee has oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions. (Source: Article IV(G)(3), Manual of Corporate Governance as amended on June 27, 2014)

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
Susana Reyes	Transfer
Joy Bautista	Transfer
Ronald Chris Robles	Transfer
Carlo Manguiat	Other employment opportunity
Joanna Marie Aquino	Other employment opportunity
Ana Dominique Sierra	Other employment opportunity
Gina Badong	Other employment opportunity

- (e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	90% of the 2013 approved audit plan was completed. In addition to the audit areas specified in the approved audit plan, 2 audit requests were completed.
Issues ¹³	No critical issues were noted.
Findings ¹⁴	No critical issues were noted.
Examination Trends	Average audit rating of company-owned and franchise stores improved across all subsidiaries where compliance audits were conducted. The improvement in the compliance of stores was reflected in the reduction in underpayment of royalty by the franchisees.

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "implementation."

Policies & Procedures	Implementation
1. Risk-based audit planning should be improved to enhance the prioritization of audit activity and to ensure alignment of audit activity with the Company's goal.	Implemented
2. Audit process should be streamlined to improve turn-around-time of audit projects.	Implemented
3. Continuous auditing aided by technology should be established in identified areas.	Implemented

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for the transactions, limitations on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The auditors report directly to the Board of Directors through the Audit Committee and are not involved in the day to day operation of the company.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		
Restriction on trading in the company's shares 2 trading days before and after any disclosure to the public.			
Limitation on the non-audit services that the external auditors provide to the company.			

¹³ "Issues" are compliance matters that arise from adopting different interpretations.

¹⁴ "Findings" are those with concrete basis under the company's policies and rules.

- (h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The Corporate Secretary and Compliance Officer have signed this Report.

H. ROLE OF STAKEHOLDERS

- 1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	Quick-service restaurants like those maintained by the Company are expected to maintain high quality in terms of food, service and cleanliness ("FSC"). (Source: 2013 JFC Annual Report)	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. (Source: 2013 JFC Annual Report)
Supplier/contractor selection practice	Economies of scale allow the Company to avail of low purchase costs from local and foreign suppliers, leveraged on sustained volume growth and reliable credit handling. (Source: 2013 JFC Annual Report)	JFC follows an accreditation process for suppliers. (Source: 2013 JFC Annual Report)
Environmentally friendly value-chain	The Company takes reasonable efforts to comply with environmental laws and regulations. Strict compliance with environmental laws would entail substantial capital investment for the Company. (Source: 2013 JFC Annual Report)	The Company has continuing efforts to ensure compliance with environmental laws and regulations. The Company will spend, on the average, PhP1,000,000.00 per store to retrofit each store with a Wastewater Treatment Facility ("WWTF"). Additionally, operation expenses is pegged at PhP10,000.00 per month to maintain the WWTF. (Source: 2013 JFC Annual Report)
Community interaction	The Company's corporate social responsibility efforts are coursed through, and spearheaded by, the Jollibee Group Foundation, Inc. (Source: 2013 JFC Annual Report)	Among the projects of the Jollibee Group Foundation, Inc. are the (1) Busog, Lusog, Talino School Feeding Program, (2) Farmer Entrepreneurship Program, and (3) Jollibee Group FoodAID Program (Source: 2013 JFC Annual Report)
Anti-corruption programmes and procedures		
Safeguarding creditor's rights		

- 2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

The Company's corporate social responsibility efforts are spearheaded by the Jollibee Group Foundation, Inc. The Foundation's activities are detailed in the Annual Report.

- 3) Performance-enhancing mechanisms for employee participation.

- (a) What are the company's policy for its employees' safety, health, and welfare?

Employees are provided with all benefits required under the law. The Company also provides other benefits like a healthcare provider.

(b) Show data relating to health, safety and welfare of its employees.

(c) State the company's training and development programmes for its employees. Show the data.

Employees are required to undergo internal training. The Company offers internal trainings on various topics. External training, when related to an employee's functions, is also encouraged.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

The Company provides for performance-based rewards to its employees.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

The Company has a Code of Business Ethics which includes a procedure for reporting possible violations. The process protects the anonymity of the reporting party and guarantees protection from retaliation. All information is kept strictly confidential.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Non-Filipino)	312,031,411	29.65%	
Hyper Dynamic Corporation	273,218,750	25.96%	
Honeysea Corporation	127,743,747	12.14%	
PCD Nominee Corporation (Filipino)	87,863,453	8.35%	
Winall Holding Corporation	54,140,736	5.14%	

(Source: 2013 JFC Annual Report)

Name of Senior Management ¹⁵ (Corporate Officers)	Number of Direct shares	Number of Indirect shares/Through (name of record owner)	% of Capital Stock
Tony Tan Caktiong	8,254,565	740,000	0.90%
Ernesto Tanmantiong	4,478,951	457,019	0.50%
William Tan Untiong	6,937,054	279,667	0.70%
Joseph Tanbuntiong	37,630	n/a	0.00%
Ang Cho Sit	11	n/a	0.00%
Antonio Chua Poe Eng	1	2,713,815	0.30%
Ret. CJ Artemio V. Panganiban	1	n/a	0.00%
Monico V. Jacob	100	n/a	0.00%
Cesar P. Consing	1	n/a	0.00%
Ysmael V. Baysa	511,667	n/a	0.00%
Daniel Rafael Ramon Z. Gomez	0	0	0.0%
Valerie F. Amante	0	0	0.00%
TOTAL	20,219,981	4,190,501	2.40%

(Source: 2013 JFC Annual Report)

2) Does the Annual Report disclose the following:

Key risks	YES
Corporate objectives	YES
Financial performance indicators	YES
Non-financial performance indicators	YES
Dividend policy	NO, but the dividend policy is disclosed in the 2014 JFC Information Statement.
Details of whistle-blowing policy	NO
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	YES
Training and/or continuing education programme attended by each director/commissioner	NO
Number of board of directors/commissioners meetings held during the year	NO, but attendance in board meetings is disclosed in the 2014 JFC Information Statement.
Attendance details of each director/commissioner in respect of meetings held	NO, but attendance in board meetings is disclosed in the 2014 JFC Information Statement. Attendance in board meetings was also disclosed to the Securities and Exchange Commission.
Details of remuneration of the CEO and each member of the board of directors/commissioners	YES

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

¹⁵

The list includes Corporate Officers, as identified by the Company and disclosed in the 2013 JFC Annual Report.

3) External Auditor's Fee

Name of Auditor	Audit Fee	Non-audit Fee
SyCip Gorres Velayo & Co.	Approximately PHP18.6 Million	None

Source: 2014 JFC Information Statement

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

Information is disseminated through ordinary, registered and electronic mail.

5) Date of release of audited financial report: April 11, 2014

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	YES
Financial statements/reports (current and prior years)	YES
Materials provided in briefings to analysts and media	YES
Shareholding structure	NO, but copies of the Annual Report (which contains this information) is available upon request and free of charge.
Group corporate structure	NO, but copies of the Annual Report (which contains this information) is available upon request and free of charge.
Downloadable annual report	NO, but copies of the Annual Report (which contains this information) is available upon request and free of charge.
Notice of AGM and/or EGM	NO.
Company's constitution (company's by-laws, memorandum and articles of association)	NO.

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

Tony Tan Caktiong, Ernesto Tanmantiong, William Tan Untiong and Joseph Tanbunliong 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 and William Tan Untiong. Antonio Chua Poe Eng is the brother-in-law of Tony Tan Caktiong, Ernesto Tanmantiong and William Tan Untiong. 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 an arms' length basis and on terms similar to those granted to other franchisees. (Source: 2013 JFC Annual Report)

RPT	Relationship	Nature	Value

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

Related party transactions are addressed through discussions and on a case-to-case basis.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	A majority of the subscribed capital, present in person or presented by proxy shall be the required at every meeting to constitute a quorum for the election of directors and for the transaction of any business whatever except in those cases in which the Corporation Code requires the affirmative vote of a greater proportion. (As amended on December 1992) In the absence of quorum, any officer entitled to preside or act as Secretary of such meeting, shall have the power to adjourn the meeting from time to time until stockholders holding the requisite number of stock shall be present or represented. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called. (As amended on December 4, 1992) (Source: Section 3, Article III, By-Laws)

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	At each meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy, all shares of stock held by him which have voting power upon any matter duly raised in such meeting. The votes for the election of directors, as well as the votes upon any question raised before the meeting, except with respect to procedural questions which may be determined by the chairman of the meeting, shall be by viva voce or show of hands, except when written balloting shall be requested by any stockholder. (As amended on December 4, 1992). (Source: Section 10, Article III, By-Laws)
Description	Stockholders may vote in person or by proxy.

(c) Stockholders' Rights

Stockholders' Right under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Right to vote on all matters that require consent and approval.	
Power of Inspection	
Right to Information	
Right to Dividends	
Appraisal Right	

Dividends

Declaration Date	Record Date	Payment Date
April 7, 2014	May 8, 2014	May 30, 2014
November 12, 2014	November 27, 2014	December 18, 2014

*for the year 2014

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the view of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Inquiries, suggestions, comments and any communication from stockholders may be coursed through the Company's Investor Relations Group or Legal Division.	Recipient of the information shall address the inquiry or comment, or relay such inquiry or comment to the proper person or group.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
- Amendments to the company's constitution
 - Authorization of additional shares
 - Transfer of all or substantially all assets, which in effect results in the sale of the company

Stockholder approval is required to amend the Company's Articles of Incorporation, an increase in the outstanding capital stock of the Company, and the sale of all or substantially all assets of the Company, following the Corporation Code.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

a. Date of sending out notices: Notices were sent on June 6, 2014

b. Date of the Annual/Stockholders' Meeting: June 27, 2014

4. State, if any, question and answers during the Annual/Special Stockholders' Meeting.

There were no questions raised during the Annual Stockholders' Meeting.

5. Result of Annual/Special Stockholders' Meetings Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval of the 2013 Annual Report and Audited Financial Statements	803,311,069	None	None
Ratification of Actions Taken by the Board of Directors and Management since the 2013 Annual Stockholders Meeting	813,900,539	None	None
Election of Directors	814,006,169	None	None
Appointment of External Auditors	809,649,429	None	None

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

A disclosure was submitted to the Philippines Stock Exchange immediately after the Annual Stockholders' Meeting on June 27, 2014.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

There were no modifications made in the regulations.

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board Members/ Officers present	Date of Meeting	Voting Procedure (by poll, show of Hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Tony Tan Caktiong Ernesto Tanmantiong William Tan Untiong Joseph Tanbuntiong Ang Cho Sit Antonio Chua Poe Eng Ret. CJ Artemio V. Panganiban	June 27, 2014	The Corporate Secretary was directed to cast all votes in favor of each of the proposed resolutions and after a discussion thereof. There were no objections registered.			

(ii) Does the company appoint in independent party (inspectors) to count and/or validate the votes at the ASM/SSMSs?

The Company appoints SyCip Gorres Velayo & Co. to count and/or validate the votes.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Each common share is entitled to one vote.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

Company's Policies	
Execution and acceptance of proxies	A stockholder may attend the meeting by submitting a duly-accomplished proxy substantially in the form attached hereto which must be received by the Corporate Secretary not later than ten (10) days before the meeting ("Cut-Off Date"). Proxies received after Cut-Off Date shall not be recognized for this meeting. Proxies duly received by the Corporate Secretary on or before Cut-Off Date shall be recognized for the meeting unless revoked by personal appearance of the stockholder or by a later proxy received on or before Cut-Off Date. (Source: Section 2, Article III, By-Laws)
Notary	Proxies need not be notarized.
Submission of Proxy	Proxies must be submitted at least 10 days before the meeting. (Source: Section 2, Article III, By-Laws)
Several Proxies	There are no policies on multiple proxies.
Validity of Proxy	The proxy is valid only for the specific meeting.
Proxies executed abroad	Proxies executed abroad are accepted.

	Company's Policies
Invalidated Proxy	There are no policies on invalidated proxies.
Validation of Proxy	There are no policies on validation of proxies.
Violation of Proxy	There are no policies on violations proxies.

(h) Sending Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting

Policies	Procedure
Except as otherwise provided by law, written or printed notice of all annual meetings of stockholders, stating the place and time of the meeting and, if necessary, the general nature of the business to be considered shall be transmitted by personal delivery, mail, telegraph, facsimile or cable to each stockholders of record entitled to vote thereat at his address last known to the Secretary of the Corporation at least twenty (20) days before the date of the meeting. Except where expressly required by law, no publication of any notice of annual meeting of stockholders shall be required. If any stockholder shall, in person or by attorney-in-fact thereunto authorized, in writing, or by telegraph, cable, or facsimile, waive notice of any meeting, whether before or after the holding of such meeting, notice thereof need not be given to him. Notice of any adjourned meeting of the stockholders shall not be required to be given, except when expressly required by law. (As amended on December 4, 1992). (Source: Section 5, Article III, By-Laws)	The notice of annual stockholders' meeting, along with a copy of the Company's Annual Report and Definitive Information Statement, is sent to stockholders of record at least twenty (20) days before the date of the meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All stockholders of record as of the Record Date set by the Board of Directors shall be provided with the notice of annual stockholders' meeting, along with a copy of the Company's Annual Report and Definitive Information Statement.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 6, 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	June 6, 2014
State whether CD format or hard copies were distributed	Annual Report – CD Format (hard copies are provided upon request) Information Statement – CD Format
If yes, indicate whether requesting stockholders were provided hard copies	Yes. Hard copies of the Information Statement were provided to requesting stockholders.

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	YES
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	NO, as these are indicated in the Definitive Information Statement provided with the Notice.
The auditors to be appointed or re-appointed.	ND, as this is indicated in the Definitive Information Statement provided with the Notice.
An explanation of the dividend policy, if any dividend is to be declared.	ND. The dividend policy was later on included in the 2014 Definitive Information Statement.

The amount payable for final dividends.	NO, but these are included in periodic disclosures on dividend declaration.
Documents required for proxy vote.	YES.

Should any of the foregoing information be not disclosed, please indicated the reason therefor.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Right to vote on all matters that require their consent or approval;	Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code of the Philippines. Cumulative voting shall be used in the election of directors. A director shall not be removed without cause If it will deny minority stockholders representation in the Board of Directors.
Power of inspection	A stockholder may inspect corporate books and records in accordance with the Corporation Code and only for a legitimate purpose and during reasonable office hours and at no cost to the Company. The annual reports, including financial statements, to be provided by the Company to its stockholders shall, however, be for the account of the Company.
Right to Information	Upon request, stockholders shall be provided with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the company, relationships among directors and key officers, and the aggregate compensation of directors and officers.
Right to Dividends	Stockholders shall have the right to receive dividends subject to the discretion of the Board. The company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the board; or (b) when the company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.
Appraisal Right	The stockholders shall have the appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances: 1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence. 2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and 3. In case of merger and consolidation. Stockholders shall be encouraged to personally attend the annual stockholders' meeting and any special meeting that may be called. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy, subject to the requirements of the Company's By-laws. it shall be duty of the directors to promote stockholders' rights, remove impediments to the exercise of stockholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of stockholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to stockholders participating in meetings and/or voting in person or by proxy. Accurate and timely information shall be made available to stockholders to

	enable them to make a sound judgment on all matters brought to their consideration or approval

(Source: Article VII, Manual of Corporate Governance, as amended on June 27, 2014)

- (b) Do minority stockholders have a right to nominate candidates for board of directors?

YES, subject to the submission of nominees to the Nomination Committee.

K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

All internal and external communications are prepared in consultation with the relevant internal groups, including Finance, Human Resources and Legal. The Company's Chief Finance Officer and its Corporate Legal Counsel sign all disclosures made to the public.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	JFC, through its Investor Relations Group, seeks to provide its stakeholders with information necessary to make informed decisions about our Company and security. It manages relationships with investors and analysts as well as with regulatory bodies that oversee the financial markets. The department also interfaces with the organization's senior management for the purpose of sharing market insights and investor feedback.
(2) Principles	- JFC's disclosure practices are designed to give all investors and analysts fair access to information. The Company complies with all security regulations of the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC). - JFC will always report its financial results and material developments to the PSE and the SEC, its shareholders and other stakeholders in an open and comprehensive manner. - JFC will provide reasonable access to analysts, investors and the media to help them make informed opinions of JFC, but not influencing those opinions and to address reports or questions that they may have about JFC. However, JFC does not share earnings projections and does not provide focused guidance to analysts for the development of their earnings estimates.
(3) Modes of Communications	JFC will have the following communications channel: one-on-one meetings, road shows, phone meetings, Company website/ email. JFC meetings with investors and analysts will not be a forum for sharing non-public information.
(4) Investors Relations Officer	Corazon B. Palomar, Investor Relations Director Investor Relations Department, 14F Jollibee Plaza, No. 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City - Direct Line: 632 6887141

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portion of corporate assets?

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

The Company's corporate social responsibility efforts are coursed through, and spearheaded by, the Jollibee Group Foundation, Inc.

Initiative	Beneficiary
Busog Lusog Talino School Feeding Program	Over 38,000 school-age pupils in 177 cities and municipalities in the Philippines.
Farmer Entrepreneurship Program	Over 900 smallholder farmers from 22 cities and municipalities in the Philippines.
Jollibee Group FoodAID Program	Disaster-stricken communities in the Philippines

*For the year 2014

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
Board of Committees	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
Individual Directors	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
CEO/President	The Company conducts an individual performance appraisal, and an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

The following penalties shall be imposed after notice and hearing on the Company's directors, officers and staff in case of violation of the Company's Manual of Corporate Governance:

Violations	Sanctions
First Violation	Reprimand
Second Violation	Suspension
Third Violation	Removal from office Director – removal from directorship

(Source: Article XII, Manual of Corporate Governance, as amended on June 27, 2014)

SECRETARY'S CERTIFICATE

I, VALERIE FERLA AMANTE, Filipino, of legal age and with office address at the Jollibee Food Corporation, 10th Floor, Emerald Avenue, Pasig City, being the duly appointed Assistant Corporate Secretary of JOLIBEE FOODS CORPORATION (the "Corporation"), a corporation duly organized and existing under Philippine law, with business address at Jollibee Plaza Bldg., Emerald Avenue, Pasig City, do hereby certify that:

- Under Section 10.2 of the Corporation's Senior Management Stock Option and Incentive Plan (the "Plan"), "The Board may, in its discretion, amend or modify the Plan of duly provided therein provided any such amendment shall not prejudice any rights already vested or any privilege already exercised."

During its meeting on June 27, 2014, upon the recommendation of the Corporation's Compensation Committee, the Board of Directors duly approved the proposed amendments to the Plan. A copy of the Plan as amended is attached hereto as Annex A.

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

IN WITNESS WHEREOF, I have hereunto set my hand this JUL 18 2014 at Pasig City.

VALERIE FERLA AMANTE
Assistant 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
Valerie Ferla Amante	SSS ID: 07-116925-1	

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 JUL 18 2014.

Notary Seal
Notary No. _____
Book No. _____
Series of 2014

ANGELINE L. CHONG
Notary Public - Pasig City
Until December 31, 2015
Attorney's Roll No. 54490
Appointment No. 6
PRC No. 4990946; 01/13/14; Pasig City
RSM No. 958344; 01-15-14; RSM
Jollibee Plaza, 10th F., Ortigas Jr. Avenue
Cargos Center, Pasig City 1605
A.C.S. Compliance No. 14-0009764;
11/12/12; Pasig City

SECRETARY'S CERTIFICATE

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

1. The Compensation Committee of the Board of Directors of the Corporation is duly authorized to "promulgate, amend, modify and rescind rules and regulations relating to the implementation, administration and maintenance of the Senior Management Stock Option and Incentive Plan (hereinafter, the "Stock Option Plan") as stated in subparagraph 1.2 of paragraph 3 of the Stock Option Plan.
2. The Compensation Committee of the Board of Directors duly approved the proposed revisions to the Stock Option Plan on December 19, 2014. A copy of the revised Stock Option Plan is attached hereto as Annex A (with revisions underscored for easy reference).
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 DEC 23 2014 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:

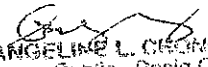
Name	Competent Evidence of Identity	Place/Date of Issue
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

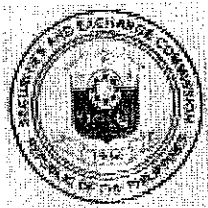
who is personally known to me to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

DEC 23 2014

Witness my hand and seal this _____

Doc. No. 382 ;
Page No. 28 ;
Book No. 2 ;
Series of 2014 .


ANGELINA L. CHIONG
Notary Public - Pasig City
Until December 31, 2015
Attorney's Roll No. 54480
Appointment No. 6
PTR No. 4990946; 01/13/14; Pasig City
IBP No. 958344; 01-15-14; RSM
14/F Jollibee Plaza, 10 F. Ortigas Jr. Avenue
Ortigas Center, Pasig City 1005
MCLE Compliance No. IV-0005764;
11/12/12; Pasig City



SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving Branch : SEC Head Office

Receipt Date and Time : January 14, 2015 04:32:59 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 101142015002866

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered January 14, 2015

No. of Days Late	0

Department CFD

Remarks

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)

Contact Person

Company Telephone Number

1 2 3 1

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

TOP 100

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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
Emerald 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)

Top 100 Stockholders
as of December 31, 2014

(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

5/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 January 14, 2015
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:	<u>1,066,790,190</u>

Treasury Shares:	<u>16,447,340</u>

Note: Total common outstanding share of 1,062,507,008 is inclusive of 1,250, 3,334 and 21,000 MSOP shares subject for listing and 4,037,917 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated January 13, 2015)	2,214,809
Shares applied for listing	
Ending balance, as of January 14, 2015	<u>2,214,809</u>
ELTIP Shares:	
Beginning Balance (as of January 13, 2015)	1,957,147
Shares applied for listing	
Ending balance, as of January 14, 2015	<u>1,957,147</u>
TOTAL	<u><u>4,171,956</u></u>

11. Other Events

Please see attached Jollibee Foods Corporation's Top 100 Stockholders as of December 31, 2014

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.

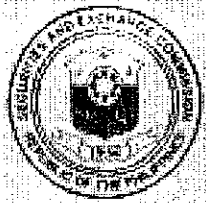
JOLLIBEE FOODS CORPORATION

Registrant



VALERIE F. AMANTE

Vice-President & Corporate Information Officer



101142015002863

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mls@sec.gov.ph

Barcode Page

The following document has been received:

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Receiving Branch : SEC Head Office

Receipt Date and Time : January 14, 2015 04:32:16 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 101142015002863
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered January 14, 2015
No. of Days Late 0
Department CFD
Remarks

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)

Contact Person

Company Telephone Number

1 2 3 1

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Public Ownership Report

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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
Emerald 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)

Public Ownership Report
As of December 31, 2014

(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

5/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 January 14, 2015
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 1605 (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:	<u>1,066,790,190</u>

Treasury Shares:	<u>16,447,340</u>

Note: Total common outstanding share of 1,062,507,008 is inclusive of 1,250, 3,334 and 21,000 MSOP shares subject for listing and 4,037,917 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated January 13, 2015)	2,214,809
Shares applied for listing	-
Ending balance, as of January 14, 2015	<u>2,214,809</u>
ELTIP Shares:	
Beginning Balance (as of January 13, 2015)	1,957,147
Shares applied for listing	-
Ending balance, as of January 14, 2015	<u>1,957,147</u>
TOTAL	<u><u>4,171,956</u></u>

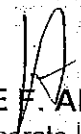
11. Item 9. Other Events

Attached is a copy of the computation of Public Ownership Report as of December 31, 2014.

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 & Corporate Information Officer

Number of Issued Shares (if any) (16,447,340)
Less: Number of Treasury Shares (if any)

Number of Outstanding Shares 1,066,790,190
Less: (A)

	% to Total Outstanding Shares	Number of Shares/ Total Shares net of Treasury	
Directors:			
Tony Tan Caktiong			
Direct	0.77%	8,254,565	
Indirect (thru PCD)	0.07%	740,000	
Ernesto Tanmantiong			
Direct	0.44%	4,743,951	
Indirect (thru PCD)	0.04%	457,019	
William Tan Untiong			
Direct	0.66%	7,013,388	
Indirect (thru PCD)	0.03%	279,667	
Joseph C. Tanbuntiong			
Direct	0.01%	57,630	
Indirect (thru PCD)	0.00%	-	
Ang Cho Sit			
Direct	0.00%	11	
Indirect (thru PCD)	0.00%	-	
Antonio Chua Poe Eng			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Monico Jacob			
Direct	0.00%	100	
Indirect (thru PCD)	0.00%	-	
Cezar Consing			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Artemio Panganiban			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	21,546,334
Officers:			
Tony Tan Caktiong - President			
Ernesto Tanmantiong - Treasurer			
William Tan Untiong - Corporate Secretary			
Principal Stockholders:			
Hyper Dynamic	25.61%	273,218,750	
Direct			
Indirect (thru PCD)			
Honeysea Corporation			
Direct	11.97%	127,743,747	
Indirect (thru PCD)			400,962,497
Affiliates:			
Winall Holding Corporation			
Direct	5.08%	54,140,736	
Indirect (thru PCD)	0.00%	-	
Honeyworth Corporation			
Direct	3.64%	38,857,446	
Indirect (thru PCD)	0.09%	926,147	
Kingsworth Corporation			
Direct	2.73%	29,168,935	
Indirect (thru PCD)	0.00%	-	
Centregold Corporation			
Direct	2.57%	27,430,964	
Indirect (thru PCD)	0.00%	-	
A-Star Holding Corporation			
Direct	1.59%	16,920,393	
Indirect (thru PCD)	0.00%	-	
Venice Corporation			
Direct	1.63%	17,423,735	
Indirect (thru PCD)	0.00%	-	
Longshore Corporation			
Direct	0.49%	5,260,184	
Indirect (thru PCD)	0.00%	-	190,128,540
Others:			
Government			
Banks			
Employees	0.00%		
Jollibee Retirement Fund	0.02%	175,110	
Jollibee Stock Incentive Plan - MSOP	0.21%	2,219,366	
Jollibee Stock Incentive Plan - ELTIP	0.19%	1,987,147	
Lock-Up Shares			4,381,623
TOTAL	57.84%		617,018,994
TOTAL NUMBER OF SHARES OUTSTANDING	47.16%		449,771,196

Number of Issued Shares (if any)	1,083,237,530
Less: Number of Treasury Shares (if any)	(16,447,340)

Number of Outstanding Shares	1,066,790,190
Less:	(A)

	% to Total Outstanding Shares	Number of Shares/ Total Shares net of Treasury	
Directors:			
Tony Tan Caktiong			
Direct	0.77%	8,254,565	
Indirect (thru PCD)	0.07%	740,000	
Ernesto Tanmantiong			
Direct	0.44%	4,743,951	
Indirect (thru PCD)	0.04%	457,019	
William Tan Untiong			
Direct	0.66%	7,013,388	
Indirect (thru PCD)	0.03%	279,667	
Joseph C. Tanbuntiong			
Direct	0.01%	57,630	
Indirect (thru PCD)	0.00%	-	
Ang Cho Sit			
Direct	0.00%	11	
Indirect (thru PCD)	0.00%	-	
Antonio Chua Poe Eng			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Monico Jacob			
Direct	0.00%	100	
Indirect (thru PCD)	0.00%	-	
Cezar Consing			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Artemio Panganiban			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	11,000	21,557,334
Officers:			
Tony Tan Caktiong - President			
Ernesto Tanmantiong - Treasurer			
William Tan Untiong - Corporate Secretary			
Principal Stockholders:			
Hyper Dynamic	25.61%	273,218,750	
Direct			
Indirect (thru PCD)			
Honeysea Corporation			
Direct	11.97%	127,743,747	
Indirect (thru PCD)			400,962,497
Affiliates:			
Winall Holding Corporation			
Direct	5.08%	54,140,736	
Indirect (thru PCD)	0.00%	-	
Honeyworth Corporation			
Direct	3.64%	38,857,446	
Indirect (thru PCD)	0.09%	926,147	
Kingsworth Corporation			
Direct	2.73%	29,168,935	
Indirect (thru PCD)	0.00%	-	
Centregold Corporation			
Direct	2.57%	27,430,964	
Indirect (thru PCD)	0.00%	-	
A-Star Holding Corporation			
Direct	1.59%	16,920,393	
Indirect (thru PCD)	0.00%	-	
Venice Corporation			
Direct	1.63%	17,423,735	
Indirect (thru PCD)	0.00%	-	
Longshore Corporation			
Direct	0.49%	5,260,184	
Indirect (thru PCD)	0.00%	-	190,128,540
Others:			
Government			
Banks			
Employees	0.00%	-	
Jollibee Retirement Fund	0.02%	175,110	
Jollibee Stock Incentive Plan - MSOP	0.21%	2,219,366	
Jollibee Stock Incentive Plan - ELTIP	0.19%	1,987,147	
Lock-Up Shares			4,381,623
TOTAL	57.84%		617,029,994
TOTAL NUMBER OF SHARES PUBLIC	42.16%		449,760,196



101222015002392

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

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Receiving Branch : SEC Head Office
Receipt Date and Time : January 22, 2015 03:48:35 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 101222015002392
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered January 22, 2015
No. of Days Late 0
Department CFD
Remarks

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)

Contact Person

Company Telephone Number

1 2 3 1

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Amended Public Ownership Report

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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
Emerald 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 Public Ownership Report
As of December 31, 2014
(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

5/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 **January 22, 2015**
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	1,066,790,190
Treasury Shares:	16,447,340

Note: Total common outstanding share of 1,066,790,190 is inclusive of 4,070,290 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated January 20, 2015)	2,213,143
Shares applied for listing	-
Ending balance, as of January 22, 2015	2,213,143
ELTIP Shares:	
Beginning Balance (as of January 20, 2015)	1,857,147
Shares applied for listing	-
Ending balance, as of January 22, 2015	1,857,147
TOTAL	4,070,290

11. Item 9. Other Events

Attached is a copy of the amended computation of Public Ownership Report as of December 3 2014.

SIGNATURE

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

JOLLIBEE FOODS CORPORATION

Registrant



VALERIE F. AMANTE

Vice President & Corporate Information Officer

Number of Issued Shares (if any)	1,083,237,530
Less: Number of Treasury Shares (if any)	(16,447,340)

Number of Outstanding Shares	1,066,790,190
Less:	(A)

	% to Total Outstanding Shares	Number of Shares/ Total Shares net of Treasury	
Directors:			
Tony Tan Caktiong			
Direct	0.77%	8,254,565	
Indirect (thru PCD)	0.07%	740,000	
Ernesto Tanmantiong			
Direct	0.44%	4,743,951	
Indirect (thru PCD)	0.04%	457,019	
William Tan Untiong			
Direct	0.66%	7,013,388	
Indirect (thru PCD)	0.03%	279,667	
Joseph C. Tanbuntiong			
Direct	0.01%	57,630	
Indirect (thru PCD)	0.00%	-	
Ang Cho Sit			
Direct	0.00%	11	
Indirect (thru PCD)	0.00%	-	
Antonio Chua Poe Eng			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Monico Jacob			
Direct	0.00%	100	
Indirect (thru PCD)	0.00%	-	
Cesar Consing			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Artemio Panganiban			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	11,000	21,557,334
Officers:			
Tony Tan Caktiong - President			
Ernesto Tanmantiong - Treasurer			
William Tan Untiong - Corporate Secretary			
Principal Stockholders:			
Hyper Dynamic	25.61%	273,218,750	
Direct			
Indirect (thru PCD)			
Honeysea Corporation			
Direct	11.97%	127,743,747	
Indirect (thru PCD)			400,962,497
Affiliates:			
Winall Holding Corporation			
Direct	5.08%	54,140,735	
Indirect (thru PCD)	0.00%	-	
Honeyworth Corporation			
Direct	3.64%	38,857,446	
Indirect (thru PCD)	0.09%	926,147	
Kingsworth Corporation			
Direct	2.73%	29,168,935	
Indirect (thru PCD)	0.00%	-	
Centregold Corporation			
Direct	2.57%	27,430,964	
Indirect (thru PCD)	0.00%	-	
A-Star Holding Corporation			
Direct	1.59%	16,920,393	
Indirect (thru PCD)	0.00%	-	
Venice Corporation			
Direct	1.53%	17,423,735	
Indirect (thru PCD)	0.00%	-	
Longshore Corporation			
Direct	0.49%	5,260,184	
Indirect (thru PCD)	0.00%	-	190,128,540
Others:			
Government			
Banks			
Employees	0.00%	-	
Jollibee Retirement Fund	0.02%	175,110	
Jollibee Stock Incentive Plan - MSOP	0.21%	2,219,366	
Jollibee Stock Incentive Plan - ELTIP	0.19%	1,987,147	
Lock-Up Shares			4,381,623
TOTAL	57.84%		617,029,994
			449,760,195

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

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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 102232015001976
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered February 23, 2015
No. of Days Late 0
Department CFD
Remarks

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)

Contact Person

Company Telephone Number

1 2 3 1

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

17-C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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

No. 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)

SEC Form 17-C

Press Release

4th Quarter ended December 2014

(Form Type)

(Amendment Designation (If applicable))

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

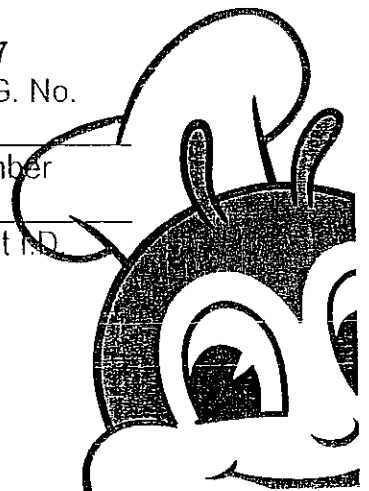
Central Receiving Unit

File Number

Document ID

Jollibee Foods Corporation

5/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 23 February 2015
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, F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY
Address of registrant's principal office

1600
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	<u>1,066,790,190</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,066,790,190 is inclusive of 3,758,912 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated February 16, 2015)	2,003,998
Shares applied for listing	<u>(10,433)</u>
Ending balance, as of February 23, 2015	1,993,565
ELTIP Shares:	
Beginning Balance (as of February 16, 2015)	1,765,347
Shares applied for listing	<u>-</u>
Ending balance, as of February 23, 2015	1,765,347
TOTAL	<u>3,758,912</u>

11. Other Events

Please see attached press release.

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

Vice President – Corporate Finance
and Chief Finance Officer



VALERIE F. AMANTE

Vice-President Corporate Legal
and Information Officer

THE JOLLIBEE GROUP OF COMPANIES

JFC 2014 Profit Rises by 12.7%

Metro Manila, Philippines, February 23, 2015 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the Quarter and Year ended December 31, 2014

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the quarter and year ended December 31, 2014:

Financial Summary	Quarter 4 Ended December 31			Year-to-date Ended December 31		
	2014	2013	% Change	2014	2013	% Change
System Wide Retail Sales	32,425	28,867	12.3%	117,898	104,090	13.3%
Revenues	24,913	22,449	11.0%	90,667	80,283	12.9%
Net Operating Income	1,717	1,996	-14.0%	6,139	5,931	3.5%
Net Income	1,683	1,584	6.2%	5,397	4,723	14.3%
Net Income Attributable to Equity Holders of the Parent Company	1,627	1,547	5.1%	5,267	4,672	12.7%
Earnings Per Common Share - Basic	1.531	1.471	4.1%	4.985	4.450	12.0%
Earnings Per Common Share - Diluted	1.500	1.442	4.0%	4.867	4.360	11.6%

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

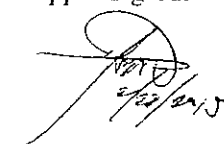
Jollibee Foods Corporation (JFC), the country's largest food service company reported today that its system wide sales in 2014 grew by 13.3% over 2013. The Philippine business grew by 13.2% and the foreign business by 13.7% (Southeast Asia and the Middle East 25.9%, US 12.2% and China 11.1%). System wide sales measure all sales to consumers both from company-owned and franchised stores. For the fourth quarter, JFC's sales rose by 12.3% consisting of a 12.6% growth rate in the Philippines and 11.4% abroad. The sales growth for the year was driven by an 8.0% same store sales growth (for the Philippines and worldwide) and a 5.4% growth in store network. 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 Jollibee Group opened a total of 234 new stores in 2014, of which 169 were in the Philippines and 65 were in foreign operation.

JFC's net income attributable to equity holders of the Parent reached Php5.3 billion in 2014, 12.7% higher than the amount generated in 2013. For the quarter, JFC's net income attributable to equity holders of the Parent increased by 5.1% versus the same quarter last year.

JFC's Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement:

"The raw material cost increases in 2014, averaging 5.4% brought pressure on our profit margins. We made important price adjustments and improved our store and manufacturing expenses during the year. We are now very close to fully covering these cost increases and look forward to the full recovery and improvement in gross profit margins in 2015 through lower cost of energy and more stable raw material prices. We will also offer even better products to our consumers to help ensure our products continue to provide them great value. Our general and administrative expenses also rose significantly --- by 19.5% for the year and 29.1% for the quarter primarily due to the significant increase in the cost of supporting our



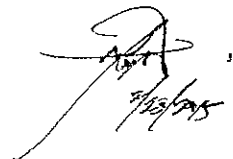
information technology associated with the change in our enterprise platform, and to the fringe benefit tax expense arising from our stock option program for our managers and executives. Excluding these two items, our general and administrative expenses would have risen only by 8.9% for the year and 5.2% for the quarter while operating income would have grown by 16.9% for the year and 9.8% for the quarter. Net income to equity holders of the parent would have grown by 14.3% for the quarter and 15.8% for the year. We view these expense increases as key investments for long term growth and expect these rising overhead costs to be more than offset by higher rates of business growth in the years ahead. Despite these rising costs, our Philippine and foreign businesses made significant improvement in profitability. Our Philippine business achieved a double digit profit growth rate while all foreign regions: the United States, China, the Middle East and Southeast Asia contributed profit to the JFC Group in 2014."

For 2015, JFC plans to invest Php9.1 billion in capital expenditures, 68.5% higher than the Php5.4 billion spending in 2014. Of this amount, Php6.7 billion will be for the Philippines, Php1.7 billion for China and the balance for the US and Southeast Asia and the Middle East. The 2015 capital expenditures will be mostly for the store openings and store renovations in the Philippines and foreign operations, and investments in commissary construction and capacity increase in the Philippines. JFC plans to open about 330 new stores worldwide: 220 in the Philippines and 110 overseas. These investments will be financed by JFC's cash reserves and cash expected to be generated from 2015 operations.

JFC, through its wholly owned subsidiary Jollibee Worldwide Pte. Ltd. (JWPL) also entered into a Joint Venture Agreement with Jasmine Asset Holding Ltd. on December 19, 2014 to operate Dunkin' Donuts restaurants in selected territories in the People's Republic of China.

JFC operates the largest food service network in the Philippines. As of December 31, 2014, it was operating 2,301 restaurant outlets in the country: Jollibee brand 858, Chowking 410, Greenwich 211, Red Ribbon 323, Mang Inasal 456 and Burger King 43. Abroad, it was operating 612 stores: Yonghe King (China) 310, Hong Zhuang Yuan (China) 42, San Pin Wang (China) 50, Jollibee 125 (US 32, Vietnam 62, Brunei 12, Saudi Arabia 10, Qatar 3, Kuwait 3, Singapore 2 and Hong Kong 1), Red Ribbon in the US 35, Chowking 47 (US 19, UAE 20, Qatar 5, Oman 2 and Kuwait 1), Jinja Bar (US) 3. The JFC Group had a total of 2,913 stores worldwide.

JFC also has a 50% interest in joint ventures for the following stores: Highlands Coffee (Vietnam, Philippines) 78, Pho 24 (Vietnam, Indonesia, Philippines, Cambodia, Macau and Korea) 53, and 12 Sabu (China) 19.



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)

Contact Person

Company Telephone Number

2 3 1

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Press Release 2014 Profit

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



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)

Press Release
2014 Profit

(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.



SEC FORM 17-C

APR 08 2015

3

CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report April 7, 2015
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. **0/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:	<u>1,066,793,940</u>

Treasury Shares:	<u>16,447,340</u>

Note: Total common outstanding share of 1,066,793,940 is inclusive of 3,722,178 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

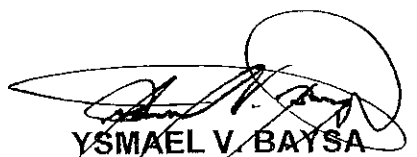
MSOP Shares:	
Beginning balance (per SEC Form 17-C dated Apr 6, 2015)	1,946,831
Shares applied for listing	-
Ending balance, as of April 7, 2015	<u>1,946,831</u>
ELTIP Shares:	
Beginning Balance (as of April 6, 2015)	1,775,347
Shares applied for listing	-
Ending balance, as of April 7, 2015	<u>1,775,347</u>
TOTAL	<u><u>3,722,178</u></u>

Please see attached Press Release re: 2014 Profit.

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 & Corporate Information Officer

Jollibee Group 2014 Profit Rises by 14.8 %

Metro Manila, Philippines, April 7, 2015 – Jollibee Foods Corporation (PSE: JFC) – Audited Financial Results for the year ended December 31, 2014

Following are the highlights of JFC's results of operations in 2014 based on its audited consolidated financial statements.

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

Financial Summary	Year-to-date Ended December 31		
	Audited		
	2014	2013	% Change
System Wide Retail Sales	117,898	104,090	13.3%
Revenues	90,671	80,283	12.9%
Net Operating Income	6,137	5,931	3.5%
Net Income	5,489	4,723	16.2%
Net Income Attributable to Equity			
Holders of the Parent Company	5,362	4,672	14.8%
Earnings Per Common Share - Basic	5.075	4.450	14.0%
Earnings Per Common Share - Diluted	4.955	4.360	13.6%

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

Jollibee Foods Corporation, the country's largest food service company reported a consolidated net income attributable to equity holders of the Parent Company of PhP5.362 billion in 2014, 14.8% higher than the amount generated in 2013, and 1.8% higher than the net income attributable to equity holders of the Parent Company of PhP5.267 billion for 2014 reported on February 23, 2015 to the Philippine Stock Exchange and the Securities and Exchange Commission, that was based on unaudited financial statements.

The improvement in 2014 audited net income over the report made earlier resulted mainly from a favorable inventory variance arising from the reconciliation of inventory balance per physical count versus balance per books. The result of the reconciliation was not yet available at the time the disclosure was made.

The consolidated revenues of Jollibee Foods Corporation, which include sales of company-owned stores, commissary sales to franchised stores, franchised fees and royalty fees grew by 12.9% in the entire year while system wide sales, a measure of all sales to consumers, both from company-owned and franchised stores rose by 13.3%.

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4/7/2015

general and administrative expenses related to information technology investments and fringe benefit tax expense on stock options. Net income margin improved slightly from 5.9% in 2013 to 6.1% in 2014.

Return on Equity (ROE) improved slightly from 21.5% in 2013 to 21.6% in 2014. Cash decreased by 23.1% to PhP7.618 billion as of December 31, 2014 after investing PhP5.642 billion in capital expenditures on new stores and store renovations, Commissaries and information systems. JFC also returned PhP1.561 billion in regular cash dividends to its shareholders.

Today, April 7, 2015 JFC also disclosed that it declared a regular cash dividend of PhP0.80 per share to stockholders of record as of May 7, 2015 payable on May 29, 2015. This represents a 6.7% increase over the regular cash dividend of PhP0.75 per share paid at about the same time last year.

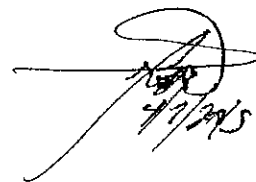
JFC's Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement:

"We look forward to continued double digit growth in sales and profit in the years ahead, sustaining or even improving on our trajectory in the past 5 years. For 2015, our budget assumes a profit growth that is lower than historical rate as rising raw material prices continue to bring pressure on our profit margins and as we invest heavily in building our organization capability primarily in store network expansion and in information technology."

For 2015, JFC plans to invest PhP9.1 billion in capital expenditures, 61.3% higher than the PhP5.642 billion spending in 2014.

JFC operates the largest food service network in the Philippines. As of February 28, 2015, it was operating 2,317 restaurant outlets in the country: Jollibee brand 865, Chowking 415, Greenwich 214, Red Ribbon 329, Mang Inasal 450 and Burger King 44. Abroad, it was operating 616 stores: Yonghe King (China) 314, Hong Zhuang Yuan (China) 43, San Pin Wang (China) 52, Jollibee 123 (US 32, Vietnam 60, Brunei 12, Saudi Arabia 10, Qatar 3, Kuwait 3, Singapore 2 and Hong Kong 1), Red Ribbon in the US 34, Chowking 47 (US 19, UAE 20, Qatar 5, Oman 2 and Kuwait 1), Jinja Bar (US) 3. The JFC Group had a total of 2,933 stores worldwide.

JFC also has a 50% interest in joint ventures for the following stores: Highlands Coffee (Vietnam, Philippines) 76, Pho 24 (Vietnam, Indonesia, Philippines, Cambodia and Korea) 47, and 12 Sabu (China) 20.



Ysmael V. Baysa
4/7/15

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)

Contact Person

Company Telephone Number

2 3 1

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Dividend Declaration

17-C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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)

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

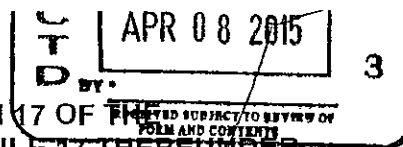
Document I.D.

Jollibee Foods Corporation

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



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 7, 2015
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:	<u>1,066,793,940</u>

Treasury Shares:	<u>16,447,340</u>

Note: Total common outstanding share of 1,066,793,940 is inclusive of 3,722,178 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated Apr 6, 2015)	1,946,831
Shares applied for listing	-
Ending balance, as of April 7, 2015	<u>1,946,831</u>
ELTIP Shares:	
Beginning Balance (as of April 6, 2015)	1,775,347
Shares applied for listing	-
Ending balance, as of April 7, 2015	<u>1,775,347</u>
TOTAL	<u><u>3,722,178</u></u>

Jollibee Foods Corporation (JFC) announced that its Board of Directors approved today, April 7, 2015, a cash dividend of Php0.80 per share of common stock for all shareholders of record as of May 7, 2015 (ex-dividend date of May 4, 2015). This will be distributed on May 29, 2015. This cash dividend is 6.7% higher than that declared on April 7, 2014.

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 & Corporate Information Officer

SECRETARY'S CERTIFICATE

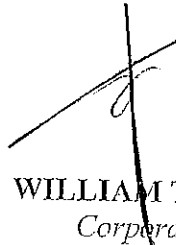
I, **WILLIAM TAN UNTIONG**, Filipino, of legal age and with office address at the 10/F, Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City, being the elected and qualified Corporate Secretary of **JOLLIBEE FOODS CORPORATION** (the "Corporation"), a corporation duly organized 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 7, 2015:

RESOLVED, that Jollibee Foods Corporation declares out of its unrestricted retained earnings as of 2009 a cash dividend of Eighty Centavos (PhP 0.80) per common share, due to all stockholders of record as of May 7, 2015 (ex-dividend date of May 4, 2015) and payable on May 29, 2015

2. The above-mentioned resolution have 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 ____ day of
APR 07 2015 at Pasig City.


WILLIAM TAN UNTIONG
Corporate Secretary

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

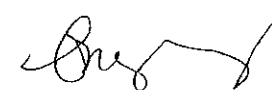
BEFORE ME, a Notary Public in and for the city named above, personally
 appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

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 APR 07 2015

Doc. No. 312;
 Page No. 64;
 Book No. 3;
 Series of 2015.


ANGELINE L. CHONG
 Notary Public-Pasig City
 Until December 31, 2015
 Attorney's Roll No. 54490
 Appointment No. 6
 PTR No. 4990946; 01/13/14; Pasig City
 IBP No. 958344; 01-15-14; RSM
 14/F Jollibee Plaza, 10 F. Ortigas Jr. Avenue
 Ortigas Center, Pasig City 1605
 MCLE Compliance No. IV-0009764;
 11/12/12; Pasig City

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

TOP 100

as of March 31, 2015

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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
Emerald 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)

Top 100 Stockholders
as of March 31, 2015

(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

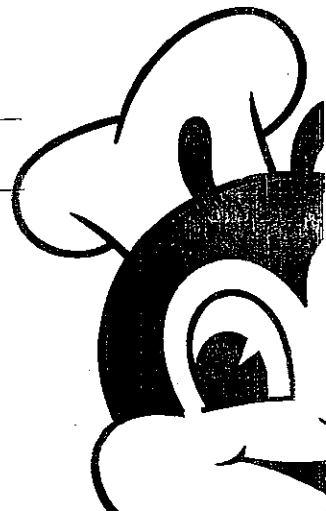
DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

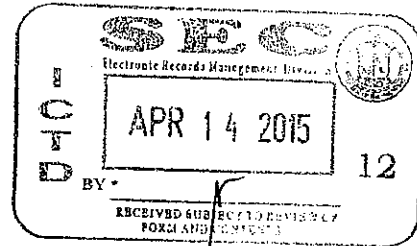


SECURITIES AND EXCHANGE COMMISSION

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 14, 2015
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



PHILIPPINES
Province, country or other jurisdiction of incorporation or organization

6. Industry classification code 10000000 (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:	<u>1,066,793,940</u>

Treasury Shares:	<u>16,447,340</u>

Note: Total common outstanding share of 1,066,793,940 is inclusive of 3,720,678 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated Apr 10, 2015)	1,945,331
Shares applied for listing	-
Ending balance, as of April 13, 2015	<u>1,945,331</u>
ELTIP Shares:	
Beginning Balance (as of April 10, 2015)	1,775,347
Shares applied for listing	-
Ending balance, as of April 13, 2015	<u>1,775,347</u>
TOTAL	<u><u>3,720,678</u></u>

11. Other Events

Please see attached Jollibee Foods Corporation's Top 100 Stockholders as of March 31, 2015

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 & Corporate Information Officer

RBKPS104

PDTC

Philippine Depository & Trust Corp.

TCSUSER9

Philippine Depository & Trust Corp.

TOP 100 PDTC PARTICIPANTS

Business Date 03/31/2015

Security ID: JFC0000000000 Security Name: JOLIBEE
 Transfer Agent: RCBC TA000000 Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
1	HSBC1000000	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. - CLIENTS' ACCT.	117,741,335.00	27.9519452
2	DEUB1000000	DEUTSCHE BANK MANILA-CLIENTS A/C	102,710,284.00	24.3835542
3	HSBC1000043	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. - CLIENTS' ACCT.	37,512,170.00	8.9054377
4	20900000001	DEUTSCHE REGIS PARTNERS, INC.	21,935,491.00	5.2075139
5	CITI1000000	CITIBANK N.A.	14,613,412.00	3.4692429
6	HSBC2000000	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. - CLIENTS' ACCT.	12,782,439.00	3.0345675
7	HSBC1000028	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. - CLIENTS' ACCT.	10,484,900.00	2.4891288
8	SCBK1000000	STANDARD CHARTERED BANK	8,849,511.00	2.1008854
9	CITI1000001	CITIBANK N.A.	6,635,760.00	1.5753380
10	GSIS1000000	GOVERNMENT SERVICE INSURANCE SYSTEM	5,362,830.00	1.2731428
11	CITI1000010	CITIBANK N.A.	5,081,587.00	1.2063753
12	12600000000	BPI SECURITIES CORPORATION	4,664,318.00	1.1073151
13	20900000000	DEUTSCHE REGIS PARTNERS, INC.	4,510,158.00	1.0707173
14	HSBC1000032	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. - CLIENTS' ACCT.	4,482,271.00	1.0640969
15	20300000000	COL Financial Group, Inc.	3,971,380.00	0.9429294
16	CITI1000004	CITIBANK N.A.	3,933,992.00	0.9339348
17	HSBC1000025	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. - CLIENTS' ACCT.	3,747,253.00	0.8896027
18	BCDO2000000	BANCO DE ORO - TRUST BANKING GROUP	2,816,078.00	0.6685406
19	SCID1000000	MBTC - TRUST BANKING GROUP	2,807,202.00	0.6664334
20	10200000000	ABACUS SECURITIES CORPORATION	2,715,351.00	0.6446278
21	BCDO2000033	BANCO DE ORO - TRUST BANKING GROUP	2,379,470.00	0.5648893
22	21700000000	RCBC SECURITIES, INC.	2,269,046.00	0.5386745
23	SCBK1000050	PRU LIFE INSURANCE CORP. OF UK - LINKED FUND	2,168,880.00	0.5148949
24	CITI1000015	CITIBANK PAO PHILIPPINE AXA CHINESE TYCOON	2,068,230.00	0.4910005
25	SSSI1000000	SOCIAL SECURITY SYSTEM	1,820,040.00	0.4320798
26	HSBC3000009	THE MANUFACTURERS LIFE INSURANCE CO. (PHILS.), INC.	1,814,630.00	0.4307955
27	CITI1000007	CITIBANK PAO PHILIPPINE AXA WEALTH EQUITY	1,531,150.00	0.3634970
28	BCDO2000010	BANCO DE ORO - TRUST BANKING GROUP	1,471,780.00	0.3494025

RBKPS104

Security ID: JFC000000000 Security Name: JOLLIBEE
 Transfer Agent: RCBCTA00000 Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
29	HSBC1000016	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	1,446,570.00	0.3434176
30	HSBC2000011	SUN LIFE GREPA FINANCIAL, INC.	1,331,330.00	0.3150595
31	HSBC2000010	MANULIFE CHINABANK LIFE ASSURANCE CORP.	1,268,940.00	0.3012480
32	SCID1000016	MBTC TBG AS IM FOR GOVT SERVICE INSURANCE SYSTEM	1,109,950.00	0.2635036
33	26900000002	WEALTH SECURITIES, INC.	1,100,200.00	0.2611889
34	22000000000	MAYBANK ATR KIM ENG SECURITIES, INC.	1,054,889.00	0.2504320
35	CITI1000006	CITIBANK FAO PHILIPPINE AXA WEALTH BALANCED	889,480.00	0.2111637
36	HSBC1000031	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	848,900.00	0.2015300
37	26700000000	FIRST METRO SECURITIES BROKERAGE CORP.	836,413.00	0.1983655
38	26300000004	PHILIPPINES FIRST INSURANCE CO., INC.	803,402.00	0.1907287
39	26900000000	WEALTH SECURITIES, INC.	787,467.00	0.1869457
40	RCBC1000000	RCBC TRUST & INVESTMENT DIVISION	776,790.00	0.1844110
41	27900000000	BDO SECURITIES CORPORATION	763,658.00	0.1812934
42	23500000000	REGINA CAPITAL DEVELOPMENT CORPORATION	718,506.00	0.1705743
43	DEUB2000000	DEUTSCHE BANK MANILA-CLIENTS A/C	666,664.00	0.1582669
44	BCDO2000007	BANCO DE ORO - TRUST BANKING GROUP	609,580.00	0.1447151
45	20900000010	DEUTSCHE REGIS PARTNERS, INC.	534,638.00	0.1269356
46	11500000000	SB EQUITIES INC.	501,856.00	0.1191413
47	21900000000	PAPA SECURITIES CORPORATION	437,565.00	0.1038785
48	HSBC2000005	INSULAR LIFE ASSURANCE CO. LTD - YUL-IF	391,220.00	0.0928761
49	UCPB1000000	UNITED COCONUT PLANTERS BANK-TRUST BANKING	379,260.00	0.0900368
50	11200000000	AB CAPITAL SECURITIES, INC.	347,219.00	0.0824302
51	PNBC2000001	PNB-TBG T-10820	335,270.00	0.0795935
52	CITI1000003	CITIBANK N.A.	306,620.00	0.0727920
53	21700000004	GREAT LIFE FINANCIAL ASSURANCE CORPORATION	300,000.00	0.0712204
54	BCDO2000005	GENERALI PILIPINAS LIFE ASSURANCE COMPANY - GF	290,380.00	0.0689366
55	28600000000	SOLAR SECURITIES, INC.	236,612.00	0.0561720
56	27500000000	YAO & ZIALCITA, INC.	226,444.00	0.0537581
57	CITI1000011	CITIBANK FAO PHILIPPINE AXA OPPORTUNITY	220,780.00	0.0524135
58	10300000000	ACCORD CAPITAL EQUITIES CORPORATION	202,128.00	0.0479854
59	23000000000	QUALITY INVESTMENTS & SECURITIES CORPORATION	201,980.00	0.0479503
60	34500000000	UNICAPITAL SECURITIES INC.	193,845.00	0.0460191
61	20900000008	DEUTSCHE REGIS PARTNERS, INC.	180,000.00	0.0427322
62	23300000000	R. COYUTO SECURITIES, INC.	176,875.00	0.0419904
63	23800000000	R. S. LIM & CO., INC.	166,631.00	0.0395584
64	27800000000	YU & COMPANY, INC.	165,225.00	0.0392246
65	10900000000	BA SECURITIES, INC.	162,015.00	0.0384626
66	BCDO2000100	BDO SUSTAINABLE DIVIDEND FUND	160,000.00	0.0379842
67	23600000000	R. NUBLA SECURITIES, INC.	157,024.00	0.0372777
68	25900000000	UCPB SECURITIES, INC.	154,037.00	0.0365686

Security ID: JFC0000000000 Security Name: JOLLIBEE
 Transfer Agent: RCBCTA000000 Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNNAME	HOLDING	%HOLDING
69	11000000000	ANGPING & ASSOCIATES SECURITIES, INC.	148,571.00	0.0352709
70	10100000000	A & A SECURITIES, INC.	145,661.00	0.0345801
71	24600000000	SUMMIT SECURITIES, INC.	143,990.00	0.0341834
72	11800000000	ASIASEC EQUITIES, INC.	129,967.00	0.0308543
73	DEUB2000007	DEUTSCHE BANK AG MANILA BRANCH A/C CLIENTS DEUB20	122,305.00	0.0290354
74	RCBC3000000	RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS	118,036.00	0.0280219
75	PNBC2000000	PNB-TBG T-10820	115,940.00	0.0275243
76	12200000000	BELSON SECURITIES, INC.	113,065.00	0.0268418
77	28500000000	GOLDEN TOWER SECURITIES & HOLDINGS, INC.	112,876.00	0.0267969
78	CITI1000014	CITIBANK FAO PHILIPPINE AXA LIFE INSURANCE CORP.	110,670.00	0.0262732
79	22400000000	PNB SECURITIES, INC.	108,789.00	0.0258266
80	19800000000	LUCKY SECURITIES, INC.	107,946.00	0.0256265
81	RCBC1000004	RCBC TRUST & INVESTMENT DIVISION	100,000.00	0.0237401
82	RCBC1000049	RCBC TRUST & INVESTMENT DIVISION	100,000.00	0.0237401
83	RCBC1000036	RCBC TRUST & INVESTMENT GROUP FAO 45-120-7 (T/E)	100,000.00	0.0237401
84	RCBC1000030	RCBC TRUST & INVESTMENT DIVISION	98,020.00	0.0232701
85	19900000000	LUYS SECURITIES COMPANY, INC.	96,437.00	0.0228943
86	18100000000	INVESTORS SECURITIES, INC.	91,509.00	0.0217244
87	23900000000	RTG & COMPANY, INC.	89,331.00	0.0212073
88	25200000000	THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	86,121.00	0.0204452
89	HSBC1000049	THE HONGKONG AND SHANGHAI BANKING CORP. LTD.-CLIENTS ACCT.	84,600.00	0.0200841
90	CHBC1000010	CHINA BANKING CORPORATION	80,980.00	0.0192248
91	NRCP1000000	NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES	80,000.00	0.0189921
92	15000000000	EASTERN SECURITIES DEVELOPMENT CORPORATION	79,953.00	0.0189809
93	HSBC2000007	THE INSULAR LIFE ASSURANCE COMPANY, LTD.	79,410.00	0.0188520
94	15400000000	EVERGREEN STOCK BROKERAGE & SEC., INC.	76,748.00	0.0182201
95	RCBC1000053	RCBC IMA NO. 82-541-7	75,000.00	0.0178051
96	20400000000	DA MARKET SECURITIES, INC.	74,516.00	0.0176902
97	12400000000	B. H. CHUA SECURITIES CORPORATION	74,314.00	0.0176422
98	11100000000	ANSALDO. GODINEZ & CO., INC.	73,818.00	0.0175245
99	25300000000	TOWER SECURITIES, INC.	72,693.00	0.0172574
100	BCDO2000150	IMA#201-78174-7	70,895.00	0.0168306
101	BCDO2000152	IMA#201-78176-2	70,560.00	0.0167510
102	CHBC1000018	CHINA BANKING CORPORATION	69,980.00	0.0163944
103	BCDO2000009	BANCO DE ORO - TRUST BANKING GROUP	67,550.00	0.0160365
104	21500000000	OPTIMUM SECURITIES CORPORATION	64,833.00	0.0153914
105	18000000000	I. B. GIMENEZ SECURITIES, INC.	64,761.00	0.0153743
106	BCDO2000063	FEDERAL PHOENIX ASSURANCE CO., INC.	64,555.00	0.0153254
107	BCDO2000101	BDO FOCUSED EQUITY FUND	62,000.00	0.0147189
108	14500000000	DIVERSIFIED SECURITIES, INC.	61,238.00	0.0145380

Security ID: JFC000000000
Transfer Agent: RCBC TA000000

Security Name: JOLLIBEE
Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
109	25700000000	TRI-STATE SECURITIES, INC.	58,140.00	0.0138025
110	15900000000	FIRST INTEGRATED CAPITAL SECURITIES, INC.	56,231.00	0.0133493
111	BCDO2000153	IMA#201-78177-0	55,375.00	0.0131461
112	SCTD1000022	MBTC-TBG AS INV MGR FOR PHILIPPINE STOCK EXCHANGE	55,000.00	0.0130571
113	11900000000	ASTRA SECURITIES CORPORATION	52,546.00	0.0124745
114	18200000000	IMPERIAL DE GUZMAN ABALOS & CO., INC.	51,742.00	0.0122836
115	28200000000	PCCI SECURITIES BROKERS CORP.	51,518.00	0.0122304
116	BCDO2000123	IMA#201-78047-9	51,275.00	0.0121728
117	28300000000	EAGLE EQUITIES, INC.	50,468.00	0.0119812
118	26000000000	UOB KAY HIAN SECURITIES (PHILS.), INC.	50,000.00	0.0118701
119	PMAN1000000	MAPFRE INSULAR INSURANCE CORPORATION-NON LIFE	50,000.00	0.0118701
120	12500000000	JAKA SECURITIES CORP.	48,648.00	0.0113491
121	16100000000	FRANCISCO ORTIGAS SECURITIES, INC.	47,784.00	0.0113440
122	BCDO2000109	IMA#208-78194-3	45,580.00	0.0108208
123	SCTD1000014	MBTC-TBG AS INV FOR BOARD OF TRUSTEES OF PERAA RET FUND	41,500.00	0.0098522
124	BCDO2000147	IMA#201-78167-1	41,330.00	0.0098118
125	BCDO2000051	BDO TRUST BANKING GROUP	41,290.00	0.0098023
126	1120000P H25	AB CAPITAL SECURITIES, INC.	41,062.00	0.0097482
127	25100000000	TANSENGCO & CO., INC.	40,895.00	0.0097085
128	26900000000	WEALTH SECURITIES, INC.	40,640.00	0.0096480
129	BCDO2000194	IMA#201-78220-8	38,580.00	0.0091589
130	32500000000	PREMIUM SECURITIES, INC.	38,435.00	0.0091245
131	13100000000	PCIB SECURITIES, INC.	38,221.00	0.0090737
132	21800000000	PAN ASIA SECURITIES CORP.	38,033.00	0.0090291
133	13600000000	TRITON SECURITIES CORP.	37,714.00	0.0089534
134	12900000000	SINCERE SECURITIES CORPORATION	37,414.00	0.0088821
135	BCDO2000066	BDO TRUST BANKING GROUP	37,090.00	0.0088052
136	BCDO2000071	IMA#201-78074	36,530.00	0.0086723
137	BCDO2000026	BANCO DE ORO - TRUST BANKING GROUP	36,320.00	0.0086224
138	20800000000	MDR SECURITIES, INC.	34,636.00	0.0082226
139	18800000000	J.M. BARCELON & CO., INC.	34,431.00	0.0081740
140	13300000000	CITISECURITIES, INC.	34,302.00	0.0081433
141	BCDO2000092	BDO TRUST FAO GENERALI PILIPINAS LIFE ASSURANCE COMPANY- EQUITY I	32,640.00	0.0077488
142	14000000000	IGC SECURITIES INC.	32,341.00	0.0076778
143	BCDO2000114	IMA#208-78691-3	32,330.00	0.0076752
144	17500000000	H. E. BENNETT SECURITIES, INC.	32,145.00	0.0076313
145	16800000000	GLOBALINKS SECURITIES & STOCKS, INC.	31,565.00	0.0074936
146	24700000000	STANDARD SECURITIES CORPORATION	31,419.00	0.0074589
147	BCDO2000067	IMA# 201-78063-7	31,270.00	0.0074235
148	16200000000	F. YAP SECURITIES, INC.	31,221.00	0.0074119

Security ID: JFC000000000
Transfer Agent: RCBCTA00000

Security Name: JOLLIBEE
Transfer Agent Name: RCB TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
149	26700000004	CHARTER PING AN INSURANCE CORPORATION	30,000.00	0.0071220
150	RCBC1000052	RCBC IMA NO. 80-185-2 FAO NATIONAL REINSURANCE CORPORATION OF THE	30,000.00	0.0071220
151	SCITD1000038	MBTC TBG AS IM FOR ATENEO DE MANILA UNIVERSITY (QUEZON CITY), INC.	29,880.00	0.0070936
152	14700000000	E. CHUA CHIACO SECURITIES, INC.	29,799.00	0.0070743
153	RCBC1000042	RCBC TRUST & INVESTMENT DIVISION	29,310.00	0.0069582
154	SCITD1000052	MBTC TBG AS IM FOR ST PETER LIFE PLAN INC	29,000.00	0.0068846
155	17900000000	I. ACKERMAN & CO., INC.	28,846.00	0.0068481
156	BCDO2000086	IMA#201-78082	28,825.00	0.0068431
157	17400000000	HDI SECURITIES, INC.	28,758.00	0.0068272
158	10600000000	ALPHA SECURITIES CORP.	28,672.00	0.0068068
159	12800000000	CAMPOS LANUZA & COMPANY, INC.	26,967.00	0.0064020
160	BCDO2000110	IMA#208-78197-1	25,645.00	0.0060882
161	PAUBEIF0000	PAUB1000000	25,490.00	0.0060314
162	20000000000	MANDARIN SECURITIES CORPORATION	25,203.00	0.0059832
163	24900000000	SUPREME STOCKBROKERS, INC.	23,600.00	0.0056027
164	38900000000	KING'S POWER SECURITIES, INC.	23,350.00	0.0053433
165	BCDO2000108	IMA#201-78118-4	22,860.00	0.0054270
166	CITI1000012	CITIBANK FAO AIU INSURANCE PHILS COMPANY	22,860.00	0.0054270
167	BCDO2000064	BDO TRUST BANKING GROUP	22,190.00	0.0052679
168	BKCT1000301	BANK OF COMMERCE	21,300.00	0.0051753
169	20600000000	MERIDIAN SECURITIES, INC.	20,914.00	0.0049650
170	34500000003	UNICAPITAL SECURITIES INC.	20,000.00	0.0047480
171	OQVV1000000	UCPB GENERAL INSURANCE CO., INC.	19,410.00	0.0046080
172	BCDO2000023	BANCO DE ORO - TRUST BANKING GROUP	19,400.00	0.0046056
173	LBPT1000013	LBP-TBG AS AGENT FOR 22594 TA 01	18,320.00	0.0044679
174	SCITD1000019	MBTC-TBG AS INV MGR FLG MANAGEMENT & DEVT. CORP.	18,094.00	0.0042955
175	12100000003	MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	18,008.00	0.0042751
176	21000000000	MOUNT PEAK SECURITIES, INC.	17,410.00	0.0041332
177	26600000000	VICAL SECURITIES & STOCK BROKERAGE, INC.	16,410.00	0.0038958
178	BCDO2000129	IMA#201-78127-5	16,109.00	0.0038243
179	27200000000	BERNAD SECURITIES, INC.	16,082.00	0.0038179
180	10400000000	A. T. DE CASTRO SECURITIES CORP.	15,849.00	0.0037626
181	15300000000	EQUITIWORLD SECURITIES, INC.	15,266.00	0.0036242
182	23700000000	AAA SOUTHEAST EQUITIES, INCORPORATED	14,844.00	0.0035240
183	17200000000	GUILD SECURITIES, INC.	14,780.00	0.0035038
184	BKCT1000000	BANK OF COMMERCE - TRUST SERVICES GROUP	14,500.00	0.0034423
185	BCDO2000065	BDO TRUST BANKING GROUP	14,429.00	0.0034255
186	11300000000	SARANGANI SECURITIES, INC.	14,264.00	0.0033863
187	24200000000	SECURITIES SPECIALISTS, INC.	14,230.00	0.0033782
188	BCDO2000135	IMA#201-78135-8		

Security ID: JFC000000000 Security Name: JOLIBEE
 Transfer Agent: RCBC TA00000 Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
189	SCTD1000044	MBTC TBG AS IM FOR ASIAN HOLDINGS CORPORATION	14,000.00	0.0033236
190	11600000000	ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	13,324.00	0.0031631
191	2200000FTXN	ATR KIMENG SEC. INC.	13,105.00	0.0031111
192	SCTD1000054	MBTC TBG AS IM FOR ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOC	13,100.00	0.0031100
193	14300000000	DAVID GO SECURITIES CORP.	13,028.00	0.0030929
194	RCBC1000043	RCBC TRUST & INVESTMENT DIVISION	13,000.00	0.0030862
195	SCTD1000017	MBTC TBG AS INV MGR FOR MERCURY GROUP	12,500.00	0.0029675
196	18300000000	INTRA-INVEST SECURITIES, INC.	12,370.00	0.0029367
197	BCDO2000089	IMA# 201-78086-3	12,350.00	0.0029319
198	14900000000	EAST WEST CAPITAL CORPORATION	11,069.00	0.0026278
199	PCPL1000002	UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	11,000.00	0.0026114
200	LBPT1000015	LBP-TBG AS AGENT FOR 49107 TA01	10,890.00	0.0025853
201	2200000P H25	ATR KIM ENG SECURITIES, INC.	10,736.00	0.0025487
202	19200000000	STRATEGIC EQUITIES CORP.	10,821.00	0.0025214
203	RCBC1000029	RCBC TRUST & INVESTMENT DIVISION	10,500.00	0.0024927
204	24300000000	FIDELITY SECURITIES, INC.	10,287.00	0.0024421
205	UFIO1000000	UNITED FUND, INC.	10,000.00	0.0023740
206	BCDO2000012	BANCO DE ORO - TRUST BANKING GROUP	9,750.00	0.0023147
207	BCDO2000072	IMA# 201-78037	9,380.00	0.0022268
208	HSBC2000012	FWD LIFE INSURANCE CORPORATION	8,780.00	0.0020844
209	SBCFORPERLA	SBC TRUST DIVISION AS AGENT FOR PERLA COMPANIA DE SEGUROS INC.	8,700.00	0.0020654
210	28800000000	G.D. TAN & COMPANY, INC.	8,656.00	0.0020549
211	19700000000	LOPEZ, LOCSIN, LEDESMA & CO., INC.	8,624.00	0.0020473
212	22300000000	PLATINUM SECURITIES, INC.	8,600.00	0.0020417
213	24000000000	S.J. ROXAS & CO., INC.	8,593.00	0.0020400
214	15700000000	FIRST ORIENT SECURITIES, INC.	8,344.00	0.0019809
215	RCBC1000030	RCBC TRUST & INVESTMENT DIVISION	8,010.00	0.0019016
216	BCDO2000151	IMA#201-78175-4	7,900.00	0.0018755
217	22900000000	SALISBURY BKT SECURITIES CORPORATION	7,852.00	0.0018641
218	10000000000	UPCC SECURITIES CORP.	7,841.00	0.0018615
219	BCDO2000107	IMA#201-78117-6	7,800.00	0.0018517
220	SCTD1000042	MBTC TBG AS IM FOR SECURITIES INVESTORS PROTECTION FUNDS, INC.	7,700.00	0.0018280
221	BCDO2000106	IMA#201-78116-8	7,530.00	0.0017876
222	SCTD1000029	MBTC TBG AS IM FOR NARRA PRINCETON HOLDINGS LIMITED	7,300.00	0.0017330
223	SCTD1000012	MBTC TBG AS IM FOR TAKING CARE OF BUSINESS CORP.	7,000.00	0.0016618
224	SCBK1000053	IBM PHILIPPINES RET. PLAN - ACCT 2 - PH EQ	6,602.00	0.0015673
225	BCDO2000136	IMA#201-78141-6	6,040.00	0.0014539
226	14100000000	CUALOPING SECURITIES CORPORATION	5,637.00	0.0013382
227	BCDO2000195	IMA#201-78221-6	5,480.00	0.0013010
228	BCDO2000140	IMA#201-78149-9	5,420.00	0.0012867

Security ID: JFC000000000000 Security Name: JOLLIBEE
 Transfer Agent: RCBCTA000000 Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
229	HSBC2000013	FWD LIFE INSURANCE CORPORATION	5,410.00	0.0012843
230	BCDO2000144	IMA#201-78159-8	5,370.00	0.0012748
231	1120000FTXN	AB CAPITAL SECURITIES, INC.	5,190.00	0.0012321
232	18700000000	ASIAN CAPITAL EQUITIES, INC.	5,169.00	0.0012271
233	CCPI1000000	COCOPLANS, INC.	5,000.00	0.0011870
234	PAUB1000000	ASIA UNITED BANK - TRUST & INVESTMENT GROUP	5,000.00	0.0011870
235	20500000000	MERCANTILE SECURITIES CORP.	4,976.00	0.0011813
236	SCID1000015	MBTC TBG AS IM FOR BOARD OF TRUSTEES - STANDARD CHARTERED RET PL	4,800.00	0.0011395
237	25500000000	APEX PHILIPPINES EQUITIES CORPORATION	4,750.00	0.0011277
238	BCDO2000028	BANCO DE ORO - TRUST BANKING GROUP	4,750.00	0.0011277
239	38800000000	ARMSTRONG SECURITIES, INC.	4,686.00	0.0011125
240	BCDO2000138	IMA#201-78143-2	4,680.00	0.0011110
241	BCDO2000155	IMA#201-78179-6	4,640.00	0.0011015
242	SCID1000013	MBTC TBG AS IM FOR CARITAS HEALTH SHIELD, INC.	4,600.00	0.0010920
243	RCBC1000036	RCBC TRUST & INVESTMENT DIVISION	4,584.00	0.0010882
244	BCDO2000145	IMA#201-78160-6	4,530.00	0.0010754
245	RCBC1000100	RCBC - TRUST GROUP	4,467.00	0.0010605
246	BCDO2000137	IMA#201-78142-7	4,410.00	0.0010469
247	SCID1000008	MBTC TBG AS IM FOR WESTMONT RET PLAN	4,300.00	0.0010208
248	RCBC1000048	RCBC TRUST & INVESTMENT DIVISION	4,270.00	0.0010137
249	BCDO2000131	IMA#201-78129-1	4,050.00	0.0009615
250	BCDO2000154	IMA#201-78178-8	4,050.00	0.0009615
251	CHBC1000016	CHINA BANKING CORPORATION	4,000.00	0.0009496
252	LBPT1000000	LAND BANK OF THE PHILIPPINES-TRUST BANKING GROUP	3,820.00	0.0009069
253	BCDO2000105	IMA#201-78114-3	3,740.00	0.0008879
254	26300000000	VENTURE SECURITIES, INC.	3,638.00	0.0008637
255	SCID1000045	MBTC TBG AS IM FOR AUGUSTO E. TYCANGCO OR LILIA C. TYCANGCO	3,500.00	0.0008309
256	SCID1000053	MBTC TBG AS IM FOR CENTER FOR EDUCATIONAL MEASUREMENT, INC.	3,500.00	0.0008309
257	BCDO2000192	IMA#201-78218-2	3,450.00	0.0008190
258	BCDO2000094	IMA#101-78104-5	3,390.00	0.0008048
259	BCDO2000193	IMA#201-78219-0	3,340.00	0.0007929
260	SCID1000039	MBTC TBG AS IM FOR PERLA COMPANIA DE SEGUROS, INC.	3,300.00	0.0007834
261	BCDO2000122	IMA#201-78031-9	3,230.00	0.0007668
262	CHBC1000003	CHINA BANKING CORPORATION TRUST GROUP	3,140.00	0.0007454
263	BCDO2000015	BANCO DE ORO - TRUST BANKING GROUP	3,130.00	0.0007431
264	11200000000	AB CAPITAL SECURITIES, INC.	3,125.00	0.0007419
265	16700000000	AURORA SECURITIES, INC.	3,090.00	0.0007336
266	BCDO2000102	IMA#201-78102-8	3,020.00	0.0007170
267	LBPT1000009	LBPT-TBG AS AGENT FOR 28568 TA 01	3,000.00	0.0007122
268	SCID1000009	MBTC TBG AS IM FOR MEDICHEM RET PLAN	3,000.00	0.0007122

Security ID: JFC000000000 Security Name: JOLLIBEE
 Transfer Agent: RCBCTA00000 Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNNAME	HOLDING	%HOLDING
269	BCDO2000090	IMA#201-78090-5	2,990.00	0.0007098
270	BCDO2000104	IMA#201-78110-1	2,860.00	0.0006790
271	27000000000	WESTLINK GLOBAL EQUITIES, INC.	2,858.00	0.0006785
272	SCTD1000004	MBTC TBG AS IM FOR 3012-00022-07	2,800.00	0.0006647
273	12100000002	MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	2,735.00	0.0006493
274	CHBC1000000	CHINA BANKING CORPORATION - TRUST GROUP	2,730.00	0.0006481
275	23200000000	ALAKOR SECURITIES CORPORATION	2,718.00	0.0006453
276	SCTD1000P42	MBTC TBG AS IM FOR 3011-00205-10	2,700.00	0.0006410
277	BCDO2000130	IMA#201-78128-3	2,690.00	0.0006386
278	BCDO2000157	IMA#201-78181-2	2,630.00	0.0006244
279	BCDO2000014	BANCO DE ORO - TRUST BANKING GROUP	2,510.00	0.0005959
280	17000000000	GOLDSTAR SECURITIES, INC.	2,491.00	0.0005914
281	SCTD1000046	MBTC TBG AS IM FOR KHARIS PLATA	2,470.00	0.0005864
282	BCDO2000162	IMA#201-78186-1	2,409.00	0.0005719
283	BCDO2000191	IMA#201-78217-4	2,390.00	0.0005674
284	12000000000	ATC SECURITIES, INC.	2,378.00	0.0005645
285	BCDO2000078	IMA#201-78076	2,370.00	0.0005626
286	SCTD1000043	MBTC TBG AS IM FOR SURE PLUS VANTAGE, INC.	2,300.00	0.0005460
287	BCDO2000052	BDO TRUST BANKING GROUP	2,260.00	0.0005365
288	16900000000	JSG SECURITIES, INC.	2,181.00	0.0005178
289	32800000000	DW CAPITAL INC.	2,172.00	0.0005156
290	BCDO2000148	IMA#201-78168-9	2,080.00	0.0004938
291	LBPT1000018	LBP-TBG AS AGENT FOR 52477 TA01	2,000.00	0.0004748
292	SCTD1000010	MBTC TBG AS IM FOR PEDIATRICA RET PLAN	2,000.00	0.0004748
293	BCDO2000156	IMA#201-78180-4	1,980.00	0.0004701
294	CHBC1000004	CHINA BANKING CORPORATION TRUST GROUP	1,930.00	0.0004582
295	BKCT1000352	BANK OF COMMERCE	1,880.00	0.0004463
296	SCTD1000047	MBTC TBG AS IM FOR KHARIS PLATA	1,830.00	0.0004344
297	BCDO2000069	IMA# 201-78068	1,760.00	0.0004178
298	CHBC1000011	CHINA BANKING CORPORATION	1,750.00	0.0004155
299	BCDO2000132	IMA#201-78130-9	1,720.00	0.0004083
300	26100000004	E SECURITIES, INC. ITF VARIOUS CLIENTS	1,672.00	0.0003969
301	12300000000	BENJAMIN CO CA & CO., INC.	1,650.00	0.0003917
302	RCBC1000021	RCBC TRUST & INVESTMENT DIVISION	1,640.00	0.0003893
303	BCDO2000111	IMA#208-78199-7	1,580.00	0.0003751
304	BCDO2000133	IMA#201-78131-7	1,570.00	0.0003727
305	BCDO2000202	IMA#201-78155-6	1,570.00	0.0003727
306	BCDO2000017	CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE	1,560.00	0.0003703
307	BCDO2000099	IMA#201-78098-8	1,550.00	0.0003680
308	20200000000	MARINO OLONDRIZ Y CIA	1,547.00	0.0003673

Security ID: JFC000000000 Security Name: JOLLIBEE
 Transfer Agent: RCBCTA00000 Transfer Agent Name: RCBC TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
309	BCDO2000037	BDO TRUST BANKING GROUP	1,530.00	0.0003632
310	26900000005	AFP GENERAL INSURANCE CORPORATION	1,500.00	0.0003561
311	LBPT1000014	LBP-TBG INDIVIDUALS	1,500.00	0.0003561
312	SCID1000011	MBTC TBG AS IM FOR MFI FOUNDATION, INC.	1,500.00	0.0003561
313	BCDO2000134	IMA#201-78132-5	1,480.00	0.0003514
314	BCDO2000139	IMA#201-78145-7	1,480.00	0.0003514
315	BCDO2000091	BDO TRUST FAO GENERALI PILIPINAS LIFE ASSURANCE COMPANY- BALANC	1,330.00	0.0003157
316	BCDO2000095	IMA#101-78105-1	1,260.00	0.0002991
317	19300000000	LARGO SECURITIES CO., INC.	1,256.00	0.0002982
318	14200000000	DBP-DAIWA CAPITAL MARKETS PHILIPPINES, INC.	1,253.00	0.0002975
319	BCDO2000085	IMA# 208-50271	1,210.00	0.0002873
320	RCBC1000012	RCBC TRUST & INVESTMENT DIVISION	1,200.00	0.0002849
321	SCID1000041	MBTC TBG AS IM FOR 3011-00204-10	1,200.00	0.0002849
322	32300000002	CLSA PHILIPPINES, INC.	1,190.00	0.0002825
323	CHBC1000012	CHINA BANKING CORPORATION	1,190.00	0.0002825
324	BCDO2000205	IMA#201-78225-7	1,180.00	0.0002801
325	LBPT1000016	LBP-TBG AS AGENT FOR 31712TA02	1,160.00	0.0002754
326	SCID1000050	MBTC TBG AS IM FOR JUAN RAMON FELIX CASTANEDA	1,100.00	0.0002611
327	21100000000	NEW WORLD SECURITIES CO., INC.	1,074.00	0.0002550
328	BCDO2000173	IMA#201-78197-8	1,070.00	0.0002540
329	23100000000	R & L INVESTMENTS, INC.	1,031.00	0.0002448
330	13000000000	CENTURY SECURITIES CORPORATION	1,000.00	0.0002374
331	27300000000	WONG SECURITIES CORPORATION	1,000.00	0.0002374
332	BCDO2000068	IMA# 208-78180-7	960.00	0.0002279
333	BCDO2000103	IMA#201-78107-7	940.00	0.0002232
334	RCBC1000008	RCBC TRUST & INVESTMENT DIVISION	800.00	0.0001899
335	24000000002	S.J. ROXAS & CO., INC.	781.00	0.0001854
336	BCDO2000142	IMA#201-78152-3	780.00	0.0001852
337	BCDO2000161	IMA#201-78185-3	773.00	0.0001835
338	BCDO2000141	IMA#201-78151-5	770.00	0.0001828
339	SCID1000040	MBTC TBG AS IM FOR 3011-00202-10	700.00	0.0001662
340	CHBC1000002	CHINA BANKING CORPORATION TRUST GROUP	690.00	0.0001638
341	BCDO2000170	IMA#201-78194-5	647.00	0.0001536
342	CHBC1000005	CHINA BANKING CORPORATION TRUST GROUP	600.00	0.0001424
343	BCDO2000174	IMA#201-78198-6	599.00	0.0001422
344	CHBC1000013	CHINA BANKING CORPORATION	570.00	0.0001353
345	21300000000	NIEVES SECURITIES, INC.	547.00	0.0001299
346	33800000002	PHILIPPINE EQUITY PARTNERS, INC.	540.00	0.0001282
347	BCDO2000165	IMA#201-78189-5	497.00	0.0001180
348	BCDO2000070	IMA# 201-78069	389.00	0.0000923

Security ID: JFC0000000000 Security Name: JOLIBEE
 Transfer Agent: RCBCTA00000 Transfer Agent Name: RCBCTA TRANSFER AGENT

S. No.	BPID	BPNAME	HOLDING	%HOLDING
349	BCDO2000190	IMA#201-78216-6	356.00	0.0000845
350	BCDO2000167	IMA#201-78191-1	349.00	0.0000829
351	BCDO2000168	IMA#201-78192-9	337.00	0.0000800
352	36800000000	SunSecurities, Inc.	330.00	0.0000783
353	BCDO2000179	IMA#201-78204-2	329.00	0.0000781
354	BCDO2000183	IMA#201-78208-3	318.00	0.0000755
355	BCDO2000181	IMA#201-78206-7	308.00	0.0000731
356	BCDO2000159	IMA#201-78183-8	302.00	0.0000717
357	CHBC1000015	CHINA BANKING CORPORATION	290.00	0.0000688
358	BCDO2000184	IMA#201-78209-1	289.00	0.0000686
359	BCDO2000186	IMA#201-78211-7	289.00	0.0000686
360	BCDO2000182	IMA#201-78207-5	287.00	0.0000681
361	BCDO2000097	IMA#201-78093-9	279.00	0.0000662
362	BCDO2000180	IMA#201-78205-9	278.00	0.0000660
363	BCDO2000171	IMA#201-78195-2	276.00	0.0000655
364	BCDO2000185	IMA#201-78210-9	269.00	0.0000639
365	BCDO2000172	IMA#201-78196-0	268.00	0.0000636
366	BCDO2000166	IMA#201-78190-3	267.00	0.0000634
367	33800000000	PHILIPPINE EQUITY PARTNERS, INC.	234.00	0.0000556
368	22800000000	PRYCE SECURITIES, INC.	202.00	0.0000480
369	BCDO2000158	IMA#201-78182-0	169.00	0.0000401
370	BCDO2000163	IMA#201-78187-9	169.00	0.0000401
371	BCDO2000169	IMA#201-78193-7	164.00	0.0000389
372	BCDO2000196	IMA#201-78223-2	161.00	0.0000382
373	BCDO2000187	IMA#201-78212-5	147.00	0.0000349
374	25600000000	TRENDLINE SECURITIES CORPORATION	137.00	0.0000325
375	BCDO2000164	IMA#201-78188-7	133.00	0.0000316
376	BCDO2000160	IMA#201-78184-6	123.00	0.0000292
377	BCDO2000175	IMA#201-78200-0	122.00	0.0000290
378	BCDO2000093	BLUE CROSS INSURANCE INC.	115.00	0.0000273
379	BCDO2000188	IMA#201-78214-1	107.00	0.0000254
380	48800000000	TIMSON SECURITIES, INC.	100.00	0.0000237
381	JOL100000000	JOLIBEE FOODS CORP.	78.00	0.0000185
382	BCDO2000177	IMA#201-78202-6	78.00	0.0000185
383	BCDO2000176	IMA#201-78201-8	59.00	0.0000140
384	BCDO2000178	IMA#201-78203-4	59.00	0.0000140
385	BCDO2000189	IMA#201-78215-8	57.00	0.0000135
386	17800000000	HK SECURITIES, INC.	47.00	0.0000112
387	26500000012	VENTURE SECURITIES, INC.	37.00	0.0000088
388	19400000000	LIPPO SECURITIES, INC.	31.00	0.0000074

Security ID: JFC000000000		Security Name: JOLLIBEE	Transfer Agent Name: RCBC TRANSFER AGENT	
Transfer Agent: RCBC TA00000		BPID	BNAME	%HOLDING
389	17700000000	HIGHLAND SECURITIES PHIL., INC.	27.00	0.0000064
390	10200000006	UNION BANK OF THE PHILIPPINES	20.00	0.0000047
391	14800000000	EQUITABLE SECURITIES (PHILS.) INC.	16.00	0.0000038
392	32300000000	CLSA PHILIPPINES, INC.	14.00	0.0000033
393	HSBC3000000	THE HONGKONG & SHANGHAI BANKING CORP. LTD. -OWN ACCOUNT	7.00	0.0000017
394	RCBC1000031	RCBC TRUST & INVESTMENT DIVISION	7.00	0.0000017

issue code	topnum	cutoffdate	stkhldnum	nationality	name	shares
JFCC	100	03/31/2013	0000159282	OA	PCD NOMINEE CORP. (NF)	307,720,045
JFCC	100	03/31/2013	0000051045	PH	HYPER DYNAMIC CORPORATION	273,218,750
JFCC	100	03/31/2013	00000039805	PH	HONEYSEA CORPORATION	127,743,747
JFCC	100	03/31/2013	00000050447	PH	PCD NOMINEE CORPORATION (F)	97,061,165
JFCC	100	03/31/2013	00000039809	PH	WINALL HOLDING CORPORATION	54,140,736
JFCC	100	03/31/2013	00000039807	PH	HONEYWORTH CORPORATION	38,857,446
JFCC	100	03/31/2013	00000039811	PH	KINGSWORTH CORPORATION	29,168,955
JFCC	100	03/31/2013	00000039810	PH	CENTREGOLD CORPORATION	27,430,964
JFCC	100	03/31/2013	00000039812	PH	TANBUNTIONG. GEMMA	21,493,601
JFCC	100	03/31/2013	00000039808	PH	VENICE CORPORATION	17,423,735
JFCC	100	03/31/2013	00000039813	PH	A-STAR HOLDING CORPORATION	16,920,393
JFCC	100	03/31/2013	00000039814	PH	KING. AZUCENA T.	8,696,012
JFCC	100	03/31/2013	00000201244	PH	CAKTIONG. TONY TAN	7,126,565
JFCC	100	03/31/2013	00000039519	PH	UNTIONG. WILLIAM TAN	5,928,055
JFCC	100	03/31/2013	00000039806	PH	LONGSHORE CORPORATION	5,260,184
JFCC	100	03/31/2013	00000201242	PH	TANMANTIONG. ERNESTO	2,501,811
JFCC	100	03/31/2013	00000226040	PH	TANMANTIONG. ERNESTO	1,977,140
JFCC	100	03/31/2013	00000039591	PH	KING. AZUCENA TAN	1,156,161
JFCC	100	03/31/2013	00000039815	PH	TAN CAKTIONG. TONY	1,128,000
JFCC	100	03/31/2013	00000226098	PH	UNTIONG. WILLIAM TAN	990,333
JFCC	100	03/31/2013	00000228044	US	ROSENBERG. PAUL	625,000
JFCC	100	03/31/2013	00000201243	PH	TANMANTIONG. SUSANA	562,857
JFCC	100	03/31/2013	00000202725	PH	BA YSA. YSMAEL V.	511,667
JFCC	100	03/31/2013	00000039576	PH	DY. JAMES GO	468,750
JFCC	100	03/31/2013	00000036714	PH	KING. AZUCENA T.	458,557
JFCC	100	03/31/2013	00000156912	PH	TELENGTAN BROTHERS & SONS. INC.	400,000
JFCC	100	03/31/2013	00000046947	PH	MEDINA. ARMANDO	375,000
JFCC	100	03/31/2013	00000227912	PH	PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMEN	329,000

JFCC	100	03/31/2013	0000033010	PH	CHING, CYNTHIA D.	311,719
JFCC	100	03/31/2013	0000039503	PH	MASANCAY, ANASTACIA S.	300,000
JFCC	100	03/31/2013	0000033011	PH	CHING, TIONG KENG	271,094
JFCC	100	03/31/2013	0000039819	PH	TANMANTIONG, ERNESTO	265,000
JFCC	100	03/31/2013	0000202500	PH	ONG, CZARINA M.	248,437
JFCC	100	03/31/2013	0000159651	PH	PAN MALAYAN MANAGEMENT	244,375
JFCC	100	03/31/2013	0000050980	PH	TEOPE, CONSUELO	228,600
JFCC	100	03/31/2013	0000047632	PH	CHING TIONG KENG	228,425
JFCC	100	03/31/2013	0000039525	PH	KING, TOMMY YU	214,875
JFCC	100	03/31/2013	0000201245	PH	TANBUNTIONG, GEMMA	207,000
JFCC	100	03/31/2013	0000159531	PH	TAN, EDWIN FRANCIS L.	200,000
JFCC	100	03/31/2013	0000159532	PH	TAN, ERIC RUBEN L.	200,000
JFCC	100	03/31/2013	0000216807	PH	HANS SY	185,000
JFCC	100	03/31/2013	0000225640	PH	ELECHICON, ERWIN M.	181,000
JFCC	100	03/31/2013	0000033140	PH	HYDEE MANAGEMENT & RESOURCE CORP.	163,938
JFCC	100	03/31/2013	0000039596	PH	KING, TOMMY Y.	163,156
JFCC	100	03/31/2013	0000160269	PH	DIZON, BENIGNO M.	152,514
JFCC	100	03/31/2013	0000041553	PH	TIUKINGCOC, JAIME S.	150,000
JFCC	100	03/31/2013	0000033207	PH	MEDINA, ARMANDO M.	140,625
JFCC	100	03/31/2013	0000036641	PH	TAN, EDGARDO S.	131,250
JFCC	100	03/31/2013	0000036567	PH	TAN, ALBERT S.	131,250
JFCC	100	03/31/2013	0000226038	PH	MINANA JR., JOSE MA. A.	129,820
JFCC	100	03/31/2013	0000225692	PH	ANG, VICTORIA DOMINIQUE C.	125,000
JFCC	100	03/31/2013	0000047988	PH	OSONG DEVELOPMENT ENTERPRISES, INC.	124,219
JFCC	100	03/31/2013	0000161460	PH	SEE, BENITO L.	117,500
JFCC	100	03/31/2013	0000036794	PH	GORDON, MARIA RENEE VICTORIA H.	117,188
JFCC	100	03/31/2013	0000217295	PH	JALANDONI, SYLVIA E. JALANDONI OR JULIO J.	110,000
JFCC	100	03/31/2013	0000036159	PH	LIZARES, EDUARDO P.	109,825
JFCC	100	03/31/2013	0000161049	PH	CHUA, JOHANNA TAN	103,000

JFCC	100	03/31/2013	0000161048	PH	CHUA, JENNIFER TAN	103,000
JFCC	100	03/31/2013	0000216862	PH	FLORES, DENNIS M.	101,000
JFCC	100	03/31/2013	0000210774	PH	GO, BERNADETTE S.	100,000
JFCC	100	03/31/2013	0000196794	PH	UNTIONG, WILLIAM TAN	95,000
JFCC	100	03/31/2013	0000033374	PH	COJUANGCO, ANTONIO O.	93,750
JFCC	100	03/31/2013	0000045611	PH	LIM, EDWIN	93,750
JFCC	100	03/31/2013	0000036761	PH	LIGON JR., ROLANDO T.	86,563
JFCC	100	03/31/2013	0000220689	PH	HOUGHTALEN, JOSEPHINE S.	85,000
JFCC	100	03/31/2013	0000224269	PH	LORENZANA JR., WILLIAM S.	83,334
JFCC	100	03/31/2013	0000036746	PH	MANILA MERCHANTS FOOD INDUSTRIES.	82,021
JFCC	100	03/31/2013	0000161012	PH	TANMANTIONG, SUSANA K.	82,000
JFCC	100	03/31/2013	0000036666	PH	SLJ STORES CORP.	79,688
JFCC	100	03/31/2013	0000042613	PH	SAGUNSI, GREGORIO S.	75,312
JFCC	100	03/31/2013	0000183630	PH	MALABANAN, WINNIE VALENTINA T.	73,000
JFCC	100	03/31/2013	0000196943	PH	KAUTURAN PISON DEVELOPMENT CORP.	72,099
JFCC	100	03/31/2013	0000039665	PH	TEOPE, CONSUELO	70,313
JFCC	100	03/31/2013	0000216826	PH	BERBA, LEONARDO JOSE M.	66,667
JFCC	100	03/31/2013	0000160356	PH	PANGATUNGAN JR., ALEJANDRO M.	65,025
JFCC	100	03/31/2013	0000046459	PH	YAP, MA. LOURDES B.	62,500
JFCC	100	03/31/2013	0000201246	PH	MINANA JR., JOSE MA.	61,828
JFCC	100	03/31/2013	0000033391	PH	HO, STEVEN T.	58,594
JFCC	100	03/31/2013	0000039664	PH	TEOPE, ROSALINA	58,594
JFCC	100	03/31/2013	0000033390	PH	HO, DORIS T.	58,594
JFCC	100	03/31/2013	0000226035	PH	TANBUNTIONG, JOSEPH C.	57,630
JFCC	100	03/31/2013	0000224196	PH	ROMERO JR., VIVENCIO M.	51,953
JFCC	100	03/31/2013	0000036781	PH	CRUZ, MA. TERESA P.	51,563
JFCC	100	03/31/2013	0000039593	PH	KING, CATALINA L.	51,563
JFCC	100	03/31/2013	0000036703	PH	BCN, SIOK C.	51,563
JFCC	100	03/31/2013	0000036782	PH	CRUZ III, FELIPE P.	51,563

JFCC	100	03/31/2013	0000036594	PH	MENGUITO, DOMINADOR B.	51,563
JFCC	100	03/31/2013	0000217179	PH	CHAN, RAINA THALIA L.	50,107
JFCC	100	03/31/2013	0000210826	PH	BING CHUAN UY	50,000
JFCC	100	03/31/2013	0000048910	PH	TAN TIAN SIONG	50,000
JFCC	100	03/31/2013	0000041380	PH	TAN, JOSE T. TAN &/OR PACITA L.	50,000
JFCC	100	03/31/2013	0000039577	PH	EJERCITO, LUISA PIMENTEL	49,219
JFCC	100	03/31/2013	0000043875	PH	ONWARD DEVELOPMENT CORP.	46,875
JFCC	100	03/31/2013	0000034211	PH	SIA, ISABEL SY	46,875
JFCC	100	03/31/2013	0000048039	PH	PASCUAL, EDGARDO	46,875
JFCC	100	03/31/2013	0000034406	PH	FRANCISCO ORTIGAS SECURITIES, INC.	46,875
JFCC	100	03/31/2013	0000039743	PH	LIM, JOHNNY O.	46,875
JFCC	100	03/31/2013	0000036588	PH	TAN, WILBURN TIU	46,875
JFCC	100	03/31/2013	0000037045	PH	DEE, RICHARD CHU	46,875
JFCC	100	03/31/2013	0000037776	PH	SIA PHOA A HON	45,313

7 7 4 8 7

S.E.C. Registration Number

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)

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

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Public Ownership Report

as of March 31, 2015

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, 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 Public Ownership Report

As of March 31, 2015

(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

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



SECURITIES AND EXCHANGE COMMISSION

APR 15 2015

10

SEC FORM 17-C

CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

Date of Report April 15, 2015

Commission identification number 77487

BIR Tax Identification No. 000-388-771

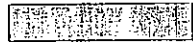
JOLLIBEE FOODS CORPORATION

Exact name of registrant as specified in its charter

PHILIPPINES

Province, country or other jurisdiction of incorporation or organization

Industry classification code



(SEC Use Only)

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

Address of registrant's principal office

1605

Postal Code

(632) 634-1111

Registrant's telephone number, including area code

N/A

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

Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock & warrants outstanding

Common

1,066,793,940

Treasury Shares:

16,447,340

le: Total common outstanding share of 1,066,793,940 is inclusive of 3,720,678 shares entrusted with Deutsche Regis Partners, Inc. with the
owing details:

SOP Shares:

Beginning balance (per SEC Form 17-C dated Apr 10, 2015)	1,945,331
Shares applied for listing	
Ending balance, as of April 13, 2015	1,945,331

TIP Shares:

Beginning Balance (as of April 10, 2015)	1,775,347
Shares applied for listing	
Ending balance, as of April 13, 2015	1,775,347

Item 9. Other Events

Attached is a copy of the computation of Public Ownership Report as of March 31, 2015

SIGNATURE

In 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 & Corporate Information Officer

Less: Number of Treasury Shares (if any)

(10,441,340)

Number of Outstanding Shares

1,066,793,940

Less:

(A)

	% to Total Outstanding Shares	Number of Shares/ Total Shares net of Treasury	
Directors:			
Tony Tan Caktiong			
Direct	0.77%	8,254,585	
Indirect (thru PCD)	0.02%	240,000	
Ernesto Tanmantiong			
Direct	0.44%	4,743,951	
Indirect (thru PCD)	0.04%	457,019	
William Tan Untiong			
Direct	0.66%	7,013,388	
Indirect (thru PCD)	0.03%	279,667	
Joseph C. Tanbuntiong			
Direct	0.01%	57,630	
Indirect (thru PCD)	0.00%	-	
Ang Cho Sit			
Direct	0.00%	11	
Indirect (thru PCD)	0.00%	-	
Antonio Chua Poe Eng			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Monico Jacob			
Direct	0.00%	100	
Indirect (thru PCD)	0.00%	-	
Cezar Consing			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Artemio Panganiban			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	11,000	21,057,334
Officers:			
Tony Tan Caktiong - President			
Ernesto Tanmantiong - Treasurer			
William Tan Untiong - Corporate Secretary			
Principal Stockholders:			
Hyper Dynamic	25.61%	273,218,750	
Direct			
Indirect (thru PCD)			
Honeysea Corporation			
Direct	11.97%	127,743,747	
Indirect (thru PCD)			400,962,497
Affiliates:			
Winall Holding Corporation			
Direct	5.08%	54,140,736	
Indirect (thru PCD)	0.00%	-	
Honeyworth Corporation			
Direct	3.64%	38,857,446	
Indirect (thru PCD)	0.08%	841,797	
Kingsworth Corporation			
Direct	2.73%	29,168,935	
Indirect (thru PCD)	0.00%	-	
Centregold Corporation			
Direct	2.57%	27,430,964	
Indirect (thru PCD)	0.00%	-	
A-Star Holding Corporation			
Direct	1.59%	16,920,393	
Indirect (thru PCD)	0.00%	-	
Venice Corporation			
Direct	1.63%	17,423,735	
Indirect (thru PCD)	0.00%	-	
Longshore Corporation			
Direct	0.49%	5,260,184	
Indirect (thru PCD)	0.00%	-	190,044,190
Others:			
Government			
Banks			
Employees	0.00%	-	
Jollibee Retirement Fund	0.02%	175,110	
Jollibee Stock Incentive Plan - MSOP	0.18%	1,946,831	
Jollibee Stock Incentive Plan - ELTIP	0.17%	1,775,347	
Lock-Up Shares			3,897,288
TOTAL	57.74%		615,961,309
TOTAL NUMBER OF SHARES PUBLIC	42.26%		450,832,631

Number of Issued Shares (if any)	1,083,241,280
Less: Number of Treasury Shares (if any)	(16,447,340)
Number of Outstanding Shares	1,066,793,940
Less:	(A)

	% to Total Outstanding Shares	Number of Shares/ Total Shares net of Treasury	
Directors:			
Tony Tan Caktiong			
Direct	0.77%	8,254,565	
Indirect (thru PCD)	0.02%	240,000	
Ernesto Tanmantiong			
Direct	0.44%	4,743,951	
Indirect (thru PCD)	0.04%	457,019	
William Tan Untiong			
Direct	0.66%	7,013,388	
Indirect (thru PCD)	0.03%	279,667	
Joseph C. Tanbuntiong			
Direct	0.01%	57,630	
Indirect (thru PCD)	0.00%	-	
Ang Cho Sit			
Direct	0.00%	11	
Indirect (thru PCD)	0.00%	-	
Antonio Chua Poe Eng			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Monico Jacob			
Direct	0.00%	100	
Indirect (thru PCD)	0.00%	-	
Cezar Consing			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	-	
Artemio Panganiban			
Direct	0.00%	1	
Indirect (thru PCD)	0.00%	11,000	21,057,334
Officers:			
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Ernesto Tanmantiong - Treasurer			
William Tan Untiong - Corporate Secretary			
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Direct			
Indirect (thru PCD)			
Honeysea Corporation			
Direct	11.97%	127,743,747	
Indirect (thru PCD)			400,962,497
Affiliates:			
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Direct	5.08%	54,140,736	
Indirect (thru PCD)	0.00%	-	
Honeyworth Corporation			
Direct	3.64%	38,857,446	
Indirect (thru PCD)	0.08%	841,797	
Kingsworth Corporation			
Direct	2.73%	29,168,935	
Indirect (thru PCD)	0.00%	-	
Centregold Corporation			
Direct	2.57%	27,430,964	
Indirect (thru PCD)	0.00%	-	
A-Star Holding Corporation			
Direct	1.59%	16,920,393	
Indirect (thru PCD)	0.00%	-	
Venice Corporation			
Direct	1.63%	17,423,735	
Indirect (thru PCD)	0.00%	-	
Longshore Corporation			
Direct	0.49%	5,260,184	
Indirect (thru PCD)	0.00%	-	190,044,190
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Government			
Banks			
Employees	0.00%	-	
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Jollibee Stock Incentive Plan - MSOP	0.18%	1,946,831	
Jollibee Stock Incentive Plan - ELTIP	0.17%	1,775,347	
Lock-Up Shares			3,897,288
TOTAL	57.74%		615,961,309

PUBLIC OWNERSHIP PERCENTAGE
Total Number of Shares Owned by the Public
Total Issued and Outstanding Shares

Total number of shares public	450,832,631		
Total shares (net of Treasury Shares)	1,066,793,940	=	42.26%
Required Public Ownership %		=	10.00%

COMPLIANCE CHECK - PUBLIC OWNERSHIP	√	
	Complied	Not Complied

Number of Issued and Outstanding Shares	1,083,241,280
Number of Treasury Shares	(16,447,340)
Number of Outstanding Shares	1,066,793,940

Number of Foreign-Owned Shares	308,477,173
Foreign Ownership Level (%)	28.92%
Foreign Ownership Limit (%)	40.00%

COMPLIANCE CHECK - FOREIGN OWNERSHIP	√	
	Complied	Not Complied

Number of Foreign-Owned Shares:		
French	900	0.00%
Other Alien	307,785,490	28.85%
Singaporean	18,000	0.00%
British	1,250	0.00%
American	669,533	0.06%
Chinese	2,000	0.00%
Total Foreign-Owned Shares	308,477,173	28.92%

Number of Stockholders	3,145

Number of Shareholders Owning at least 1 Board Lot each	3,109

COVER SHEET

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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)

1 F J O L L I B E E P L A Z A B U I L D I N G
0 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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Press Release: 1st Quarter Financial Results

17C

Secondary License Type, If Applicable

pt. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

marks = 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)

Press Release
2015 1st Quarter Results
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

Central Receiving Unit

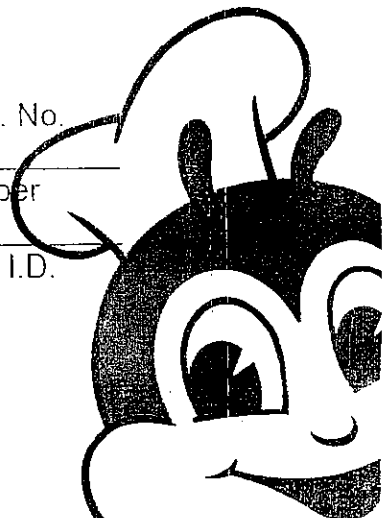
LCU

DTU

77487
S.E.C REG. No.

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 13, 2015**
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

Securities registered pursuant to Sections 4 and 8 of the RSA

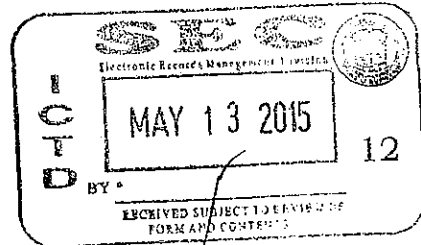
Title of each Class	Number of shares of common stock & warrants outstanding
Common	<u>1,066,827,107</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,066,827,107 is inclusive of 11,000 MSOP subject for listing and 2,588,777 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated May 11, 2015)	1,813,430
Shares applied for listing	-
Ending balance, as of May 13, 2015	<u>1,813,430</u>
ELTIP Shares:	
Beginning Balance (as of May 11, 2015)	775,347
Shares applied for listing	-
Ending balance, as of May 13, 2015	<u>775,347</u>
TOTAL	<u>2,588,777</u>

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 13, 2015**
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
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Treasury Shares:	
Common	<u>16,447,340</u>

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Shares applied for listing	-
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TOTAL	<u>2,588,777</u>

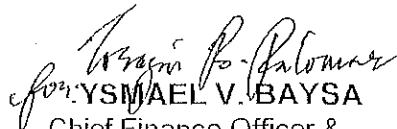
Other Events

Please see attached Press release re: 1st Quarter Financial Results

SIGNATURE

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

JOLLIBEE FOODS CORPORATION
Registrant


for YSMAEL V. BAYSA
Chief Finance Officer &
Corporate Information Officer


VALERIE F. AMANTE
Vice-President & Corporate Information Officer

THE JOLLIBEE GROUP OF COMPANIES

JFC 1st Quarter Sales Up 9.5%, Profit Rises by 10.2%

Metru Manila, Philippines, May 13, 2015 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the Quarter ended March 31, 2015

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the quarter ended March 31, 2015:

Financial Summary	YTD March		
	2015	2014	% Change
System Wide Retail Sales	29,908	27,305	9.5%
Revenues	23,003	20,914	10.0%
Net Operating Income	1,450	1,384	4.8%
Net Income	1,236	1,098	12.6%
Net Income Attributable to Equity Holders of the Parent Company	1,188	1,078	10.2%
Earnings Per Common Share - Basic	1.116	1.025	8.9%
Earnings Per Common Share - Diluted	1.092	1.002	9.0%

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

Jollibee Foods Corporation, the country's largest food service company, posted a 10.0% growth in revenues while system wide sales, a measure of all sales to consumers, both from company-owned and franchised stores grew by 9.5% in the first quarter of 2015 compared to the same quarter of 2014. JFC's Net Income Attributable to Equity Holders of the Parent Company rose by 10.2% in the first quarter versus the same period last year.

In the first quarter of 2015, system wide sales of the Philippine business grew by 9.9% driven by a 5.3% growth in store network and about 5% growth in same store sales. Sales from foreign businesses grew by 8.1%, with China growing by 7.7%, the United States by 11.7% and Southeast Asia and the Middle East by 5.0%. These growth rates are net of the effect of the appreciation of the Philippine peso versus other currencies. Excluding the impact of exchange rate changes, sales from its restaurants abroad grew by 11.1%.

Jollibee Foods Corporation's Chief Financial Officer Mr. Ysmael V. Baysa gave the following statement: "Overall business in the Philippines remained strong, growing by almost 10% in system wide sales in the first quarter despite a high base from last year. The brands continued to bear the pressure of higher raw material prices with their impact on operating margins. We look forward to improving raw material price trends and higher growth rate of our store network in the months ahead. Foreign businesses continued to grow well with strong same store sales growth and improving profitability in China and very robust business growth in Vietnam and in some parts of the Middle East."

Map 5/13/15

The JFC Group opened a total of 60 stores worldwide in the first quarter of 2015: 49 in the Philippines and 11 in its foreign business. On May 4, 2015 it opened a Jollibee store in The Dubai Mall in the United Arab Emirates registering one of the highest opening day sales of a store in the company's history and, re-establishing the brand in the country after 20 years.

Jollibee Foods Corporation operates the largest food service network in the Philippines. As of March 31, 2015, it was operating 2,335 restaurant outlets in the country: Jollibee brand 869, Chowking 419, Greenwich 216, Red Ribbon 334, Mang Inasal 452 and Burger King 45. Abroad, it was operating 616 stores: Yonghe King (China) 313, Hong Zhuang Yuan (China) 43, San Pin Wang (China) 53, Jollibee 123 (US 32, Vietnam 60, Brunei 12, Saudi Arabia 10, Qatar 3, Kuwait 3, Hong Kong 1 and Singapore 2), Red Ribbon in the US 34, Chowking 47 (US 19, UAE 20, Qatar 5, Oman 2 and Kuwait 1), Jinja Bar (US) 3. The JFC Group had a total of 2,951 stores worldwide.

JFC also has a 50% interest in joint ventures for the following stores: Highlands Coffee (Vietnam, Philippines) 77, Pho 24 (Vietnam, Indonesia, Philippines, Cambodia, Macau and Korea) 45, and 12 Sabu (China) 20.

OKP 5/13/15

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S.E.C. Registration Number

OFFICE COPY

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)

O/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)

Contact Person

Company Telephone Number

1 2 3 1
Month Day Year
Fiscal Year

Any Day in June
Month Day Year
Annual Meeting

Masterlist of Stockholders as of Record Date

17-C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

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, 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

Masterlist of Stockholders as of Record Date

(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

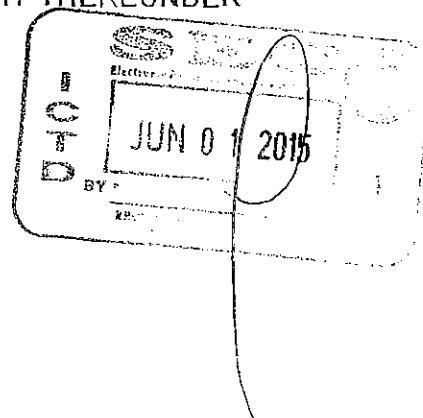
77487
S.E.C REG. No.

File Number

Document I.D.

Central Receiving Unit

**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 **01 June 2015**
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

1600
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	<u>1,067,827,107</u>
Treasury Shares	<u>16,447,340</u>

Note: Total common outstanding shares of 1,067,827,107 is inclusive of 3,570,995 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

ISOP Shares:	
Beginning balance (per SEC Form 17-C dated May 28, 2015)	1,795,648
Shares applied for listing	-
Ending balance, as of May 29, 2015	<u>1,795,648</u>
LTIP Shares:	
Beginning balance (per SEC Form 17-C dated May 28, 2015)	1,775,347
Shares applied for listing	-
Ending balance, as of May 29, 2015	<u>1,775,347</u>
TOTAL	<u>3,570,995</u>

1. Item 9. Other Events

Please see attached stockholders as of Record Date, May 27, 2015.

SIGNATURE

In 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 FERIA AMANTE
Vice President-Corporate Legal
Corporate Information Officer

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)

Contact Person

Company Telephone Number

1 2 3 1

Month Day Year
Fiscal Year

Any Day in June

Month Day Year

Election of Directors and Officers for Year 2015

Annual Meeting

Appointment of Committee Members

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

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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

Election of Directors and Officers for Year 2015;
Appointment of Committee Members

(Form Type)

Amendment Designation: (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

File Number

Document I.D.

Central Receiving Unit

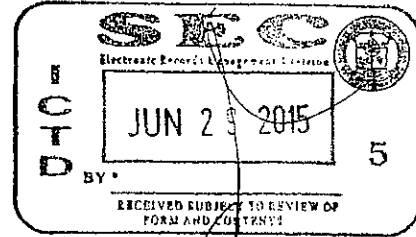


SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report 26 June 2015

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 1605 (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, NO. 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	<u>1,067,840,759</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,067,840,759 is inclusive of 7,000 and 5,485 MSOP shares subject for listing and 3,087,045 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated June 17, 2015)	1,779,865
Shares applied for listing	<u>(9,833)</u>
Ending balance, as of June 26, 2015	1,770,032
ELTIP Shares:	
Beginning Balance (as of June 17, 2015)	1,317,013
Shares applied for listing	<u>1,317,013</u>
Ending balance, as of June 26, 2015	
TOTAL	<u>3,087,045</u>

11. Item 9. Other Events

a. During the Annual Stockholders' Meeting of the Company, the stockholders elected the following as the Company's Directors for the year 2015:

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)

At the organizational meeting that immediately followed the stockholders' meeting, the following were elected as officers¹ of the Company:

Ernesto Tanmantiong: President and Chief Executive Officer
Joseph Tanbuntiong: Treasurer
William Tan Untiong: Corporate Secretary

c. The following were also 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 (Head)
Tony Tan Caktiong
Ernesto Tanmantiong
William Tan Untiong
Monico V. Jacob

COMPENSATION COMMITTEE

Tony Tan Caktiong – Head
Ret. Chief Justice Artemio V. Panganiban
Joseph Tanbuntiong
Ang Cho Sit
Cezar P. Consing

AUDIT COMMITTEE

Monico V. Jacob – Head
Cezar P. Consing
Antonio Chua Poe Eng
William Tan Untiong

¹Valerie Feria Amante: Assistant Corporate Secretary

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

COVER SHEET

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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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Amended Stock Option Plan Rules

17C

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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. Ave.
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)

SEC Form 17-C
Amended Stock Option Plan Rules

(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

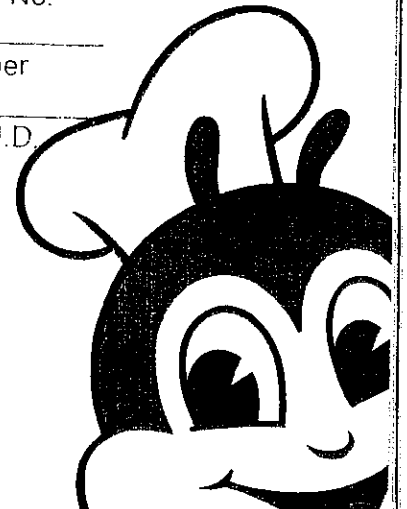
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77487
S.E.C REG. No.

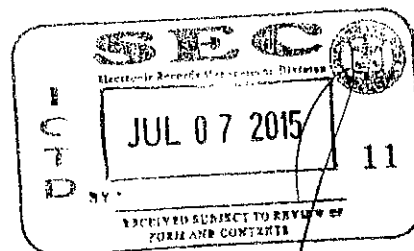
File Number

Document I.D.

Central Receiving Unit



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 July 6, 2015
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. AVE. 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	<u>1,067,877,759</u>
Treasury Shares: Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,067,877,759 is inclusive of 1,861,512 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

RSOF Shares:	
Beginning balance (per SEC Form 17-C dated July 3, 2015)	1,788,163
Shares applied for listing	115,608
Ending balance, as of July 6, 2015	1,903,771
FLTP Shares:	
Beginning balance (as of July 3, 2015)	267,913
Shares applied for listing	362,019
Ending balance, as of July 6, 2015	629,932
TOTAL	<u>2,533,703</u>

11. Item 9. Other Events

Please see attached submissions on the Amended Plan Rules of the Company's Senior Management Stock Option and Incentive Plan

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 FERIA AMANTE
Vice President – Corporate Legal
Corporate Information Officer



July 3, 2015

Securities and Exchange Commission
SEC Building, EDSA, Greenhills,
Mandaluyong City, Metro Manila

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Markets and Securities Regulation Department

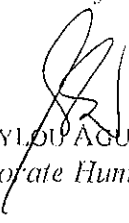
Dear Director Felizmenio:

Jollibee Foods Corporation respectfully submits a copy of the Amended Plan Rules of the Company's Senior Management Stock Option and Incentive Plan (the "Revised Rules"). A copy of the Secretary's Certificate confirming the adoption of the said Revised Rules by the Compensation Committee of the Board of Directors of the Company is attached for your reference.

We trust that everything is in order. Thank you for your attention.

Very truly yours,


VALERIE FERIAL AMANTE
*Vice President - Corporate Legal
Corporate Information Officer*


EMMYLOU AGUIRRE
Corporate Human Resources



SECRETARY'S CERTIFICATE

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

1. The Board of Directors duly approved the proposed revisions to the Stock Option Plan on July 1, 2015. A copy of the revised Stock Option Plan is attached hereto as Annex A (with revisions highlighted for easy reference).
2. 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
JUL 06 2015 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:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

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

JOLLIBEE FOODS CORPORATION
SENIOR MANAGEMENT STOCK OPTION AND INCENTIVE PLAN
Amended Plan Rules (as amended on July 1, 2015)

1. DESCRIPTION OF PROGRAM AND PURPOSE

This Senior Management Stock Option and Incentive Plan ("Plan") has been established by Jollibee Foods Corporation ("Company") to encourage increased proprietary interest in the Company and to provide incentives for long-term performance for (a) selected key members of management of the Company and certain subsidiaries and (b) Designated Affiliated Entities.

The Plan is divided into two (2) Programs, namely, the Management Stocks Option Program ("MSOP") and the Executive Long-Term Incentive Program ("ELTIP").

The MSOP is designed to achieve the following objectives:

- Provide a yearly stock option grant program based on Company performance to complement the participant's annual total cash compensation
- Alignment of participant's interest with those of shareholders

The ELTIP is designed to achieve the following objectives:

- Provide stock ownership as an incentive that will reinforce entrepreneurial and long-term ownership behavior for the participants
- Provide a program that rewards superior performance in achieving medium to long-term goals

2. DEFINITION OF TERMS

In this Plan, the following terms have the following meanings:

- a. **Board** -- the Board of Directors of the Company
- b. [reserved]
- c. **Company** -- Jollibee Foods Corporation
- d. **Committee** -- the Compensation Committee created by the Board as defined in 3.1
- e. **Designated Consultants** -- any individual who has rendered technical or management consultancy services to the Jollibee Group and whom the Board of Directors of the Company designates as such for the purpose of this Plan.
- f. [reserved]
- g. **Disability** -- as determined by the Committee in accordance with standards and procedures similar to those under the Company's long-term disability plan. Disability shall mean the inability of a participant, as determined by the Committee, substantially to perform such Participant's regular duties and responsibilities due to a medically determinable physical or mental illness which has lasted for a period of six (6) consecutive months.
- h. **Eligible Participant or Participant** - an individual eligible to be granted Stock Options under the MSOP or Stock Incentives under the ELTIP
- i. **ELTIP Entitlement Date** -- the date when the ELTIP Participant is granted the offer to earn the ELTIP Incentives, as defined in Section 4.2.2

- j. **ELTIP Exercise Period** -- the five-year period beginning in the ELTIP Grant Date during which the ELTIP Participant may purchase Shares corresponding to the vested ELTIP Incentives at the given Exercise Price, as defined in Section 4.2.5
- k. **ELTIP Grant Date** -- the date on which an ELTIP Participant achieves the Hurdle Rate and Personal Goals within the Hurdle Period and earns the ELTIP Incentives, as defined in the Section 4.2.3
- l. **ELTIP Incentive** -- the Stock Incentives offered under the ELTIP
- m. **ELTIP Participant** -- an individual eligible to be granted ELTIP Incentives under the ELTIP as defined in the Section 4.2.1
- n. **Exercise Price** -- in respect of a Stock Option/Incentive, means the price designated by the Company at which the Participant may purchase a Share.
- o. **ELTIP Vesting Date** -- the dates on which the ELTIP Incentives accrue at a rate of one-third per year, beginning on the ELTIP Grant Date and on each of the first and second year anniversary dates thereof, as defined in the Section 4.2.4
- p. [reserved]
- q. **Hurdle Period** -- the period set by the Company and Committee at which the Hurdle Rate and Personal Goals must be achieved to earn the ELTIP Incentives and Trigger the ELTIP Grant Date, as defined in the Section 4.2.2
- r. **Hurdle Rate** -- the medium to long-term goals set by the Committee to be achieved by the ELTIP Participants in order to earn the ELTIP Incentives, as defined in the Section 4.2.2
- s. **Incentive Cycle** -- in respect of the ELTIP, means the period commencing on the ELTIP Entitlement Date and ending on the last day of the ELTIP Exercise Period
- t. **Incentive Holder** -- an Eligible Participant who is granted and accepts Stock Incentives under the ELTIP
- u. **Jollibee Group** -- the Company and its Subsidiaries
- v. **MSOP Exercise Period** -- the seven-year period beginning on the first year from the MSOP Grant Date during which the MSOP Participant may purchase Shares corresponding to the vested MSOP Options at the given Exercise Price, as defined in Section 4.1.4
- w. **MSOP Grant Date** -- the date when MSOP Participant is granted the MSOP Options, as defined in Section 4.1.2
- x. **MSOP Option** -- the Stock Options offered under the MSOP
- y. **MSOP Participant** -- an individual eligible to be granted MSOP Options under the MSOP as defined under Section 4.1.1
- z. **MSOP Vesting Date** -- the first, second and third year anniversary dates of MSOP Grant Date on which the MSOP Options accrue at a rate of one-third per year, as defined in Section 4.1.3
- aa. **Notice of Entitlement to Earn ELTIP Incentives** -- the written notice of entitlement to earn ELTIP Incentives distributed by the Committee to ELTIP Participants as described in Section 4.2.2

- bb. **Notice of MSOP Option Grant** – the written notice distributed by the Committee to MSOP Participants as described in 4.1.2
- cc. **Option Cycle** – in respect of the MSOP, means the period commencing on the MSOP Grant Date and ending on the last day of the MSOP Exercise Period
- dd. **Option Holder** – an Eligible Participant who is granted and accepts Stock Options under the MSOP
- ee. **Personal Goals** – the individual objectives set by the BLTIP Participants for their respective operating units or work areas that will contribute to the medium to long-term goals, as defined in Section 4.2.2
- ff. **Plan** – refers to the Senior Management Stock Option and Incentive Plan, as amended
- gg. **Program** – refers to either the MSOP and the BLTIP of the Plan and **Programs** refers collectively to the MSOP and the BLTIP
- hh. **PSE** – The Philippine Stock Exchange, Inc.
- ii. **Resignation** – a voluntary act by the Eligible Participant to cease, for any reason, (i) employment or membership in the relevant management committee of the Company or its Subsidiaries, as the case may be, or (ii) provision of contracted services, in the case of a Designated Consultant
- jj. **Retirement** – (i) retirement from employment with the Company and its Subsidiaries on or after the retirement date(s) specified in the Company's qualified retirement plans or such earlier date as approved in writing by the Committee for the purposes of this Plan; or (ii) in the case of Designated Consultants, expiration of the relevant contract for consulting services.
- kk. **Shareholder(s)** – owners of record of Shares of the Company
- ll. **Shares** – common shares of stock of the Company and in case of any declassification of the shares of the Company, the common shares or any subsequent classification thereof comprising the authorized capital stock of the Company
- mm. **Strategic Business Unit or SBU** – the discrete businesses operated by the Company (directly or through Subsidiaries) under such brands as the Company may develop or acquire;
- nn. **Stock Incentive** – refers to the BLTIP Incentive granting the holder thereof the right to subscribe to Shares under the terms and conditions of the Plan
- oo. **Stock Option** – refers to the MSOP Option granting the holder thereof the right to subscribe to Shares under the terms and conditions of the Plan
- pp. **Subsidiary (ies)** – any corporation at least fifty percent (50%) of the voting stock of which is effectively owned by the Company
- qq. [reserved]
- rr. **Termination** – separation from the Company or its Subsidiaries: (a) due to authorized or just causes under the Labor Code or under the Company's or its Subsidiaries' Code of Conduct or (b) termination by the Company of the services of a Designated Consultant

3. ADMINISTRATION OF THE PLAN

3.1 **The Compensation Committee.** The Plan shall be administered by the Corporation's Compensation Committee, as constituted pursuant to the By-Laws of the Corporation (as may be amended from time to time). Any act or acts approved in writing by all of the members of the Committee, then serving, shall be the act or acts of the Committee (as if taken by unanimous vote at a meeting of the Committee duly called and held).

3.2 **Plan Administration and Plan Rules.** The Committee is authorized to construe and interpret the Plan and to promulgate, amend, modify and rescind rules and regulations relating to the implementation, administration and maintenance of the Plan, and grant exemptions from Plan rules. Subject to the terms and conditions of the Plan, the Committee shall make all determinations necessary or advisable for the implementation, administration and maintenance of the Plan, including, without limitation, (a) coverage and eligibility of the Plan's Eligible Participants, (b) granting Stock Options/Incentives in such amounts and form as the Committee shall determine, (c) imposing such restrictions, terms and conditions upon such Stock Options/Incentives as the Committee shall deem appropriate, and (d) correcting any defect or omission, or reconciling any inconsistency, in the Plan. The Committee may designate persons other than members of the Committee to carry out the day-to-day administration of the Plan under such conditions and limitations as it may prescribe, except that the Committee shall not delegate its authority with regard to eligibility for participation in the Plan and/or the granting of any Stock Options/Incentives to Eligible Participants. Any determinations, decision or action of the Committee in connection with the construction, interpretation, administration, implementation or maintenance of the Plan may be appealed to the Board and the Board's decision shall be final, conclusive and binding upon all Eligible Participants and any person(s) claiming under or through any Eligible Participants. The Company shall effect the determination made by the Committee, by execution of written agreements and/or instruments in such forms as may be required by the Committee.

3.3 **Chief Executive Officer.** The Chief Executive Officer may recommend exemptions from Plan rules for the Compensation Committee's approval.

4. FEATURES OF THE PROGRAMS

4.1 The MSOP Program

4.1.1. **MSOP Participants** – MSOP Options shall be granted to Eligible Participants identified by the Committee from any of the following:

- (a) Members of senior management of the Company as identified by the Chairman of the Board and Chief Executive Officer of the Company, including without limitation heads of SBUs and corporate functions.
- (b) Members of management committees of SBUs and other key talents of Jollibee Group of Companies, and,
- (c) Designated Consultants

4.1.2. **Grant of MSOP Options** – The Committee shall grant MSOP Options to an MSOP Participant on a date to be determined by the Committee for a particular Option Cycle ("MSOP Grant Date").

All MSOP Participants shall receive a Notice of MSOP Option Grant indicating the following:

- (a) Number of MSOP Options granted as determined by the Committee
- (b) MSOP Grant Date

(c) Vesting and exercise schedule including the applicable MSOP Vesting Dates, MSOP Exercise Period, the first day of the MSOP Exercise Period and the last day of the MSOP Exercise Period

(d) Exercise price

The receipt of the Notice of MSOP Option Grant is not, and shall not, be construed as an exercise of the MSOP Options. A MSOP Participant deciding to exercise the MSOP Options must submit a written notice to the Committee specifying the number of Stock Options to be exercised and delivering payment for the Stock Options to the Company.

The grant of MSOP Options shall in no case be construed as a continuing obligation on the part of the Company to grant, or a continuing entitlement on the part of the MSOP Participant to receive, MSOP Options in any succeeding years or Option Cycles.

Neither should any grant of the MSOP Options be construed as a guarantee of employment or engagement of services or continuing employment or engagement benefit in favor of any Eligible Participant.

4.1.3. **MSOP Vesting Date** -- Once granted, the MSOP Options shall vest at the rate of one-third (1/3) of the total MSOP Options granted on each anniversary of the MSOP Grant Date for the next three (3) years.

4.1.4. **MSOP Exercise Period** -- Vested MSOP Options may be exercised for a period of seven (7) years, beginning on the first year from the MSOP Grant Date; provided that, for the ninth MSOP Option Cycle, the exercise period shall commence on July 1, 2013 and end on June 30, 2020. Only vested MSOP Options may be exercised during the Exercise Period.

All MSOP Options that remain unexercised as of 5:00 pm: (a) on June 30, 2020, in respect of the ninth MSOP Option Cycle and (b) on the seventh anniversary of the Grant Date, in respect of any succeeding Option Cycles, shall forthwith lapse and shall be deemed forfeited. In such case, the Company shall not be liable to issue or deliver the Shares pertaining to any such unexercised MSOP Options.

4.1.5. **MSOP Options Grant, Vesting and Exercise Schedule** -- For the avoidance of doubt, the MSOP Option grant, vesting and exercise schedule for each Option Cycle is illustrated as follows (dates are applicable for the first MSOP Option Cycle only):

	MSOP	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Grant Date	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period
	1-Jul-12	1-Jul-13	1-Jul-14	1-Jul-15	1-Jul-16	1-Jul-17	1-Jul-18	1-Jul-19
Vesting		33.40%	66.70%	100%				
Exercise		33.40%	66.70%	100%	100%	100%	100%	100%

Note: One (1) year refers to a 12 month-period from Grant Date.

4.1.6. **Modes of Exercise of MSOP Options** -- The holder of MSOP Options may exercise such MSOP Options through any one of the following modes

(a) Exercise and Hold

Under this mode, the holder of the MSOP Options shall purchase the Shares underlying the MSOP Options in his name. In this case, the Committee shall cause the Company to issue the Shares to such exercising holder corresponding to the MSOP Options, after which, the Company shall cease to be liable to the exercising holder for such exercised MSOP Options; or

(b) Exercise and Sell

Under this mode, the holder shall cause the Company to sell the Shares in the PSE at a price to be designated by such holder and receive the proceeds of the sale of such Shares, net of the Exercise Price, applicable taxes, broker's commission and any other costs and expenses of the sale. Upon sale of the Shares in the PSE by the Company at the price indicated by the holder of the MSOP Options and delivery of the net proceeds of such sale by the Company to such holder, the Company shall cease to be liable to the holder of such exercised MSOP Options.

Any costs to be incurred in issuing the Shares to the holder of the MSOP Options shall be borne by the Company while costs related to the sale of the Participant's shares in the PSE shall be borne by the MSOP Participant.

4.1.7. **Procedure for Exercise of MSOP Options** -- During the Exercise Period, the holder of the MSOP Options may wholly or partially exercise the MSOP Options by delivering to the Committee:

- (a) the duly accomplished, signed and irrevocable Exercise Notice specifying the number of MSOP Options to be exercised and the mode of exercise of the MSOP Options to the Committee;
- (b) the payment of the applicable Exercise Price, in the event the holder chooses the Exercise and Hold mode provided in Section 4.1.6 (a);
- (c) the indication in the Exercise Notice of the purchase price at which the holder decides to sell his Shares, in the event the holder chooses the Exercise and Sell mode provided in Section 4.1.6 (b).

4.1.8. **MSOP Exercise Price** -- The Committee shall determine the MSOP Exercise Price for each MSOP Option Cycle. For the ninth MSOP Option Cycle, the exercise price is set at P107.90 per share.

The ELTIP Program

4.2.1. **ELTIP Participants** -- ELTIP Incentives shall be granted to Eligible Participants as may be identified by the Committee from any of the following:

- (a) Members of senior management of the Company as identified by the Chairman of the Board and Chief Executive Officer of the Company, including without limitation heads of SBUs and corporate functions; and
- (b) Designated Consultants

4.2.2. **Entitlement to Earn ELTIP Incentives** -- On a date designated by the Committee ("ELTIP Entitlement Date"), the Committee shall identify the ELTIP Participants who will be entitled to earn a specified number of ELTIP Incentives at a specified Exercise Price if the ELTIP Incentive is granted in accordance with this Plan. The ELTIP stock option will be earned upon achievement of the Company's medium to long term hurdle rate ("Hurdle Rate") and the Personal Goals within a period to be set also by the Committee ("Hurdle Period"), subject to the following:

- (a) The Employee's Personal Goals shall serve as the gate which opens the Entitlement to the ELTIP Incentives. Achieving the Personal Goals entitles the Participants to be eligible for the ELTIP Incentives.

- (b) The Company's medium to long term Hurdle Rate is based on the targeted percentage in annual earnings per share and ELTIP incentives will be earned and granted as follows:

% Growth in annual earnings per share	% of 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

The Board of Directors may, at any time, set a new Hurdle Rate for purposes of Section 4.2.2(b), to take effect as of the immediately succeeding Hurdle Period.

- (c) In the event that the Company achieves the minimum Hurdle Rate and the individual's Personal Goals on or prior to the last day of the Hurdle Period, then the ELTIP Incentives shall be earned, granted and one third shall vest on the designated ELTIP Grant Date.
- (d) In the event that the Corporation fails to achieve the minimum Hurdle Rate by the last day of the Hurdle Period, then no ELTIP Incentives shall be earned, granted and vested.
- (e) In the event that the Company achieves the minimum Hurdle Rate prior to the last day of the Hurdle Period but the individual fails to accomplish the ELTIP Participant's Personal Goals, then the ELTIP Participant shall not earn any ELTIP Incentives.
- (f) A newly hired or promoted employee may be identified as an ELTIP Participant in the middle of the hurdle period. The newly hired or promoted employee will earn a specified number of ELTIP Incentives at an Exercise Price based on the ELTIP Entitlement Date in the middle of the hurdle period.

All ELTIP Participants shall receive a Notice of Entitlement to Earn ELTIP Incentives indicating the following:

- (a) Number of ELTIP Incentives that may be earned
- (b) Hurdle Rate and personal goals
- (c) Entitlement Date
- (d) Grant/Earning, Vesting and Exercise Schedule including the applicable ELTIP Grant Date, ELTIP Vesting Dates, ELTIP Exercise Period, the first day of the Exercise Period and the last day of the Exercise Period
- (e) Exercise Price

The receipt of the Notice of Entitlement to Earn ELTIP Incentive is not, and shall not, be construed a grant of the ELTIP Incentives.

4.2.3. **Grant of ELTIP Incentives** -- The Committee shall grant ELTIP Incentives to ELTIP Participants that have earned ELTIP Incentives on a date designated by the Committee ("ELTIP Grant Date"). Subject to the provisions of Section 4.2.1 hereof, all ELTIP Participant shall receive a Notice of ELTIP Incentive Grant indicating the following:

- (a) Confirmation of achievement of Hurdle Rate and personal goals
- (b) Number of ELTIP Incentives granted as determined by the Committee
- (c) ELTIP Grant Date
- (d) Vesting and exercise schedule including the earliest and latest dates
- (e) Exercise price

The receipt of the Notice of ELTIP Incentives Grant is not, and shall not be, construed as an exercise of the ELTIP Incentives. The ELTIP Participants deciding to exercise the ELTIP Incentives must submit to the Committee a duly accomplished Exercise Form, to be obtained from the Committee.

The grant of ELTIP Incentives is not, and shall not, be, construed as a continuing obligation on the part of the Company to grant or a continuing entitlement on the part of the ELTIP Participant to receive ELTIP Incentives in any succeeding years or Incentive Cycles.

Neither should any grant of the ELTIP Incentives be construed as a guarantee of employment or engagement of services benefit in favor of any Eligible Participant.

4.2.4. **ELTIP Vesting Date** -- On ELTIP Grant Date, the first one-third (1/3) of the ELTIP Incentives shall vest. The second and third portions shall vest on the second year anniversary and third year anniversary, respectively, from ELTIP Grant Date.

4.2.5. **ELTIP Exercise Period** -- The vested ELTIP Incentives may be exercised over a period of five (5) years beginning on the ELTIP Grant Date; provided that for the third ELTIP Incentives Cycle, the exercise period shall commence on May 1, 2015 and end on April 30, 2020. Only vested ELTIP Incentives may be exercised during the Exercise Period.

All ELTIP Incentives that remain unexercised as of 5:00 pm: (a) on April 30, 2020, in respect of the third ELTIP Incentive Cycle and (b) on the fifth anniversary of the Grant Date, in respect of any succeeding Incentive Cycles, shall forthwith lapse and shall be deemed forfeited. In such case, the company shall not be liable to issue or deliver the Shares pertaining to any such unexercised ELTIP Incentives.

4.2.6. **ELTIP Incentives Entitlement, Grant/Earning, Vesting and Exercise Schedule** -- For the avoidance of doubt, the ELTIP Incentive Cycle is illustrated as follows (dates are applicable for the first ELTIP Incentive Cycle only):

	ELTIP Entitlement Date (EED)	Hurdle Period					
			ELTIP Grant/Earning Date				
			Year 1 Vesting & Exercise Period	Year 2 Vesting & Exercise Period	Year 3 Vesting & Exercise Period	Year 4 Vesting & Exercise Period	Year 5 Vesting & Exercise Period
	19-Oct-12	1-Jan-12 to 31-Dec-14	1-May-15	1-May-16	1-May-17	1-May-18	1-May-19
Earning			100%				
Vesting			33.40%	66.70%	100%		
Exercise			33.40%	66.70%	100%	100%	100%

Note: One (1) year refers to a 12 month-period from Grant/Earning Date.

4.2.7. **Modes of Exercise of ELTIP Incentives** – The holder of ELTIP Incentives may exercise such ELTIP Incentives by indicating one of the following modes in the written notice of exercise to the Company:

(a) Exercise and Hold

Under this mode, the holder of the ELTIP Incentives shall purchase the Shares underlying the ELTIP Incentives in his name. In this case, the Committee shall cause the Company to issue the Shares in favor of the exercising holder corresponding to exercised ELTIP Incentives. Upon issuance of the Shares to the holder of the ELTIP Incentives, the Company shall cease to be liable to the exercising holder for such exercised ELTIP Incentives; or

(b) Exercise and Sell

Under this mode, the holder shall cause the Company to sell the Shares in the PSE at a price to be designated by such holder and receive the proceeds of the sale of such Shares, net of the Exercise Price, applicable taxes, broker's commission and any other costs and expenses of the sale. Upon sale of the Shares in the PSE by the Company at the price indicated by the holder of the ELTIP Incentives and delivery of the net proceeds of such sale by the Company to such holder, the Company shall cease to be liable to the exercising holder for such exercised ELTIP Incentives.

Any costs to be incurred in issuing the Shares to the holder of the ELTIP Incentives shall be borne by the Company while costs related to the sale of the Participant's shares in the PSE shall be borne by the ELTIP Participant.

4.2.8. **Procedure for Exercise of ELTIP Incentives** – During the Exercise Period, the holder of the ELTIP Incentives may wholly or partially exercise the ELTIP Incentives by delivering to the Committee:

- the duly accomplished, signed and irrevocable Exercise Notice specifying the number of ELTIP Incentives to be exercised and the mode of exercise of the ELTIP Incentives;
- the payment of the applicable Exercise Price, in the event the holder chooses the Exercise and Hold mode provided in Section 4.2.7 (a);
- the indication in the Exercise Notice of the purchase price at which the holder decides to sell his Shares, in the event the holder chooses the Exercise and Sell mode provided in Section 4.2.7 (b).

4.2.9. **ELTIP Exercise Price** – The Committee shall determine the ELTIP Incentive Cycle. For the ninth ELTIP Incentive Cycle, the exercise price is set at P105.00 per Share.

4.3. **Maximum Number of Shares.** The maximum number of Shares in respect of which Stock Options/Incentives may be granted under this Plan shall not exceed the equivalent of two percent (2%) of the issued and outstanding capital stock of the Company per year.

4.4. **Changes in Common Stocks.** In the events of merger, consolidation, reorganization, re-capitalization, reclassification of stock, stock dividend, stock split, change in par value or other change in corporate structure or capitalization affecting the Company's Shares, the proper adjustments shall be made to the amount of Shares covered by the Stock Options/Incentives which have been granted, and other price per Share of the Stock Options/Incentives.

5. TAXES

All taxes, including income tax and transaction tax, due on the Options/ Incentives granted, vested and exercised shall be for the account of the Participants. The Company shall be bound to withhold any tax payment that is lawfully required to be withheld by the employer.

6. TERMINATION OF EMPLOYMENT

6.1. **Resignation/Termination.** Except as otherwise herein provided, should an Eligible Participant's employment or contract for services cease by reason of Resignation or Termination during any particular Option/Incentive Cycle, all Stock Options/Incentives which have not been vested as of the date of Resignation or Termination shall immediately revert to the Company. All the rights of the said Eligible Participant over such Stock Options/Incentives, which have not been vested, shall likewise cease. Nevertheless, such Eligible Participant shall be entitled to all Stock Options/Incentives which, as of the date of Resignation or Termination, have been vested; Provided, that the Eligible Participant must exercise all vested Stock Options/Incentives within thirty (30) days from the date of Resignation or Termination; provided, further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant, whose employment or contract for services has ceased, to the Company or any of its Subsidiaries.

6.2. Retirement.

(a) Should an Eligible Participant's employment or contract for services cease by reason of Retirement before the age of 65 during any particular Options/Incentive Cycle, all the Stock Options/ Incentives which have not been vested shall immediately revert to the Company. All the rights of the said Eligible Participant over such Stocks Options/ Incentives, which have not been vested, shall likewise cease. Nevertheless, such Eligible Participant shall be entitled to all Stock Options/ Incentives which, as of the date of Retirement, have been vested; provided, that the Eligible Participant must exercise all vested Stock Options/Incentives not later than the last day of the Exercise Period of the relevant MSOP Option Cycle and/or ELTIP Incentive Cycle; provided further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant whose employment or contract for services has ceased to the Company or any of its Subsidiaries.

(b) If an Eligible Participant's employment or contract for services ceases by reason of Retirement at or beyond the age of 65 during any particular Stock Options/Incentives Cycle, *and* such Eligible Participant has served the Company or its Subsidiaries for at least 6 months of the Hurdle Period of the relevant ELTIP Incentive Cycle (with respect to a retiring ELTIP Participant), or for at least 6 months from MSOP Grant Date of the relevant MSOP Cycle (with respect to a retiring MSOP Participant), the following rules shall apply:

- (1) for ELTIP Participants: (i) if the retirement occurs after the ELTIP Entitlement Date but before the ELTIP Grant Date of the relevant Incentive Cycle, the retiring ELTIP Participant shall continue to be eligible to be granted Stock Incentives upon the occurrence of the ELTIP Grant Date; provided that the number of Stock Incentives to be granted shall be pro-rated based on the time period during which the Eligible Participant actually served during the Hurdle Period of the relevant Incentive Cycle. The pro-rated Stock Incentives so granted shall continue to vest in accordance with the schedule stated in the Plan; (ii) if the retirement occurs after the ELTIP Grant Date but before all granted Stock Incentives have vested, all granted Stock Incentives shall continue to vest in accordance with the schedule stated in the Plan.
- (2) for MSOP Participants, all granted Stock Options shall continue to vest in accordance with the schedule stated in the Plan.

In all cases of Retirement under Section 6.2(b), all the rights of the Eligible Participant over the Stock Options or Stock Incentives as specified herein shall be preserved notwithstanding such Retirement; provided, that, the Eligible Participant must exercise all vested Stock Options or Stock Incentives not later than the last day of the twelve months immediately following the last vesting date of the relevant MSOP Option Cycle and/or ELTIP Incentive Cycle; provided further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant whose employment has ceased with the Company or any of its Subsidiaries.

As a condition for the enjoyment of the foregoing benefit, Eligible Participants shall sign a non-compete agreement in form and substance acceptable to the Company, to cover the whole period starting from the date on which the Eligible Participant retires and ending on the last date of vesting, both dates inclusive. The Eligible Participant will forfeit the unvested Stock Options/Incentives in the event of breach of the non-compete agreement. This non-compete agreement shall be without prejudice to other non-compete covenants signed by the Eligible Participants in connection with their employment with the Company or its Subsidiaries.

6.3. Death or Permanent Disability. In case of death or permanent Disability of the Eligible Participant, all Stock Options/Incentives that have not yet vested at the time of death or permanent disability shall be deemed vested; provided that all vested Stock Options/Incentives and deemed vested Stock Options/Incentives must be exercised not later than the last day of the Exercise Period of the relevant MSOP Stock Option Cycle and/or ELTIP Incentive Cycle.

In case of death, the vested Stock Options/Incentives and deemed vested Stock Options/Incentives may be exercised by:

1. If there is a judicial settlement of estate, the court appointed executor or administrator; or
2. If there is extra-judicial settlement of estate, the heirs authorized under the duly executed extra-judicial settlement.

In case of permanent Disability coupled with incapacity, the vested and deemed vested Stock Options may be exercised by the court-appointed legal guardian of the incapacitated Eligible Participant.

6.4. **No Exercise.** Under no circumstances shall any vested Stock Options/Incentives be exercisable after the periods for exercise specified in Section 4.1.4, 4.1.5, 4.2.5 and 4.2.6 hereof.

7. NON-TRANSFERABILITY OF AWARDS

No Notice of Entitlement to Earn, Notice of Stock Option/Incentive Grant or Stock Options/Incentives under the Plan and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, pledged, disposed of or otherwise encumbered by an Eligible Participant or his heirs. Except as allowed by law, no such interest shall be subject to seizure for the payment of the debts, liabilities, judgments of the Eligible Participant (or any beneficiary) or be transferable in the event of the latter's bankruptcy or insolvency. Subject to Section 6.3 in cases of incapacity, during the lifetime of the Eligible Participant, Stock Options/Incentives are exercisable only by the Eligible Participant.

8. RANKING OF SHARES

The Shares to be issued and allotted upon the exercise of an option shall rank *pari passu* in all respect with the then existing issued and outstanding Shares of the Company, and will be subject to all the provisions of the Articles of Incorporation and By-laws of the Company then in effect.

9. DISPUTES

Any dispute arising under this Plan may be referred to the Board who in turn may retain one or more competent, disinterested third parties who shall act as experts and not as arbitrators. The Board's decision shall be final and binding.

10. SUSPENSION, TERMINATION, OR AMENDMENT OF THE PLAN

10.1 Suspension and/or Termination. Upon the recommendation of the Committee, the Board may, at any time, suspend or terminate this Plan. All Stock Options/Incentives that have not been vested as of the date of suspension or termination of the Plan, shall immediately revert to the Company. All Stock Options/Incentives that have vested but have not been exercised as of the date of the suspension or termination of this Plan, may be exercised by the Eligible Participant for a period not to exceed three (3) months after such suspension or termination. The Eligible Participant shall be entitled to all fully paid shares and dividends (including interest income earned) accrued on such fully paid shares.

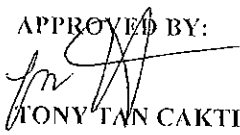
10.2 Amendment. The Board may, in its discretion, amend or modify the Plan or any provision thereof provided any such amendment shall not prejudice any rights already vested or any privilege already exercised.

11. MISCELLANEOUS

11.1 No Right to Employment. Neither the adoption of the Plan, granting of any agreement, shall confer upon any employee of the Company or any Subsidiary any right to continued employment with the Company or any Subsidiary, as the case may be, nor shall it interfere in any way with the right, if any, of the Company or any Subsidiary to terminate the employment of any employee at any time for any reason.

- 11.2 **Unfunded Plan.** The Plan shall be unfunded and the Company shall not be required to segregate any assets in connection with any benefits under the Plan. Any liability of the Company shall be based solely upon the contractual obligations that may be created as a result of the Plan or any corresponding agreement. No such obligation of the Company shall be deemed to be secured by any pledge of, encumbrance on, or other interest in, any property or asset of the Company or any Subsidiary. Nothing contained in the Plan or any Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant of Stock Option shall be construed as creating in respect of any Eligible Participant (or beneficiary thereof or any other person) any equity or other interest of any kind in any asset of the Company or any Subsidiary or creating a trust of any kind or a fiduciary relationship of any kind between the Company, any Subsidiary and/or any such Participant, any beneficiary or any other person.
- 11.3 **Administrative Cost.** The Company shall bear the costs of establishing, maintaining and administering this Plan.
- 11.4 **Other Company Benefit and Compensation Programs.** Payments and other benefits received by an Eligible Participant pursuant to the Plan shall not be deemed a part of an Eligible Participant's compensation for the purposes of the determination of the benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company or any Subsidiary unless expressly provided in such other plans or arrangements, or except where the Board expressly determines in writing that inclusion of a Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option should be included to accurately reflect competitive annual base salary or other cash compensation. Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option under the Plan may be in addition to, in combination with, or as alternatives to, grants, awards or payments under any other plans or arrangements that the Company or any of its Subsidiaries may adopt. The Company or its Subsidiaries may adopt such other compensation plans or programs and additional compensation arrangements as it deems necessary to attract, retain and motivate employees.
- 11.5 **Leaves of Absence/Transfer.** The Committee shall have the power to promulgate rules and regulations and to make determinations, as it deems appropriate, under the Plan in respect of any leave of absence from the Company or any Subsidiary granted to an Eligible Participant. If a participant transfers within the Company, or to or from the Subsidiary, such Eligible Participant shall not be deemed to have terminated employment as a result of such transfer.
- 11.6 **Dissolution.** In the event the shareholders of the Company pass a resolution for the voluntary dissolution of the Company prior to the expiry of the Stock Options/Incentives, a holder of Stock Options/Incentives may, by notice in writing and within three (3) months after the resolutions duly passed, elect to be treated as if his Stock Options/Incentives had been exercised in full before the resolution, and will qualify to receive in respect of the Shares which are the subject of such election reduced by the Exercise Price which would otherwise have been payable in respect thereof.
- 11.7 **Governing Laws.** The Plan and all the actions taken thereunder shall be governed by and construed in accordance with the laws of the Republic of the Philippines, without regard to principles of conflict of laws. Any titles and headings herein are for reference purposes only, and shall in no way limit, define or otherwise affect the meaning, construction or interpretation of any provisions of the Plan.

11.8 Date of Approval. The Board of Directors of unanimously approved the latest amendment to this Plan
on 1 July 2015.

APPROVED BY:

TONY TAN CAKTIONG
Chairman 

ATTESTED By:

WILLIAM TAN UNTIONG
Corporate Secretary 

-----Nothing Follows-----

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
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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Top 100

as of June 30, 2015

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS



COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building
Emerald 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)

Top 100 Stockholders
as of June 30, 2015

(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

File Number

Document I.D.

Central Receiving Unit

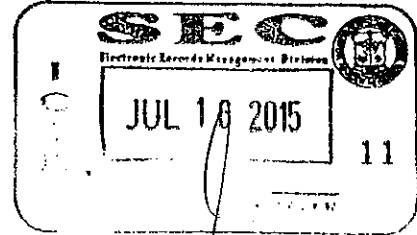


SECURITIES AND EXCHANGE COMMISSION

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 July 15, 2015
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 [REDACTED] (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:	<u>1,069,210,093</u>

Treasury Shares:	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,210,093 is inclusive of 110,000 and 22,334 MSOP shares subject for listing and 3,057,421 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated July 9, 2015)	1,595,408
Shares applied for listing	-
Ending balance, as of July 16, 2015	<u>1,595,408</u>
ELTIP Shares:	
Beginning Balance (as of July 9, 2015)	262,013
Shares applied for listing (Additional shares entrusted to broker)	1,200,000
Ending balance, as of July 16, 2015	<u>1,462,013</u>
TOTAL	<u><u>3,057,421</u></u>

11. Other Events

Please see attached Jollibee Foods Corporation's Top 100 Stockholders as of June 30, 2015.

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 & Head, Legal Division
Corporate Information Officer



108072015001838

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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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 108072015001838
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered August 07, 2015
No. of Days Late 0
Department CFD
Remarks

COVER SHEET

OFFICE COPY

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Press Release: 2015 2nd Quarter Results

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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

2015 2nd Quarter 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

5/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
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 (2)(b) THEREUNDER**

1. Date of Report: **August 7, 2015**
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, F. ORTIGAS JR. AVENUE, ORTIGAS JR. AVENUE,
PASIG CITY**
Address of registrant's principal office

1600
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

<i>Title of each Class</i>	<i>Number of shares of Common stock outstanding</i>
Common	<u>1,069,236,761</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,236,761 is inclusive of 21,834 MSOP shares subject for listing and 2,858,928 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated August 6, 2015)	1,465,915
Shares applied for listing	-
Ending balance, as of August 7, 2015	<u>1,465,915</u>
ELTIP Shares:	
Beginning balance (per SEC Form 17-C dated August 6, 2015)	1,392,013
Shares applied for listing	-
Ending balance, as of August 7, 2015	<u>1,392,013</u>
TOTAL	<u><u>2,858,928</u></u>

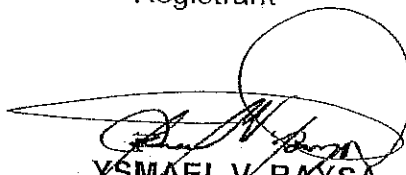
Please see attached press release.

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

THE JOLLIBEE GROUP OF COMPANIES

JFC 1st Half Profit Up 5.4%, Accelerates Store Expansion to 3,000

Metro Manila, Philippines, August 7, 2015 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the Quarter ended June 30, 2015

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the quarter and six months ended June 30, 2015:

Financial Summary	Quarter 2			YTD June		
	2015	2014	% Change	2015	2014	% Change
System Wide Retail Sales	32,247	29,748	8.4%	62,154	57,054	8.9%
Revenues	24,853	22,788	9.1%	47,855	43,702	9.5%
Net Income	1,465	1,418	3.3%	2,702	2,516	7.4%
Net Income Attributable to Equity Holders of the Parent Company	1,412	1,390	1.6%	2,600	2,468	5.4%
Earnings Per Common Share - Basic	1.325	1.319	0.5%	2.441	2.344	4.1%
Earnings Per Common Share - Diluted	1.298	1.289	0.7%	2.390	2.291	4.3%

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

The Jollibee Group grew its revenues by 9.5% in the first six months of 2015 over the same period a year ago as it accelerated its store network expansion to 3,000 worldwide as of June 30, 2015. It opened 131 new stores worldwide of which 102 were in the Philippines, the highest store opening in the first six months of a year. These numbers compared with 84 new stores opened in the Philippines and 108 worldwide in the same period in 2014. The JFC Group had 168 more stores worldwide versus a year ago.

JFC's Chief Executive Officer, Mr. Ernesto Tanmantiong gave the following statement: "We are excited about our recent rate of store network expansion. We just achieved the 3,000th store milestone. We are on track to open at least 200 new stores in one year in the Philippines, the first time we will be able to do so. Historically, we were opening a hundred new stores per year in the country. We look forward to opening 300 new stores worldwide this year, also a first in our history with 100 abroad, the bulk of which will be in the People's Republic of China. The key drivers of our store network growth are strong same store sales growth and improved profitability and financial returns of our stores, built over the past two years across the brands and across different regions in the world, and increased capability of our organization particularly our network development group in the Philippines. We look forward to JFC's resurgence to double digit sales growth in the quarters and years ahead".

JFC's net income attributable to shareholders of the parent company grew by only 5.4% in the first half of the year with basically a flat growth in the second quarter of 2015 versus the same period a year ago despite a 9.5% increase in revenues. Higher raw material prices reduced profit margins while major investment spending on information technology, particularly on SAP implementation significantly increased general and administrative expenses.

JFC's Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement:
"Raw material prices are declining; however, their benefits on profit margins have been offset by high level of inventories of materials with still high prices. We deliberately increased our inventories in the Philippines starting in 2014 as a safety measure during a major new system implementation, and as a way of dealing with the logistics and delivery challenges in the country. We look forward to resurgence to double digit sales and profit growth in 2016 and in the years ahead as we realize the benefits of improved profit margins, acceleration of store network expansion, stabilization of our information technology cost and higher profit contribution by our businesses abroad, even as all regions worldwide have grown their profit in the first half of 2015 versus a year ago. Meanwhile, our working capital improved significantly in the second quarter of 2015, bringing the Company back to a strong net cash level and in a position to fund major investments for long term growth."

Jollibee Foods Corporation operates the largest food service network in the Philippines. As of June 30, 2015, it was operating 2,374 restaurant outlets in the country: Jollibee brand 880, Chowking 422, Greenwich 219, Red Ribbon 349, Mang Inasal 459 and Burger King 45. Abroad, it was operating 627 stores: Yonghe King (China) 314, Hong Zhuang Yuan (China) 44, San Pin Wang (China) 56, Jollibee 131 (US 32, Vietnam 66, Brunei 12, Saudi Arabia 10, Qatar 3, Kuwait 4, Hong Kong 1, Singapore 2 and UAE 1), Red Ribbon in the US 33, Chowking 46 (US 19, UAE 19, Qatar 5, Oman 2 and Kuwait 1), Jinja Bar (US) 3. The JFC Group had a total of 3,001 stores worldwide.

JFC also has a 50% interest in joint ventures for the following stores: Highlands Coffee (Vietnam, Philippines) 81, Pho 24 (Vietnam, Indonesia, Cambodia, and Korea) 38, and 12 Sabu (China) 20.



108202015001263



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

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

Document Information

Document ID 108202015001263
Document Type LETTER/MISC
Document Code LTR
Period Covered April 07, 2015
No. of Days Late 0
Department CED/CFD/CRMD/MRD/NTD
Remarks corporate governance report

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Annual Corporate Governance Report
(Consolidated Changes and Updates in the ACGR for 2015)

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM - ACGR

ANNUAL CORPORATE GOVERNANCE REPORT
(2015)

1. Report is Filed for the Year 2015
2. Exact Name of Registrant as Specified in its Charter JOLLIBEE FOODS CORPORATION
3. 10/F Jollibee Plaza 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City 1605
Address of Principal Office Postal Code
4. SEC Identification Number 77487 5.  (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number 000-388-771
7. + 63 2 634 1111
Issuer's Telephone number, including area code
8. N/A
Former name or former address, if changed from last report

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9

Actual number of Directors for the year	9

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type (Executive (ED), Non- Execution (NED) or Independent Director (ID)	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID state the number of years served as ID)	Elected when (Annual/ Special Meeting)	No. of years served as director
Tony Tan Caktiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1978	2015	06/26/2015	37
Ernesto Tanmantiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1987	2015	06/26/2015	28
William Tan Untiong	ED	JFC	Submitted to the Nomination Committee by shareholders	1993	2015	06/26/2015	22
Joseph Tanbuntiong	ED	JFC	Submitted to the Nomination Committee by shareholders	2013	2015	06/26/2015	2
Antonio Chua Poe Eng	NED	JFC	Submitted to the Nomination Committee by shareholders	1978	2015	06/26/2015	37
Ang Cho Sit	NED	JFC	Submitted to the Nomination Committee by shareholders	1978	2015	06/26/2015	37
Ret. Chief Justice Artemio V. Panganiban	NED	JFC	Submitted to the Nomination Committee by shareholders	June 2012	2015	06/26/2015	3
Monico V. Jacob	ID ¹	JFC	Submitted to the Nomination Committee by shareholders	2001	2015 (3)	06/26/2015	14
Cesar P. Consing	ID	JFC	Submitted to the Nomination Committee by shareholders	June 2010	2015 (3)	06/26/2015	5

Per Rule 38(7) of the Amended Implementing Rules and Regulations of the Securities Regulation Code, issuers of registered securities and public companies are required to have at least two (2) independent directors or at least twenty percent (20%) of its board size, whichever is lesser.

¹ Per SEC Memorandum Circular No. 9 series of 2011, effective January 2, 2012, all previous terms served by existing independent directors shall not be included in the application of the term limits subject of the circular.

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Board of Directors, Management and employees of Jollibee Foods Corporation commit themselves to the principles and best practices as contained in its Amended Manual on Corporate Governance and further acknowledge that the same may guide the attainment of the Company's values, mission and vision.

The Board of Directors, officers, employees and stockholders of the Company believe that corporate governance is a necessary component of sound strategic business management and will undertake every effort necessary to create awareness within the organization as soon as possible. (Source: Article 1, Amended Manual on Corporate Governance)

The Company has adapted implementing policies of the Manual on Corporate Governance. These policies have been approved by the Board of Directors and cover, among others, (i) membership of the Company's directors in other corporate boards, (ii) standard of conduct of the Board and Senior Management and Conflict of Interest policy; (iii) selection process for directors and senior management; (iv) major capital expenditures; (v) principles in developing remuneration policies, (vi) risk management, (vii) financial management policies and procedures, (viii) shareholder grievance procedure and (ix) an evaluation system for determining and measuring compliance with the Company's Manual on Corporate Governance.

On July 24, 2014, the Company filed its Amended Manual on Corporate Governance in compliance with SEC Memorandum Circular No. 9, series of 2014.

- (c) How often does the Board review and approve the vision and mission?

The Company's Board of Directors reviews and approves the Company's vision and mission as necessary. It is the vision of the Company to become one of the three largest and most profitable restaurant companies in the world by 2020.

- (d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
Tony Tan Caktiong	Fresh N' Famous Foods, Inc.	Chairman, Executive
	Mang Inasal Phils., Inc.	Chairman, Executive
	Coffeetap Corporation ³	Chairman, Executive
	BK Titans, Inc.	Executive
	PFN Holdings, Corp.	Executive
	Perf Restaurants, Inc.	Executive
	Perf Trinoma, Inc.	Executive
	Perf MOA Pasay, Inc.	Executive
	RRB Holdings, Inc.	Chairman, Executive
	Red Ribbon Bakeshop, Inc.	Chairman, Executive
	Honeybee Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Director
	Chanceux, Inc.	Executive
	Jollibee Worldwide Pte. Ltd.	Executive
	Belmont Enterprises Ventures Ltd.	Executive
	Jollibee International (BVI) Ltd.	Executive
	WJ Investments Limited	Executive
	JSF Investments Pte. Ltd.	Executive
	Golden Cup Pte. Ltd.	Executive

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company. **Note:** Companies owning shares in the parent corporation is not included in the list.

³ Pending dissolution.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
	Golden Plate Pte. Ltd.	Executive
	Golden Beeworks Pte. Ltd.	Executive
	SF Vung Tau Joint Stock Company	Executive
	Blue Sky Holdings Ltd.	Executive
	Southsea Binaries Limited	Executive
	Happy Bee Foods Processing Pte. Ltd.	Executive
	Jollibee (China) Food & Beverage Management Co. Ltd.	Executive
	Guangxi San Pin Wang Food & Beverage Co. Ltd.	Executive
	Beijing New Hongzhuangyuan Food & Beverage Management Co. Ltd.	Executive
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Hangzhou Yongtong Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Shenzhen Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Happy Bee Foods Processing (Anhui) Co. Ltd.	Executive
	12 Sabu (Shanghai) Food & Beverage Management Co. Ltd.	Director
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	Shanghai Belmont Enterprises Management & Adviser Co. Ltd. ⁴	Executive
	Jollibee Group Foundation, Inc.	Executive
	Mary's Foods Corporation	Executive
William Tan Untiong	Fresh N' Famous Foods, Inc.	Executive
	Mang Inasal Phils., Inc.	Executive
	Coffeetap Corporation ⁵	Executive
	BK Titans, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Red Ribbon Bakeshop, Inc.	Executive
	Honeybee Foods Corp.	Executive
	Grandworth Resources Corporation	Executive
	Zenith Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Director
	Chanceux, Inc.	Executive
	JC Properties & Ventures Corporation	Executive
	Zenith Foods Corporation	Executive
	Adgraphix, Inc.	Executive
	Belmont Enterprises Ventures Ltd.	Executive
	Golden Plate Pte. Ltd.	Executive
	Jollibee (China) Food & Beverage Management Co. Ltd.	Executive
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Shenzhen Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	WJ Investments Limited	Director
	Jollibee Group Foundation, Inc.	Executive
Ernesto Tanmantiong	Fresh N' Famous Foods, Inc.	Executive
	Mang Inasal Phils., Inc.	Executive
	BK Titans, Inc.	Executive
	PFN Holdings, Corp.	Executive
	Perf. Restaurants, Inc.	Executive
	Perf. Trinoma, Inc.	Executive

⁴ Pending deregistration as of February 2015.

⁵ Pending dissolution.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
	Perf MOA Pasay, Inc.	Executive
	Red Ribbon Bakeshop, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Honeybee Foods Corp.	Executive
	Red Ribbon Bakeshop Inc. (USA)	Executive
	Chowking Food Corporation (USA)	Executive
	Honeystar Holding Corporation	Executive
	Chanceux, Inc.	Executive
	Adgraphix, Inc.	Executive
	Grandworth Resources Corp.	Executive
	Jollibee Worldwide Pte. Ltd.	Executive
	Belmont Enterprises Ventures Ltd.	Executive
	JSF Investments Pte. Ltd.	Executive
	Jollibee International (BVI) Ltd.	Executive
	Jollibee Hong Kong Ltd.	Executive
	Hanover Holdings Ltd.	Executive
	P.T. Jollibee Indonesia	Executive
	Jollibee Vietnam Co. Ltd.	Executive
	P.T. Chowking Indonesia	Executive
	Golden Cup Pte. Ltd.	Executive
	Golden Plate Pte. Ltd.	Executive
	Golden Beeworks Pte. Ltd.	Executive
	Happy Bee Foods Processing Pte. Ltd. ⁶	Executive
	Jollibee (China) Food & Beverage Management Co. Ltd.	Executive
	Hangzhou Yonghe Food and Beverage Co. Ltd.	Executive
	Tianjin Yong He King Food & Beverage Co. Ltd.	Executive
	Beijing Yong He King Food and Beverage Co. Ltd.	Executive
	Wuhan Yonghe King Food and Beverage Co. Ltd.	Executive
	Yong He Holdings Co. Ltd.	Executive
	Centenary Ventures Limited	Executive
	Jollibee Group Foundation, Inc.	Member
	Mary's Foods Corporation	Executive
Joseph Tanbuntiong	Red Ribbon Bakeshop, Inc.	Executive
	RRB Holdings, Inc.	Executive
	Jollibee Group Foundation, Inc.	Member
Ang Cho Sit	Grandworth Resources Corp.	Executive
	Freemont Foods Corp.	Executive

Source: 2014 JFC Annual Report, filed on April 14, 2015.

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the Company's Board of Directors who are also directors of publicly listed companies outside its group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tony Tan Caktiong	First Gen Corporation	Independent Director
	DoubleDragon Properties Corp.	Executive Director
	Philippine Long Distance Telephone Company	Non-Executive Director
William Tan Untiong	DoubleDragon Properties Corp.	Executive Director
Joseph Tanbuntiong	DoubleDragon Properties Corp.	Non-Executive Director
Monico V. Jacob	2 Go Group, Inc. (formerly Aboitiz Transport Systems, Inc.)	Independent Director

⁶ Formerly Jollibee Foods Processing Pte. Ltd, change in name effective October 1, 2014.

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
	Asian Terminals, Inc.	Director
	Century Properties Group, Inc.	Independent Director
	Phoenix Petroleum Philippines, Inc.	Independent Director
	STI Education Systems Holdings, Inc.	Director
Cesar P. Consing	Bank of the Philippine Islands	Director
	National Reinsurance Corp. of the Philippines (PhilNare)	Director
Ret. Chief Justice Artemio V. Panganiban	MERALCO	Independent Director
	Petron Corporation	Independent Director
	Bank of the Philippine Islands	Independent Director
	First Philippine Holdings Corp.	Independent Director
	Philippine Long Distance Telephone Company	Independent Director
	Metro Pacific Investment Corp.	Independent Director
	Robinsons Land Corp.	Independent Director
	GMA Network, Inc.	Independent Director
	GMA Holdings, Inc.	Independent Director
	Asian Terminals, Inc.	Independent Director

Source: 2014 JFC Annual Report, filed on April 14, 2015.

(iii) Relationship with the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Tony Tan Caktiong	Hyper Dynamic Corporation	Chairman, President
William Tan Untiong	Hyper Dynamic Corporation	Director
Ernesto Tanmantiong	Hyper Dynamic Corporation	Director
Antonio Chua Poe Eng	Hyper Dynamic Corporation	Director
Ang Cho Sit	Hyper Dynamic Corporation	Director
Tony Tan Caktiong	Honeysea Corporation	Chairman, President
Ernesto Tanmantiong	Honeysea Corporation	Director
William Tan Untiong	Honeysea Corporation	Director
Ernesto Tanmantiong	Winall Holding Corporation	Chairman, President
Antonio Chua Poe Eng	Honeyworth Corporation	Chairman, President
William Tan Untiong	Honeyworth Corporation	Director
Ernesto Tanmantiong	Kingsworth Corporation	Chairman, President
William Tan Untiong	Kingsworth Corporation	Director
Tony Tan Caktiong	Centregold Corporation	Director
Ernesto Tanmantiong	Centregold Corporation	Director
William Tan Untiong	Centregold Corporation	Chairman, President
Ang Cho Sit	Venice Corporation	Chairman, President
Ang Cho Sit	A-Star Holding Corporation	Director
Ang Cho Sit	Longshore Corporation	Director

Source: 2014 JFC Annual Report, filed on April 14, 2015.

(iv) Has the Company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

The Company has not set a limit on the number of board seats in other companies. However, it is noteworthy that included among the guidelines used by the Nomination Committee in determining the fitness of any nominee for directorships in the Board is the number of directorships/active memberships and officerships in other corporations or organizations. (Source: Article 4.B.2.c, Amended Manual on Corporate Governance)

Furthermore, the Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

	Guidelines	Maximum Number of Directorship in other Companies
Executive Director	<u>The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.</u> <i>(Source: Article 4.B.2, Amended Manual on Corporate Governance)</i>	
Non-Executive Director		
CEO		

(c) Shareholding in the Company

Complete the following table on the members of the Company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares/Through (name of record owner)	% of Capital Stock
Tony Tan Caktiong	8,254,565	740,000 (through Deutsche Regis Partners, Inc.)	0.84%
Ernesto Tanmantiong	4,743,951	457,019 (through Deutsche Regis Partners, Inc.)	0.49%
William Tan Untiong	7,013,388	279,667 (through Deutsche Regis Partners, Inc.)	0.68%
Joseph Tanbuntiong	57,630	n/a	0.01%
Ang Cho Sit	11	n/a	0.00%
Antonio Chua Poe Eng	1 38,857,446 ⁷	926,147 (through Honeyworth Corporation)	3.73%
Ret C.J. Artemio V. Panganiban	1	11,000	0.00%
Monico V. Jacob	100	n/a	0.00%
Cezar P. Consing	1	n/a	0.00%

Source: 2014 JFC Annual Report, filed on April 14, 2015.

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views

Yes

☒

No

☐

Identify the Chairman and CEO:

Chairman of the Board	Tony Tan Caktiong
CEO/President	Ernesto Tanmantiong

⁷ Through Honeyworth Corporation as disclosed in Antonio Chua Poe Eng's SEC Form 23-B.

(b) Roles, Accountabilities and Deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	* Preside over all meetings of the stockholders and the Board of Directors. (Source: Section 2, Article V, By-Laws) * Ensure that the meetings of the Board are held in accordance with the Company's by-laws.	* General charge, supervision and control of business affairs of the Company, subject to the control of the Board of Directors. * May appoint and discharge all agents and employees of the Company.
Accountabilities	* Coordinate with the Corporate Secretary in the preparation of the agenda of Board meetings, taking into consideration the suggestions of other directors, Management and officers; and * Maintain qualitative and timely lines of communication and information between the Board and Management. (Source: Article 4.A.2, Amended Manual on Corporate Governance)	* See to it that all resolutions of the Board of Directors are duly carried out. * Vote and represent shares of stocks owned or held by the Company in another corporation, firm or entity. * Execute on behalf of the Corporation all contracts, agreements and other instruments affecting the interests of the Company, except as otherwise directed by the Board of Directors. * Perform such other functions as may be incidental to his office and shall preside in all meetings of the stockholders and Board of Directors in the absence of the Chairman of the Board upon his delegation. * Assign the exercise or performance of any of the powers, duties and functions to any other officer(s), subject to his control and supervision. (Sources: Section 3, Article V, By-Laws and Article 4.A.3, Amended Manual on Corporate Governance)
Deliverables		

- 3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

The Nomination Committee, with the support of the Human Resources Division, is developing and formalizing a process for screening nominees for appointment to senior management positions within the Company. In particular, key talents participate in an Executive Development Program as part of the plan for the succession of top key management positions.

The Compensation Committee shall ensure that a working Succession Planning system is in place (Source: Compensation Committee Charter)

To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of, among others, its duty to appoint competent, professional, honest and highly-motivated management officers and adopt an effective succession planning program for Management. (Source: Article 4.C.2.b, Amended Manual on Corporate Governance)

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board?

Yes. The Nomination Committee of the Board of Directors shall be responsible for evaluating the qualifications of all persons nominated to the Board. The Nomination Committee has promulgated guidelines for the conduct of nominations to the Board of Directors. (Source: Section 9(a), Article IV, By-Laws)

Included in the guidelines used by the Nomination Committee in the determination of the fitness of any nominee for directorships in the Board is the nature of the business of the corporations which a nominee is a director. (Source: Article 4.B.2.a, Amended Manual on Corporate Governance).

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Among the qualifications of a director is sufficient experience in managing the business. (Source: Article 4.B.1.b, Amended Manual on Corporate Governance)

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

Role	Executive	Non-Executive	Independent Director
	An Executive Director is a director who is also the head of a department or unit of the Company or performs any work related to its operation. (Source: Article 2, Amended Manual on Corporate Governance). Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Executive directors' inputs are expected to be based on his/her knowledge of the day-to-day business of the Company.	A Non-Executive Director is a director who is not the head of a department or unit of the Company nor performs any work related to its operation. (Source: Article 2, Amended Manual on Corporate Governance). Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors.	An Independent Director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. (Source: Article 2, Amended Manual on Corporate Governance). An independent director shall endeavor to always attend Board meetings, provided, however, that their absence shall not affect the quorum requirement. The Board may, to promote transparency, require the presence of at least one (1) independent director. (Source: Article 4.F, Amended Manual on Corporate Governance). Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Independent directors are expected to give input based on their

	Executive	Non-Executive	Independent Director
			extensive experience and to provide suggestions and solutions based on best practices.
Accountabilities	Accountability of all directors is in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation).	Accountability of all directors is in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation).	Accountability of all directors is in accordance with the Corporation Code, including but not limited to Articles 31 (Liability of directors, trustees or officers) and 32 (Dealings of directors, trustees or officers with the corporation). An independent director shall hold no interest or relationship with the Company that may hinder his independence from the Company or management or that may interfere with the exercise of independent judgment in carrying out the responsibilities of a director (Source: Section 1, Article IV, By-Laws)
Deliverables	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Executive directors' inputs are expected to be based on his/her knowledge of the day-to-day business of the Company.	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors.	Each director is expected to provide inputs and suggestions to all issues raised for the consideration of the Board of Directors. Independent directors are expected to give input based on their extensive experience and to provide suggestions and solutions based on best practices. An independent director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Company, management or controlling stockholder at the time of his election or appointment and/or re-election as director. (Source: Section 1, Article IV, By-Laws)

Provide the company's definition of "independence" and describe the company's compliance to the definition.

An independent director shall hold no interests or relationships with the Company that may hinder his independence from the Company or management or that may interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

An independent director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Company, management or controlling stockholder at the time of his election or re-appointment and/or re-election as director. (Source: Section 1, Article IV, By-Laws)

An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. (Source: Article 2, Amended Manual on Corporate Governance).

The Company complies with the requirements of law and regulations on the qualifications of independent directors, including limits on shareholdings and term, and the submission of Certifications of Independent Directors. (Source: 2015 Definitive Information Statement)

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Company complies with SEC Memorandum Circular No. 9 (s. 2011).

SEC Memorandum Circular No. 9 (s. 2011) provides that an independent director can serve for five (5) consecutive years, provided that service for a period for at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the position was relinquished or terminated. After completion of the five-year period, an independent director shall be ineligible for election as such for two (2) years. After serving as independent director for ten (10) years, he or she shall be perpetually barred from being elected as such in the Company. This shall be applicable to all independent directors elected as of June 2012. (Source: 2015 Definitive Information Statement)

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

There were no changes in the composition of the Board of Directors for the year 2015.

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Nomination to the Board of Directors (including the independent director) shall be submitted to the Nominations Committee for consideration by the latter prior to the annual meeting of stockholders or a special meeting called for the purpose of electing the Corporation's directors. All such submissions shall be signed by the stockholders nominating a particular nominee together with the written acceptance of such nominee. The Nominations Committee shall review the qualifications for the nominees for directors and prepare a final list of candidates. The Final List of Candidates shall be made available to the Securities and Exchange Commission and to all stockholders through the Information or Proxy Statement. The name of the person or group of persons who submitted a particular nominee's name shall be identified in such report including any relationship with the nominee. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained or allowed on the floor during the annual stockholders meeting. (Source: Section 12, Article III, By-Laws) Subject to existing laws, rules and regulations of the SEC or any stock exchange having jurisdiction over the Company, the conduct of election of directors shall be made in accordance with the standard election procedures contained in these By-Laws. It shall be the responsibility of the Chairman of the meeting to inform all stockholders of the requirement of electing independent directors. The Chairman of the Meeting shall ensure that the independent director is elected during the stockholders' meeting. Specific slots for independent Directors shall not be filled up by unqualified nominees. (As amended on June 27, 2008). The nine (9) directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for the year at which a quorum is present. At each election for directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes as the same principle among any	The qualifications for nomination and election to the Board of Directors are as follows: (i) at least one (1) share of the Corporation registered in his name; (ii) at least a college graduate or with sufficient experience in managing the business to substitute for such formal education; (iii) at least twenty-one (21) years old; (iv) proven to possess integrity and probity; (v) proven to possess business acumen and/or professional skills based on actual and significant business and/or professional experience; (v) absence of any of the disqualifications provided under applicable laws or these By-Laws. For purposes of Article IV, Section 2(v), no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Company, <u>or a nominee of such person.</u> (Source: Section 2, Article IV, By-Laws) In addition to the grounds for qualification and disqualification for nomination and election to the Board, the Nominations Committee shall consider the following guidelines in the determination of the fitness of any nominee for directorships in the Board: a. The nature of the business of the corporations which he is a director; b. Age of the director; c. Number of directorships/ active memberships and officerships in other corporations or organizations; and d. Possible conflict of interest. (Source: Article 4.B.2, Amended Manual on Corporate Governance)

Procedure	Process Adopted	Criteria
	number of candidates. The persons receiving the first nine (9) highest number of votes shall be the directors. (As amended on June 27, 2008). In the event of a failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy. (As amended on June 24, 2005) (Source: Section 13, Article III, By-Laws)	
b. Re-appointment		
(i) Executive Directors	The same process applies to re-appointment/re-election of directors.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Nomination Committee determines the qualification (or disqualification) of a nominee. (Source: Section 12, Article III, By-Laws)	Grounds for Permanent Disqualification: 1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person or any of them; 2. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (the "Commission") or any court or administrative body or competent jurisdiction from: (a) acting as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities; The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities

Procedure	Process Adopted	Criteria
		Regulation Code or any other law administered by the Commission or the Bangko Sentral ng Pilipinas ("BSP") or any rule or regulation issued by the Commission or the BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization; 3. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent act or transgressions; 4. Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or BSP, or any rule, regulation or order of the Commission or the BSP; 5. Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company; 6. Any person judicially declared as insolvent; 7. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct in paragraphs (1) to (5) above; 8. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment. (As amended on May 11, 2010) (Sources: Article 4.B.4, Amended Manual on Corporate Governance; Section 2, Article IV, By-Laws)
d. Temporary Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Nomination Committee determines the qualification (or disqualification) of a nominee. (Source: Section 12, Article III, By-Laws)	For purposes of Article IV, Section 2(v), no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation, or a nominee

Procedure	Process Adopted	Criteria
		of such person. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged: (1) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any corporation (other than one in which the Corporation owns at least thirty percent (30%) of the capital stock) engaged in a business which the Board by a majority vote, determines to be competitive, antagonistic, and/or in clear conflict of interest to that of the Corporation; or (2) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any other corporation or entity engaged in any line of business of the Corporation when in the judgment of the Board by a majority vote the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or (3) If the Board, in the exercise of its judgment in good faith, determines by a majority vote that he is the nominee or agent of, or otherwise represents, any person set forth in (1) or (2) above. In determining whether or not a person is controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relationships. <i>(Source: Section 2, Article IV, By-Laws)</i> The Nomination Committee may also place an existing director under temporary disqualification based on the following: 1. Refusal to fully comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists; 2. Absence or non-participation without justifiable reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election; 3. Dismissal/ termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of

Procedure	Process Adopted	Criteria
		any involvement in the alleged irregularity; 4. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds 2% of its subscribed capital stock, provided that this disqualification shall be lifted if the limit is later on complied with; 5. Being under preventive suspension by the Company with respect to Executive Directors; 6. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall be permanent. (Source: Article 4.B.4, Amended Manual of Corporate Governance).
e. Removal		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The process complies with Section 28 of the Corporation Code. To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers and staff in case of violation of any of the provisions of this Manual: In case of first violation, the subject person shall be reprimanded. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. For the third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board of Directors of the Company or its subsidiaries and affiliates shall be sufficient cause for removal from directorship. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board. (Source: Article 12, Amended Manual on Corporate Governance).	The criteria complies with Section 28 of the Corporation Code.
f. Re-Instatement		

Procedure	Process Adopted	Criteria
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Reinstatement complies with the procedural requirements of the Corporation Code for election of directors.	The criteria for reinstatement comply with the Corporation Code, the Company's By-laws and Manual on Corporate Governance, as amended.
g. Suspension		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers and staff in case of violation of any of the provisions of this Manual: In case of first violation, the subject person shall be reprimanded. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. For the third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board of Directors of the Company or its subsidiaries and affiliates shall be sufficient cause for removal from directorship. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the Imposable penalty for such violation, for further review and approval of the Board. (Source: Article 12, Amended Manual on Corporate Governance).	

6) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any.

In compliance with SEC Memorandum Circular No. 20, series of 2013, as amended by SEC Memorandum Circular No. 2, series of 2015, all key officers and directors of the Company shall attend a minimum of four (4) hours of corporate governance training every year conducted by training providers that are duly accredited by the Securities and Exchange Commission.

A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly-recognized private or government institute. (Source: Article 11, Amended Manual on Corporate Governance)

- (b) State any in-house training and external courses attended by Directors and Senior Management⁸ for the past three (3) years:

For the past three (3) years, directors and senior management of the Company attended the following Seminar on Corporate Governance:

Date	Name of Training Institution
February 4, 2014	The Institute of Corporate Directors
March 7, 2014	Risks, Opportunities, Assessment and Management (RDAM), Inc.
August 12, 2014	SGV & Co.
November 12, 2014	
December 16, 2014	Philippine Securities Consultancy Corporation

Members of the senior management of the Company include its corporate officers, its Compliance Officer and Internal Auditor.

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

For the current year 2015, the Company's directors attended/will be attending the following seminars on Corporate Governance:

Name of Director	Date of Training	Program	Name of Training Institution
Ret. C.J. Artemio V. Panganiban	February 18, 2015	Orientation Course for Corporate Governance	The Institute of Corporate Directors
Monico V. Jacob	March 2015		Risks, Opportunities, Assessment and Management (RDAM), Inc.
Tony Tan Caktiong	To be conducted on September 7, 2015 by The Institute of Corporate Directors		
Ernesto Tanmantiong			
William Tan Untiong			
Joseph Tanbuntiong			
Ang Cho Sit			
Antonio Chua Poe Eng			
Cesar P. Consing			

Pursuant to an August 3, 2015 letter issued by the Corporate Governance and Finance Department of the Securities and Exchange Commission ("SEC"), the Commission *en banc* granted the request of Mr. Washington SyCip to be exempted from attending the corporate governance training for 2015. Mr. SyCip is the Company's Independent Adviser.

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<u>For purposes of Article IV, Section 2(v), no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation, or a nominee of such person. Without limiting the generality of the foregoing, a person shall be deemed to be so</u>	The Company has internal policies on conflict of interest which applies to senior management.	The Company has internal policies on conflict of interest which applies to all employees.

⁸ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Business Conduct & Ethics	Directors	Senior Management	Employees
	<u>engaged:</u> (1) <u>If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any corporation (other than one in which the Corporation owns at least thirty percent (30%) of the capital stock) engaged in a business which the Board by a majority vote, determines to be competitive, antagonistic, and/or in clear conflict of interest to that of the Corporation; or</u> (2) <u>If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any other corporation or entity engaged in any line of business of the Corporation when in the judgment of the Board by a majority vote the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or</u> (3) <u>If the Board, in the exercise of its judgment in good faith, determines by a majority vote that he is the nominee or agent of, or otherwise represents, any person set forth in (1) or (2) above.</u> <u>In determining whether or not a person is controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relationships.</u> <u>(Source: Section 2, Article IV, By-Laws)</u> <u>Conflict of interest is part of the qualifications that is considered by the Nomination Committee to determine the Final List of Candidates.</u> <u>(Source: Article 4.B.2, Amended Manual on Corporate Governance)</u>		

Business Conduct & Ethics	Directors	Senior Management	Employees
(b) Conduct of Business and Fair Dealings	The Company has internal policies on the conduct of business and fair dealings which apply to its Board of Directors, senior management and employees.		
(c) Receipt of gifts from third parties	The Company has internal policies on receipt of gifts from third parties.		
(d) Compliance with Laws & Regulations	Directors are expected to strictly comply with laws and regulations. In addition, conviction for certain offenses is a ground for permanent disqualification of directors. (Source: Section 2, Article IV, By-Laws) To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to ensure the Company's faithful compliance with all applicable laws, regulations and best business practices. (Source: Article 4.C.2.e, Amended Manual on Corporate Governance).	The Company has internal policies that provide for penalties for non-compliance with laws and regulations committed by employees, including senior management. To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to ensure the Company's faithful compliance with all applicable laws, regulations and best business practices. (Source: Article 4.C.2.e, Amended Manual on Corporate Governance).	The Company has internal policies that provide for penalties for non-compliance with laws and regulations committed by employees. To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to ensure the Company's faithful compliance with all applicable laws, regulations and best business practices. (Source: Article 4.C.2.e, Amended Manual on Corporate Governance).
(e) Respect for Trade Secrets/ Use of Non-public information	Directors are required to maintain all information acquired in the course of directorship strictly confidential.	Employees, including senior management, are required to maintain all information acquired in the course of employment strictly confidential. Appropriate penalties are provided for violation of this undertaking in the Company's Code of Discipline.	Employees, including senior management, are required to maintain all information acquired in the course of employment strictly confidential. Appropriate penalties are provided for violation of this undertaking in the Company's Code of Discipline.
(f) Use of Company Funds, Assets and Information	The Company's Code of Business Ethics and Code of Discipline provide for penalties for misappropriation of company funds, assets and information.		
(g) Employment & Labor Laws & Policies	The Company's Code of Discipline requires compliance with labor laws, rules and regulations. Appropriate penalties are imposed for violations. In addition to statutorily required benefits, employees are provided with healthcare benefits. The Company requires its employees to undergo internal training and encourages external training as and when related to an employee's functions. Employees are provided with all benefits required under the law.		
(h) Disciplinary action	The Company follows a Code of Discipline which provides for the process, policies and sanctions for disciplinary actions, following labor laws and regulations.		
(i) Whistle Blower	The Company has instituted an Ethics Committee which is responsible for, among others, investigating alleged violations and proposing corrective actions. The Company has also appointed an officer to handle reports for alleged violations of the Code of Business Ethics.		

Business Conduct & Ethics	Directors	Senior Management	Employees
	The Company endeavours to maintain the highest standards of business ethics, as well as full compliance with all relevant laws, rules and regulations. As such, it ensures that a system is in place which will enable all stakeholders to submit reports, complaints or any other information regarding any fraudulent, illicit or unethical activity in an anonymous and confidential manner, without fear of reprisal.		
(i) Conflict Resolution	Any conflicts are resolved through discussion. The Company encourages employees to resort to internal discussions to resolve conflict. To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to establish an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including regulatory authorities. (Source: Article 4.C.2.i, Amended Manual on Corporate Governance).		

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes, the Company's Code of Business Ethics and Code of Discipline have been disseminated to all directors, senior management and employees.

- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

All levels in the Company are responsible for administering the Code of Business Ethics, including investigating alleged violations and determining corrective actions. The Company has an Ethics Committee which is responsible for maintaining and updating the Code of Business Ethics, with inputs from concerned units.

Among the internal control responsibilities of the Board is to ensure that the Company shall have in place an independent internal audit function and mechanism to monitor the adequacy and effectiveness of the Company's governance, operations and information systems. (Source: Article 4.E.4, Amended Manual on Corporate Governance).

- 4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company (2) Joint Ventures (3) Subsidiaries (4) Entities Under Common Control (5) Substantial Stockholders (6) Officers including spouse/children/siblings/parents (7) Directors including spouse/children/siblings/parents (8) Interlocking director relationship of Board of Directors	To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of its duty to formulate and implement policies and procedures that would ensure the integrity and transparency of related-party transactions between and among the Company, its subsidiaries and affiliates, stockholders, officers and directors, including their spouses, children and parents, and of interlocking director relationships by members of the Board. (Source: Article 4.C.2.k, Amended Manual on Corporate Governance) The Board of Directors (or the Executive Committee of the Board of Directors, as applicable) shall approve major transactions entered into by the Company. (Source: 2012 List of Resolutions Approved by the Board of Directors.)

Related Party Transactions	Policies and Procedures
	Enterprises and Individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Parent Company, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Parent Company. Individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that give them significant influence over the enterprise; key management personnel, including directors and officers of the Parent Company, and close members of the family of these individuals and companies associated with these individuals also constitute related entities. In the normal course of business, the Parent Company engages in transactions with its subsidiaries and other related parties. The Parent Company sells and purchases food items, processed inventories, packaging and other store supplies to/from related parties, at normal market prices. Purchased items temporarily stored at the Company are charged for logistics and warehousing/storage costs. In addition, the Company receives management fees for services rendered under an existing Management Services Agreement and service fees for various services rendered by the Company's personnel. Pass-on charges pertain to advances made by a related party for another. These include payments for various expenditures incurred. The Company receives from and provides to related parties, interest-bearing cash advances for working capital requirements and operations. Transactions with related parties are made at normal market prices. The Company did not make any provision for impairment losses on receivables from related parties. An assessment is undertaken at each financial year by evaluating the financial position of the related party and the market in which the related party operates.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

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 an arms-length basis and on terms similar to those granted to other franchisees.

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	The Company's independent directors execute certifications confirming that they have all the qualifications and do not possess any disqualifications under the Manual on Corporate Governance. Additionally, the implementing policies of the Manual on Corporate Governance (as approved by the Board of Directors) provide for the standard of conduct of the Board and Senior Management, as well as policies on Conflict of Interest. The Company encourages internal discussions to address or resolve existing or potential conflict of interest.
Group	The Company encourages internal discussions to address or resolve existing or potential conflict of interest.

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁹ commercial, contractual or business nature that exists between the holders of significant (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Tony Tan Caktiong (Director, Chairman of the Board), Ernesto Tanmantiong (Director, President, CEO), William Tan Untiong (Director, Corporate Secretary, Vice-President for Corporate Real Estate), Joseph Tanbuntiong (Director, Treasurer)	<u>Family</u>	Brothers
Ang Cho Sit (Director)	<u>Family</u>	Brother-in-law of Tony Tan Caktiong
Susana K. Tanmantiong (Head of Corporate Purchasing)	<u>Family</u>	Wife of Ernesto Tanmantiong
Antonio Chua Poe Eng (Director)	<u>Family</u>	Brother-in-law of Tony Tan Caktiong, Ernesto Tanmantiong, William Tan Untiong and Joseph Tanbuntiong.

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

There are no commercial, contractual or business relationship between the Company and holders of significant equity.

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A	N/A	N/A

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

There are no shareholder agreements that may impact on the control, ownership and strategic direction of the Company.

Names of Related Significant Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N/A	N/A	N/A

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

⁹Family relationship up the fourth civil degree either by consanguinity or affinity.

Alternative Dispute Resolution System	
Corporation & Stockholders	Disputes are resolved in accordance with law and regulations.
Corporation & Third Parties	Contracts between the Company and third parties provide for modes of dispute resolution.
Corporation & Regulatory Authorities	The Company liaises directly with regulatory authority to resolve disputes.

C. BOARD MEETINGS & ATTENDANCE

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

Board meetings are scheduled before the beginning of the year.

- 2) Attendance of Directors

The attendance of Directors for the calendar year 2015 shall be updated in January 2016.

For the period January to August 2015, the Company held seven (7) board meetings with the following attendance rating: Mr. Tan Caktiong 86%, Mr. Tanmantiong 100%, Mr. Tan Untiong 71%, Mr. Tanbuntiong 100%, Mr. Ang Cho Sit 86%, Mr. Antonio Chua Poe Eng 57%, Ret. C.J. Artemio V. Panganiban 100%, Mr. Jacob 86% and Mr. Consing 86%.

The table below refers to the attendance of directors for the calendar year 2014.

Board	Name	Date of Election	No. of Meetings Held During the Year	No. of Meetings Attended	%
Chairman	Tony Tan Caktiong	06/27/2014	6	6	100%
CEO/ President	Ernesto Tanmantiong	06/27/2014	6	6	100%
Corporate Secretary	William Tan Untiong	06/27/2014	6	5	83%
Treasurer	Joseph Tanbuntiong	06/27/2014	6	6	100%
Director	Ang Cho Sit	06/27/2014	6	4	67%
Director	Antonio Chua Poe Eng	06/27/2014	6	6	100%
Director	Ret. CJ Artemio V. Panganiban	06/27/2014	6	6	100%
Independent Director	Monico V. Jacob	06/27/2014	6	4	67%
Independent Director	Cezar P. Consing	06/27/2014	6	5	83%

* Per Advisement Letter submitted to SEC dated January 5, 2015.

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

NO.

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

A quorum at any meeting of the directors shall consist of a majority of the entire membership of the Board. A majority of such quorum shall decide any question that may come before the meeting. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum be had. (Source: Section 6, Article IV, By-Laws) This is consistent with Section 25 of the Corporation Code which provides that the quorum requirement shall be a majority of the board of directors, unless a greater requirement is provided by the articles of incorporation or by-laws.

5) Access to Information

- (a) How many days in advance are board papers¹⁰ for board of directors meetings provided to the board?

Pursuant to the provisions of its By-Laws, notice of either regular or special meetings of the Board of Directors are given at least five (5) days before the day of the meeting. (Source: Section 5, Article IV, By-Laws) The Company issues its notice to meetings of the Board of Directors to comply with this period.

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes. Board members shall be given independent access to Management and Corporate Secretary, as necessary. The members of the Board shall also have access to independent professional advice at the Company's expense. (Source: Article 5, Amended Manual on Corporate Governance)

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Corporate Secretary is an officer of the company and is expected to be loyal to the mission, vision and specific business objectives of the Company.

The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.

The Board of Directors may elect an Assistant Corporate Secretary who may act in behalf of the Corporate Secretary in the latter's absence.

The Corporate Secretary and/or the Assistant Corporate Secretary shall have the following duties and responsibilities:

1. Be responsible for the safekeeping and preservation of the integrity of the minutes of meetings of the Board and its committees, as well as other official records of the Company;
2. Be loyal to the mission, vision and objectives of the Company;
3. Work fairly and objectively with the Board, Management, stockholders and other stakeholders;
4. Have appropriate administrative and interpersonal skills;
5. If he is not at the same time the Company's legal counsel, be aware of the laws, rules and regulations in the performance of his duties and responsibilities;
6. Have a working knowledge of the Company's operations;
7. Inform the members of the Board, in accordance with the by-laws, of the agenda of the meetings and ensure that the members of the Board have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
8. Attend all board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents prevent him from doing so;
9. Ensure that all Board procedures, rules and regulations are strictly followed by the Board members; and

¹⁰ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

10. If he is also the Compliance Officer, perform all the duties and responsibilities of said officer as provided for in this Manual.

To monitor the director's compliance with the attendance requirements in Board meetings, the Company, through the Corporate Secretary, shall submit to the Commission on or before January 30 of each year a sworn certification about the directors' record of attendance in Board meetings in the previous calendar year. (Source: Article 4.H, Amended Manual on Corporate Governance)

For the Board attendance for 2014, the Company submitted an Advisement Letter to the Securities and Exchange Commission on January 5, 2015.

The Company shall submit its Board attendance for 2015 in January 2016.

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

No. The Corporate Secretary finished civil engineering course for his formal education. His years as corporate secretary of the Company has given him the expertise in addressing the needs and concerns of the Company in the quick service restaurant industry.

Furthermore, he has been and is consistently and continuously attending seminars to further his knowledge and skills in his role as the Company's corporate secretary.

Below is a table of the seminars the Corporate Secretary has attended:

DATE	SEMINAR TITLE	ORGANIZER
August 12, 2014	Corporate Governance	SyCip Gorres Velayo & Co.
September 19-24, 2011	Fundamentals of Fastfood Design and Applications Seminar	Specialized Arts Center of the Philippines
December 13, 2011	Maximize Your Performance While Balancing Your life	Master del Pe
December 12, 2011	8 Types of Leaders Every Leader Should Know	Master del Pe
January 17, 2011	Family Governance Planning Workshop	HSBC Family Office Services Limited
March 12, 2009	Blue Ocean Strategy Seminar	Blue Ocean Strategy Concept
September 13, 1996	Spirit of Enterprise	The Farrell Company
August 8, 1995	Six Thinking Hats	Franklin Covey Organization Services
1995 (no exact date)	The Effective Negotiating Course	Karrass Europe Limited

The Corporate Secretary is assisted by an Assistant Corporate Secretary who is a lawyer and is the Vice President and Head of the Company's Corporate Legal Division.

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes

☒

No

☐

Committee	Details of the procedures
Executive	Request is sent through the Company's Legal Division.
Audit	Request is sent through the Company's Corporate Audit Division.
Nomination	Request is sent through the Company's Corporate Human Resources Division.
Remuneration	Request is sent through the Company's Corporate Human Resources Division.
Others (specify)	

In addition, the members of the Board shall be given independent access to Management and Corporate Secretary, as necessary. The members of the Board shall also have access to independent professional advice at the Company's expense. (Source: Article 5, Amended Manual on Corporate Governance)

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

There is no formal procedure yet but the members of the Board shall also have access to independent professional advice at the Company's expense. (Source: Article 5, Manual on Corporate Governance)

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

There were no changes introduced by the Board of Directors on existing policies that may have an effect on the business of the Company.

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

The Compensation Committee of the Board of Directors sets the parameters and process for remuneration of the CEO and senior management. The process is implemented by the Corporate Human Resources Division.

The Compensation Committee reviews matters regarding compensation of the Company's executives and Board of Directors and make recommendations for approval of the Board. It shall also prepare annual committee report and review disclosures on board and executive management compensation as may be required by law and regulators. (Source: Section A, Compensation Committee Charter)

Process	CEO	Top 4 Highest Paid Management Officer
(1) Fixed remuneration	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(2) Variable remuneration	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(3) Per diem allowance	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(4) Bonus	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(5) Stock Options and other financial instruments	The Company benchmarks vis-à-vis the market and also uses performance reviews.	The Company benchmarks vis-à-vis the market and also uses performance reviews.
(6) Others (specify)		

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Directors receive honorarium for each board meeting. In addition, the Company observes a salary administration policy, performance bonus guidelines, and the guidelines in the Stock Option Plan.	The Company provides for fixed monthly compensation, semi-annual performance bonus and stock options.	Compensation is calculated based on company and individual performance. The Company also benchmarks vis-à-vis market practice.
Non-Executive Directors	Directors receive honorarium for each board meeting. The Company observes performance bonus guidelines.	Directors receive honorarium for each board meeting. Non-executive directors also receive annual performance bonus.	Compensation is based on company performance. The Company also benchmarks vis-à-vis market practice.

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

One of the functions of the Compensation Committee of the Board of Directors is to establish a formal and transparent procedure for developing a policy on, among others, the remuneration packages of corporate directors. (See Article 4.G.2, Amended Manual on Corporate Governance) Compensation of non-executive members of the Board is determined and reviewed by the Compensation Committee of the Board of Directors. (Source: Section D.1, Compensation Committee Charter)

3) Aggregate Remuneration

Below is a summary compensation table of the Chief Executive Officer and the four (4) most highly compensated officers of the Company for 2013, 2014 and an estimate for 2015:

Name and Position	Year	Salary (PhP)	Bonus (PhP)	Total (PhP)
Tony Tan Caktiong Chairman				
Ernesto Tanmantiong President and Chief Executive Officer	2013	56,093,060.00	36,002,400.00	92,095,460.00
Joseph Tanbuntiong Treasurer	2014	61,005,769.00	51,901,175.00	112,906,944.00
Ysmael V. Baysa Chief Financial Officer	*2015	65,886,230.00	57,091,293.00	122,977,523.00
Jose Ma. A. Minana, Jr. Group President				
All other officers and directors as a group unnamed	2013	232,507,848.00	106,803,077.00	339,310,925.00
	2014	239,601,829.00	131,910,177.00	371,512,006.00
	*2015	265,703,362.00	156,499,280.00	422,202,642.00

* Estimate

Source: 2014 JFC Annual Report, filed on April 14, 2015.

4) Stock Rights, Options and Warrants

(a) Board of Directors

The discussion in the Company's 2014 Annual Report on the Senior Management Stock Option and Incentive Plan is reproduced below for easy reference:

On December 17, 2002, the SEC approved the exemption requested by the Jollibee Group on the registration requirements of the 101,500,000 options 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, 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 executive participants.

MSOP. The MSOP is a yearly stock option grant program open to members of the corporate 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 to 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 as at date of grant.

The stock options expire eight years after grant date. The Jollibee Group does not pay cash as a form of settlement.

On July 1, 2004, the Compensation Committee of the Jollibee Group granted 2,385,000 options under the 1st MSOP cycle to eligible participants. 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 MSOP grant date. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005 and expired on June 30, 2012. On July 1, 2005 to 2014, the Compensation Committee granted series of MSOP grants under the 2nd to 11th MSOP cycle to eligible participants. The options vest similar to the 1st MSOP cycle. The second and third MSOP cycles expired on June 30, 2013 and 2014, respectively.

The movements in the number of stock options outstanding and related weighted average exercise prices (WAEP) are as follows:

	2014		2013		2012	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options granted as at end of year	36,863,194	PhP73.58	33,404,194	PhP62.69	29,808,694	PhP53.07
Outstanding at beginning of year	16,915,937	PhP83.77	16,788,056	PhP63.90	17,505,395	PhP52.39
Options granted during the year	3,459,000	178.66	3,595,500	142.51	3,018,030	107.90
Options exercised during the year	(6,765,662)	63.57	(3,373,561)	46.34	(3,375,915)	41.80
Options forfeited during the year	—	—	(94,058)	74.45	(359,454)	80.52
Outstanding at end of year	13,609,275	PhP117.51	16,915,937	PhP83.77	16,788,056	PhP63.90
Exercisable at end of year	6,865,265	PhP79.42	10,216,427	PhP57.83	10,367,798	PhP45.83

The weighted average share price is PhP181.34, PhP143.27 and PhP103.41 in 2014, 2013 and 2012, respectively. The weighted average remaining contractual life for the stock options outstanding as of December 31, 2014, 2013 and 2012 is 5.83 years, 4.83 years and 4.66 years, respectively.

The weighted average fair value of stock options granted in 2014, 2013 and 2012 is PhP32.39, PhP30.55 and PhP23.43, 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 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 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
1 st	2004	1.72%	36.91%	6.20%	5-7 years	PhP24.00	PhP20.00
2 nd	2005	1.72%	36.91%	6.20%	5-7 years	29.00	27.50
3 rd	2006	1.72%	36.91%	6.20%	5-7 years	35.00	32.32
4 th	2007	1.70%	28.06%	6.41%	3-4 years	52.50	50.77
5 th	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
6 th	2009	2.00%	30.37%	5.28%	3-4 years	48.00	45.45
7 th	2010	2.00%	29.72%	5.25%	3-4 years	70.00	57.77
8 th	2011	2.00%	34.53%	4.18%	3-4 years	89.90	89.90
9 th	2012	2.00%	28.72%	3.50%	3-4 years	107.90	107.90
10 th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00
11 th	2014	2.00%	24.87%	2.64%	3-4 years	179.80	179.80

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 corporate 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 minimum medium to long-term goals and individual targets in a given period, and the employment of the employee-participants to the Jollibee Group within the vesting period. If the goals are achieved, the options will be granted. Starting with 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.

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 entitlement.

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

On July 1, 2004, the Compensation Committee gave an entitlement of 22,750,000 options under the 1st ELTIP cycle to eligible participants. The options will vest at the rate of one-third of the total options granted on each anniversary date which will start after a year of the ELTIP grant date. One-third of the options granted, or 7,583,333 options, vested and may be exercised starting July 1, 2007 and expired on June 30, 2012. On July 1, 2008 and October 19, 2012, a total entitlement of 20,399,999 and 24,350,000 options was given to eligible participants under the 2nd and 3rd ELTIP cycle, respectively.

The movements in the number of stock options outstanding for the 2nd and 3rd ELTIP cycles and related WAEP for the years ended December 31, 2014, 2013 and 2012 follow:

	2014		2013		2012	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options given as at end of year	67,499,999	PhP56.66	67,499,999	PhP56.66	66,749,999	PhP56.12
Outstanding at beginning of year	37,186,110	PhP82.51	37,811,665	PhP80.51	27,674,569	PhP32.52
Options granted during the year	—	—	750,000	105.00	23,600,000	105.00
Options exercised during the year	(5,665,977)	39.85	(1,375,555)	39.85	(12,962,905)	24.19
Options forfeited during the year	(249,573)	105.00	—	—	(499,999)	39.85
Outstanding at end of year	31,270,560	PhP90.06	37,186,110	PhP82.51	37,811,665	PhP80.51
Exercisable at end of year	7,170,133	PhP39.85	12,836,110	PhP39.85	7,411,665	PhP39.85

The weighted average remaining contractual life for the stock options outstanding as of 2014, 2013 and 2012 is 4.85 years, 5.30 years and 5.68 years, respectively.

The fair value of stock options granted is PhP22.96 in 2014 and 2013. 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 stock options granted under the 2nd and 3rd ELTIP cycles will expire on April 30, 2017 and 2020, respectively. The inputs to the model used for the options granted on the dates of grant for each ELTIP cycle is 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
1 st	2004	1.72%	36.91%	6.20%	5 years	PhP24.00	PhP20.00
2 nd	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
3 rd	2012	2.00%	28.74%	3.60%	3-4 years	105.00	105.00

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 under "General and administrative expenses" account amounted to PhP166.5 million, PhP150.4 million and PhP77.0 million in 2014, 2013 and 2012, respectively (see Note 22 of the Financial Statements). Correspondingly, a credit was made to additional paid-in-capital.

Source: 2014 JFC Annual Report, filed on April 14, 2015.

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Minor amendments in the Stock Option Plan were submitted to the Philippine Stock Exchange and the Securities and Exchange Commission.

Incentive Program	Amendments	Date of Approval
Senior Management Stock Option and Incentive Plan	1. Amended the current retirement condition (clause 6.2) to specifically refer to retirement before age 65, added a new paragraph specifying the conditions applicable to retirement at or beyond age 65; added a condition of non-compete for those availing of the benefit under the new paragraph.	June 27, 2014
	2. Amended Clause 6.3 to specifically identify the court-appointed legal guardian of an incapacitated Eligible Participant as the party entitled to exercise stock options on his behalf.	
	Amendment of the provisions on hurdle rate.	December 19, 2014 (to take effect on January 5, 2015).
	<u>Amendment of the provisions on hurdle rate.</u>	<u>July 1, 2015</u>

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Members of the top management who are not executive directors are Ysmael V. Baysa, Vice President – Finance, Chief Financial Officer and Compliance Officer and Daniel Rafael Ramon Z. Gomez III, Chief Marketing Officer. Please refer to Item D(3) for information on remuneration.

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities/ Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)		
Executive (5)	4	1	-		The Executive Committee may act on specific matters within the competence of the Board as may be delegated to it by the Board from time to time, <u>subject to limitations under applicable laws.</u> (Sources: Section 10, Article IV, By-Laws, <u>Article 4.G.4 Amended Manual on Corporate Governance</u>)
Audit (4)	1	1	2	Y	<u>The Audit and Compliance Committee is appointed by the Board of Directors to provide oversight on the integrity of financial reporting process, internal controls, the audit process, and the Corporation's process of monitoring compliance with laws and regulations.</u> (Source: Section A, <u>Audit Committee Charter</u>) <u>The Audit Committee is authorized by the Board to undertake any activity within its scope of responsibility, and to recommend appropriate actions to the Board on the basis of the Committee's findings. It is authorized to seek any information it requires from any employee and all employees will be directed to cooperate with any request made by the Committee.</u> <u>The Committee shall have unrestricted access to the Chief Executive Officer, President, Chief Finance Officer and Internal and External Auditors.</u> (Source: Section B, <u>Audit Committee Charter</u>) The Audit Committee shall have the following functions: (1) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; (2) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks, including receipt of information on risk exposures and risk management activities; (3) Perform oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions; (4) Review the internal audit plan, including audit scope, resources and budget necessary to implement it, to ensure its conformity with the Company's objectives; (5) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit; (6) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security; (7) Review the reports submitted by Internal and External Auditors;

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities/ Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)		
					(8) Review the quarterly and annual financial statements before their submission to the Board with particular focus on the following matters: (a) Any change/s in accounting policies and practices; (b) Major judgmental areas; (c) Significant adjustments resulting from the audit; (d) Going concern assumptions; (e) Compliance with accounting standards; and (f) Compliance with tax, legal and regulatory requirements; (9) Coordinate, monitor and facilitate compliance with laws, rules and regulations; (10) Evaluate and determine the Non-Audit Work, if any, of External Auditor, and review periodically the non-audit fees paid to External Auditor. The Audit Committee shall disallow any non-audit work that will conflict with the primary duties of the External Auditor or may pose a threat to the External Auditor's independence; and (11) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Audit Committee shall ensure that in the performance of the work of the internal Auditor, he shall be free from interference by outside parties. (Source: Article 4.G.3, Amended Manual on Corporate Governance and Audit Committee Charter)
Nomination (5)	3	1	1	Y	<u>The Nomination Committee is constituted for purposes of installing and institutionalizing a process of selection to ensure a mix of competent directors and officers for the Corporation.</u> (Source: Section A, Nomination Committee Charter) The functions of the Nomination Committee shall be as follows: (1) Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and/or disqualifications as described in this Manual, the Company's By-Laws, and applicable laws; (2) Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require the Board's approval; (3) Provide assessment on the Board's effectiveness in directing the process of electing and replacing directors; (4) Recommend to the Board any changes or addition to the role, duties and responsibilities of the Chief Executive Officer, by Integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times; and (5) Carry out such other duties as may be delegated to it by the Board of Directors from time to time. (Source: Article 4.G.1, Amended Manual on Corporate Governance and Nomination Committee Charter)

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities/ Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)		
Compensation (5)	2	2	1	Y	<u>The Compensation Committee is appointed by the Board of Directors to review matters regarding compensation of the Company's executives and Board of Directors and make recommendations for approval of the Board.</u> <u>The Compensation Committee shall also prepare annual committee reports and review disclosures on board and executive management compensation as may be required by law and regulators.</u> <u>(Source: Section A, Compensation Committee Charter)</u> The functions of the Compensation Committee shall be as follows: (1) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment; (2) Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully; (3) Carry out such other duties as may be delegated to it by the Board of Directors from time to time. <u>(Source: Article 4.G.2, Amended Manual on Corporate Governance)</u>
Others (specify)					

2) Committee Members

The information below pertains to the period July 2014 – June 2015.

(a) Executive Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Tony Tan Caktiong	June 2015	13	13	100%	2009 to present
Member (ED)	Ernesto Tanmaniong	June 2015	13	13	100%	2009 to present
Member (EO)	William Tan Untiong	June 2015	13	13	100%	2009 to present
Member (ED)	Joseph C. Tanbuntiong	June 2015	13	13	100%	2013 to present
Member (NED)	Ret. Chief Justice Artemio Panganiban	June 2015	13	13	100%	2012 to present

(b) Audit Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Monico V. Jacob	June 2015	5	5	100%	Since start of Committee
Member (ED)	William Tan Untiong	June 2015	5	4	80%	Since start of Committee
Member (NED)	Antonio Chua Poe Eng	June 2015	5	4	80%	Since start of Committee
Member (ID)	Cezar P. Cansing	June 2015	5	4	80%	2 years

Disclose the profile or qualifications of the Audit Committee members.

MONICO V. JACOB

Mr. Jacob, born in 1945, 69, Filipino, has been a member of the Board since 2001. Mr. Jacob is an Independent Director and is a member of the Nomination Committee of the Board of Directors. He is also the chair of the Audit Committee.

Other directorships are:

Listed Companies

Independent Director	2 Go Group, Inc. (formerly Aboitiz Transport Systems, Inc.)
Director	Asian Terminals, Inc.
Independent Director	Century Properties Group, Inc.
Independent Director	Phoenix Petroleum Philippines, Inc.
Director	STI Education Systems Holdings, Inc.

Non-listed Companies

Director	Advent Capital and Finance Corporation
Director	Ateneo de Naga University
Director	De Los Santos – STI College
Director	De Los Santos – STI Medical Center
Director	Information and Communications Technology (i-Academy), Inc.
Independent Director	Negros Navigation Co., Inc.
Director	Philippine Health Educators, Inc.
Director	STI Education Services Group, Inc.
Director	PhilPlans First, Inc.
Director	Philhealthcare, Inc.
Director	Philippine Life Financial Assurance, Inc.
Director	Total Consolidated Asset Management, Inc.
Director	Republic Surety Insurance Corp.

WILLIAM TAN UNTIONG

Mr. Tan Untiong, born in 1953, 61, 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 Executive of JFC.

Other directorships are:

Listed Companies

Executive Director	Doubledragon Properties Corp.

Non-listed Companies

Director	Fresh N' Famous Foods Inc.
Director	Mang Inasal Phils. Inc.
Director	Coffetap Corporation ¹¹
Director	BK Titans, Inc.
Director	RRB Holdings, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	Grandworth Resources Corporation
Director	Zenith Foods Corporation
Director	Honeystar Holdings Corporation
Director	Chanceux, Inc.
Director	Honeybee Foods Corp.
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	Adgraphix, Inc.
Director	Belmont Enterprises Ventures Ltd. (BVI)

¹¹ Pending dissolution.

Director	Golden Plate Pte. Ltd.
Director	JSF Investments Pte. Ltd.
Director	Jollibee (China) Food & Beverage Management Co. Ltd.
Director	Shanghai Yong He King Food & Beverage Management Co. Ltd. ¹²
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	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	WJ Investments Limited
Director	JC Properties & Ventures Corporation
Director	Jollimart Corporation
Director	Centregold Corporation
Director	Winall Holding Corporation
Director	Iconnect Multimedia Network, Inc.
Director	Metroguards Security Agency Corp.
Director	Honeyworth Corporation
Director	Mainspring Resources Corporation
Director	Queenbee Resources Corporation
Director	Antares Holdings, Inc.
Director	Hyper Dynamic Corporation
Director	Kingsworth Corporation
Director	Honeysea Corporation
Trustee	Jollibee Group Foundation, Inc.

ANTONIO CHUA POE ENG

Mr. Chua Poe Eng, born in 1947, 67, 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

CEZAR P. CONSIGN

Mr. Consing, born in 1959, 55, 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.

Mr. Consing is the President and Chief Executive Officer of the Bank of the Philippine Islands. From 2004 - 2013, Mr. Consing was a partner with The Rohatyn Group, a New York-based investment management company. From 1985 - 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 1997-2004.

Other directorships are:

Listed Companies

Director	Bank of the Philippine Islands
Director	National Reinsurance Corp. of the Philippines (PhilNare)

Non-listed Companies

Director	BPI Family Savings Bank, Inc.
Chairman / Director	BPI Globe BankO, Inc.
Director	BPI/MS Insurance Corp.
Director	BPI-Philam Life Assurance Corp.
Vice-Chairman	BPI Capital Corp.
Chairman	BPI Europe PLC
Chairman	BPI Direct Savings Bank, Inc.
Chairman	BPI Century Tokyo Lease & Finance Corp.
Vice-Chairman, Board of	BPI Foundation, Inc.
Trustees	
Chairman	BPI Computer Systems Corp.
Director	LGU Guarantee Corp.
Board Director & Non-Executive	Filgifts.com
Chairman	
Board Partner	TRG Management Principals LP
Director	Scream Technologies Private Ltd.
Director	Endeavor Philippines

Source: 2014 JFC Annual Report, filed on April 14, 2015.

¹² Deregistered as of July 1, 2014.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee shall, among others:

- (a) Perform oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions;
- (b) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit;
- (c) Review the reports submitted by Internal and External Auditors;
- (d) Evaluate and determine the Non-Audit Work, if any, of External Auditor, and review periodically the non-audit fees paid to External Auditor. The Audit Committee shall disallow any non-audit work that will conflict with the primary duties of the External Auditor or may pose a threat to the External Auditor's independence. (Source: Article 4.G.3, Amended Manual on Corporate Governance)
- (e) Review audit and audit-related matters and make appropriate recommendations to the Board. In this connection, the Committee shall, among others:
 - i. Recommend to the Board the retention and, if appropriate, the termination and replacement of External Auditors;
 - ii. Review and confirm management's endorsement for audit and non-audit services of the External Auditor;
 - iii. Review results of audits performed by Internal and External Auditors including any changes in accounting procedures and/or system of internal controls noted or developed during the audit examination along with matters of controversy, if any, with management;
 - iv. Evaluate and determine non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor, and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties as external auditor, or that may pose a threat to the external auditor's independence. Non-audit work, if allowed, shall be disclosed in the Corporation's annual report.
 - v. Ensure that there is appropriate coordination between External and Internal Auditors. (Source: Section C.5, Audit Committee Charter)

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Ret. Chief Justice Artemio Panganiban	June 2015	One (1)	One (1)	100%	3 years
Member (ED)	Tony Tan Caktiong	June 2015				2 years
Member (ED)	Ernesto Tanmantiong	June 2015				3 years
Member (ED)	William Tan Untiong	June 2015				2 years
Member (NED)	Monico V. Jacob	June 2015				2 years

(d) Compensation Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Tony Tan Caktiong	June 2015	One (1)	One (1)	100%	2 years
Member (ED)	Joseph Tanbuntiong	June 2015				2 years
Member (NED)	Ret. Chief Justice Artemio V. Panganiban	June 2015				3 years
Member (NED)	Ang Cho Sit	June 2015				2 years
Member (ID)	Cesar P. Consing	June 2015				2 years

(e) Finance Committee – not applicable

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	<u>No changes for the year.</u>	
Audit		
Nomination		
Remuneration/Compensation		
Others (specify)		

4) Work Done and Issues Addressed

Name of Committee	Work Done	Issues Addressed
Executive	Approval of matters delegated by the Board of Directors	
Audit	Approval of audited financial statements and quarterly results; recommendation for approval to the Board of Directors of audited financial statements and quarterly results.	
Nomination	Submitted list of final candidates to the Board of Directors to the Corporate Secretary.	
Remuneration	Reviewed the Company's Stock Option Plan	
Others (specify)		

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Each committee performs the functions set out in the Company's By-laws, Amended Manual on Corporate Governance and committee charter. In the performance of such functions, each Committee examines applicable risks, discusses issues and proposes (and implements, as necessary) improvements to the policies and processes.

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company;
- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof.
- (c) Period covered by the review;
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- (e) Where no review was conducted during the year, an explanation why not.

The Company and its subsidiaries, in global growth and expansion, requires a comprehensive approach to corporate risk management that promotes extensive strategic thinking and analysis, while fundamentally integrating and maintaining highest ethical standards in the company's core values and beliefs. Risk management will provide the organization with the superior capabilities to identify, assess and manage the risks and enable the organization and its employees at all levels to better understand and manage 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.

JFC directors and management periodically review the effectiveness of the Company's risk management system. (Source: 2015 JFC Definitive Information Statement)

The implementing policies of the Manual on Corporate Governance also provide that the comprehensive risk assessment shall be conducted at least once every 2 years by the Finance Committee of the Board of Directors. The findings shall be presented to the CEO and the Board.

2) Risk Policy

During the Board meeting last May 12, 2015, the identified Top 10 Risks of the Company was presented to the Board. Among the risks identified were operational risks, competitive risks, organizational and financial risks, business growth risks and hazards.

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Directors and Officers	Respect, integrity and safety for employees, customers and stakeholders	To protect directors, officers and employees of the Company
Assets	Safeguard assets of the Company including loss of income for a specific time	To avoid catastrophic losses that would affect the Company
Third Party Liability	Maintain good rapport and brand name with third parties	To protect the company and its brands against legal claims of third parties

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit Risk – the risk that a customer or counterparty fails to fulfill its contractual obligations to the Jollibee Group. This includes risks of non-payment by borrowers and issuers, failed settlement of transactions and default on outstanding contracts.	The Jollibee Group has a very strict credit policy. Its credit transactions are only with franchisees that have gone through rigorous screening before granting them the franchise. The credit terms are very short, deposits and advance payments are also required before rendering the service or delivering the goods. In cases of defaults of debtors, the exposure is contained as transactions that will increase the exposure of the Jollibee Group are not permitted. The Jollibee Group has no significant concentration of credit risk with counterparty since it has short credit terms to franchisees, which it implements consistently. In addition, the Jollibee Group's franchise profile is such that no single franchisee accounts for a significant portion of the total systemwide sales of the Jollibee Group. 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 maximum exposure equal to the carrying amount of these instruments. The credit quality of financial assets is managed by the Jollibee Group using internal credit ratings.	To mitigate the risk of non-collection from customers or counterparties.
Liquidity Risk – the risk that the Jollibee Group's financial liabilities are not serviced in a timely manner and that its working capital requirements and planned capital expenditures are not met.	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. 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.	To ensure sufficient liquidity levels – financial liabilities are serviced in a timely manner and working capital requirements and planned capital expenditures are met.
Foreign Currency Risk – arises from the Jollibee Group's investments outside the Philippines, which are mainly in PRC and USA.	While the foreign businesses have been rapidly growing, the total exposure to foreign currency risk of the Jollibee Group is still not significant. The Jollibee Group also has transactional foreign currency exposures. Such exposure arises from the Jollibee Group's Philippine operation's cash and cash equivalents, receivables and long-term debt in foreign currencies.	
Interest Rate Risk	The Jollibee Group is not exposed to significant interest rate risk as majority of its interest-bearing short-term and long-term debts bear fixed interest rates.	
Equity Price Risk	The Jollibee Group is not exposed to significant equity price risk on its investments in quoted equity securities consisting of investments in club shares and shares of public utility companies.	

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power

Risk to Minority Shareholders

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Action Taken)
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.
Third Party Liability	Regular audit/evaluation of sites based on food, service and cleanliness (FSC) standards	Emergency response procedures in the sites in case of third party claims. The Company has third party liability insurance for all sites.
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Action Taken)
Assets	Regular audit (asset count)/ risk inspection of assets and sites	Regular maintenance of the assets of the Company. Bi-annual risk inspection of sites and reporting of risk exposures and recommendation of possible courses of action to remove or minimize risk exposures in sites. Annual renewal and bi-annual review of insurance policies.
Third Party Liability	Regular audit/evaluation of sites based on food, service and cleanliness (FSC) standards	Emergency response procedures in the sites in case of third party claims. The Company has third party liability insurance for all sites.

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Various divisions, including but not limited to Finance and Comptrollership, detail and supervise the implementation of control mechanisms.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

The Company's internal control system covers all the policies and procedures, systems and processes that ensure the effectiveness and efficiency of the Company's operations, reliability of its financial reporting and compliance with laws and regulation. The Board of Directors sets the general policies and management is responsible for the design, implementation and maintenance of the internal control system of the company. The Board, through its Audit Committee oversees the actions of Management and monitors the effectiveness of the internal control system put in place by Management. Recommendations are provided by Management, the Board, Internal Audit, Risk and Compliance functions, to address certain issues and concerns of the Company.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The Chief Internal Auditor reports to the Audit Committee on the procedures performed by Internal Audit in evaluating the internal control system of the Company that include its policies, procedures and processes. The Audit Committee reports to the Board the results of the audits conducted by the internal and external auditors.

The Company shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

The Audit Committee shall ensure that the internal auditors shall have free and full access to all of the Company's records, properties and personnel relevant to the internal audit activity and that the internal audit activity shall be free from interference in determining the scope of internal auditing examinations, performing work and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan. (Source: Article 4.K, Amended Manual on Corporate Governance).

(c) Period covered by the review;

From the date of the last report.

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The scope and frequency of the review of internal controls are conducted in accordance with the annual audit plan approved by the Audit Committee. Regular meetings to discuss the audit results (at least quarterly) are held between the Audit Committee and Internal Audit.

(e) Where no review was conducted during the year, an explanation why not. N/A

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting Process
Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.	JFC and subsidiaries	In-house	Lorna Atun ¹³ / SGV & Co.	Internal Audit reports quarterly to the Audit Committee before the Committee endorses to the Board the release of the quarterly financial statements
Review the internal control system to check compliance with policies, procedures, plans, laws and regulations and to check the economy and efficiency with which resources are employed.	Critical Processes and systems indicated in the approved annual internal audit plan	Co-source	Lorna Atun / Various accredited Service Providers	Internal Audit reports the audit results to the Audit Committee at least quarterly. Special meetings may be held for matters which require immediate attention of the Committee.
Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.		In-house	Lorna Atun	

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting/auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

YES. Included among the functions of the Audit Committee is the duty to establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties. (Source: Article 4.G.3.k, Amended Manual on Corporate Governance).

- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Audit Committee has oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions. (Sources: Article 4.G.3, Amended Manual on Corporate Governance and Section C.3, Audit Committee Charter)

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff ¹⁴	Reason
Susana Reyes	Transfer
Joy Bautista	Transfer
Ronald Chris Robles	Transfer
Carlo Mangulat	Other employment opportunity

¹³ Effective January 1, 2015, Ms. Lorna Atun is head of Corporate Audit.

¹⁴ Data refers to 2014 data. This will be updated once 2015 data is completed.

Name of Audit Staff ¹⁴	Reason
Joanna Marie Aquino	Other employment opportunity
Ana Dominique Sierra	Other employment opportunity
Gina Badong	Other employment opportunity

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	84% of the 2014 approved audit plan was completed. In addition to the audit areas specified in the approved audit plan, fifteen (15) audit requests were completed.
Issues ¹⁵	No critical issues were noted.
Findings ¹⁶	No critical issues were noted.
Examination Trends	The average audit rating of company-owned and franchise stores across all subsidiaries, where compliance audits were conducted, have generally improved due to regular updates on the cash and inventory management controls, re-trainings and orientations of the operations team and most especially the solid commitment in championing the standards by the management.

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "implementation."

Policies & Procedures	Implementation
1. Risk-based audit planning should be improved to enhance the prioritization of audit activity and to ensure alignment of audit activity with the Company's goal.	Implemented
2. Audit process should be streamlined to improve turn-around-time of audit projects.	Implemented
3. Continuous auditing aided by technology should be established in identified areas.	Implemented

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for the transactions, limitations on the non-audit services that an external auditor may provide to the company):

¹⁵ "Issues" are compliance matters that arise from adopting different interpretations.

¹⁶ "Findings" are those with concrete basis under the company's policies and rules.

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The auditors report directly to the Board of Directors through the Audit Committee and are not involved in the day to day operation of the company.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		
Restriction on trading in the company's shares 2 trading days before and after any disclosure to the public.	<u>Trading in the Company's shares is prohibited two (2) trading days from submission of the Company's disclosures. In practice, the trading prohibition is observed after the Board meeting approving the matter or after the disclosure (whichever is earlier).</u>		
Limitation on the non-audit services that the external auditors provide to the company.			

- (h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

In compliance with SEC Memorandum Circular No. 12, series of 2014, in lieu of the notarized signature page, the Consolidated Changes in the ACGR shall be accompanied by a Secretary's Certificate with excerpts of Board Resolutions or Minutes of meetings regarding said updates and changes in the ACGR.

On March 26, 2015, the Company submitted to the Philippine Stock Exchange its Corporate Governance Guidelines for Listed Companies Disclosure Template for the year 2014, signed by the Company's President and Chief Executive Officer and an Independent Director.

H. ROLE OF STAKEHOLDERS

- 1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	Quick-service restaurants like those maintained by the Company are expected to maintain high quality in terms of food, service and cleanliness ("FSC"). (Source: 2014 JFC Annual Report)	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. (Source: 2014 JFC Annual Report)
Supplier/contractor selection practice	Economies of scale allow the Company to avail of low purchase costs from local and foreign suppliers, leveraged on sustained volume growth and reliable credit handling. (Source: 2014 JFC Annual Report)	JFC follows an accreditation process for suppliers. (Source: 2014 JFC Annual Report)
Environmentally friendly value-chain	in keeping with its Corporate Social Responsibility, JFC places great premium in its commitment to environmental conservation and protection. The Company takes reasonable efforts to comply with environmental laws and regulations. Strict compliance with environmental laws would entail substantial capital investment for the Company. (Source: 2014 JFC Annual Report)	The Company has continuing efforts to ensure compliance with environmental laws and regulations. Part of the proactive measures being undertaken at the store level, two programs are being implemented, namely the Environmental Education and Awareness Program (EEAP), and the Cleaner Production Pollution Prevention (CP2P) Program. Under the former, restaurant managers undergo the requisite 40-hour Basic Pollution Control Officer (PCO) Training, while area managers, group managers as well as managing directors undergo the 8-hour Environmental Management Training. In the CP2P program, the Company's environmental policy is

	Policy	Activities
		inculcated in every store personnel and they are also taught Best Management Practices (BMPs) in the kitchen. JFC continues to innovate by developing alternative energy sources like the solar power system and wind power. JFC store roofs are potential sources of carbon free electricity. Pilot testing is being done in several sites in preparation for a major roll out program across the country. (Source: 2014 JFC Annual Report)
Community interaction	The Company's corporate social responsibility efforts are coursed through, and spearheaded by, the Jollibee Group Foundation, Inc. (Source: 2014 JFC Annual Report)	Among the projects of the Jollibee Group Foundation, Inc. are the (1) Busog, Lusog, Talino School Feeding Program, (2) Farmer Entrepreneurship Program, and (3) Jollibee Group FoodAID Program (Source: 2014 JFC Annual Report)
Anti-corruption programmes and procedures		
Safeguarding creditor's rights		

- 2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

The Company's corporate social responsibility efforts are spearheaded by the Jollibee Group Foundation, Inc. The Foundation's activities are detailed in the 2014 Annual Report.

- 3) Performance-enhancing mechanisms for employee participation.

- (a) What are the company's policy for its employees' safety, health, and welfare?

Employees are provided with all benefits required under the law. The Company also provides other benefits like a healthcare provider.

- (b) Show data relating to health, safety and welfare of its employees.

The Company provides its regular employees, including qualified dependents, healthcare plan. To ensure the safety and welfare of its employees, medical personnel are present at the Company's workplace and facilities to provide medical assistance. Annual physical check-up for all regular employees are required.

- (c) State the company's training and development programmes for its employees. Show the data.

Employees are required to undergo internal training. The Company offers Internal trainings on various topics. External training, when related to an employee's functions, is also encouraged.

Among the various training programs made available to the Company's employees are Team Effectiveness Program, Workforce Effectiveness Program, First Line Leaders Curriculum and programs for middle management. These training programs are offered to all regular employees.

- (d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

The Company provides for performance-based rewards to its employees.

- 4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

The Company has a Code of Business Ethics which includes a procedure for reporting possible violations. The process protects the anonymity of the reporting party and guarantees protection from retaliation. All information is kept strictly confidential.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Non-Filipino)	321,191,401	30.11%	Approximately 646,528 scriptless 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.
Hyper Dynamic Corporation	273,218,750	25.61%	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.
Honeysea Corporation	127,743,747	11.97%	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.
PCD Nominee Corporation (Filipino)	79,569,779	7.46%	
Winall Holding Corporation	54,140,736	5.08%	Majority of the shares in Winall Holding Corporation are owned or controlled by certain relatives within the fourth degree of consanguinity or affinity.

(Source: 2014 JFC Annual Report, filed on April 14, 2015)

Name of Senior Management ¹⁷ (Corporate Officers)	Number of Direct shares	Number of Indirect shares/Through (name of record owner)	% of Capital Stock
Tony Tan Caktiong	8,254,565	740,000 (through Deutsche Regis Partners, Inc.)	0.84%
Ernesto Tanmantiong	4,743,951	457,019 (through Deutsche Regis Partners, Inc.)	0.49%
William Tan Untiong	7,013,388	279,667 (through Deutsche Regis Partners, Inc.)	0.68%
Joseph Tanbuntiong	57,630	n/a	0.01%
Ang Cho Sit	11	n/a	0.00%
Antonio Chua Poe Eng	1 38,857,446 ¹⁸	926,147 (through Honeyworth Corporation)	3.73%
Ret. CJ Artemio V. Panganiban	1	11,000	0.00%
Monico V. Jacob	100	n/a	0.00%
Cezar P. Consing	1	n/a	0.00%
Ysmael V. Baysa	511,667	n/a	0.05%
Daniel Rafael Ramon Z. Gomez III	0	0	0.0%
Valerie F. Amante	0	0	0.00%

(Source: 2014 JFC Annual Report, filed on April 14, 2015)

¹⁷ The list includes Corporate Officers, as identified by the Company and disclosed in the 2014 JFC Annual Report.

¹⁸ Through Honeyworth Corporation as disclosed in Antonio Chua Poe Eng's SEC Form 23-B.

2) Does the Annual Report disclose the following:

Key risks	YES
Corporate objectives	YES
Financial performance indicators	YES
Non-financial performance indicators	YES
Dividend policy	NO, but the dividend policy is disclosed in the 2015 JFC Information Statement which is quoted below: "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 2014, the actual cash dividends per share declared as a percentage of the Earnings Per Share is 32.3%."
Details of whistle-blowing policy	NO, but the whistle-blowing policy is found in the Company's website.
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	YES
Training and/or continuing education programme attended by each director/commissioner	YES
Number of board of directors/commissioners meetings held during the year	NO, but attendance in board meetings is disclosed in the Annual Corporate Governance Report which forms part of the Annual Report.
Attendance details of each director/commissioner in respect of meetings held	NO, but attendance in board meetings is disclosed in the Annual Corporate Governance Report which forms part of the Annual Report. Attendance in board meetings was also disclosed to the Securities and Exchange Commission in the Company's Advisement Letter dated January 5, 2015.
Details of remuneration of the CEO and each member of the board of directors/commissioners	YES

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's Fee

Name of Auditor	Audit Fee	Non-audit Fee
SyCip Gorres Velayo & Co.	Approximately PhP18.8 Million	None

Source: 2014 JFC Annual Report, as filed on April 14, 2015.

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

Information is disseminated through ordinary, registered and electronic mail and through the company website (pursuant to SEC Memorandum Circular No. 11, series of 2014).

The Company holds one-on-one meetings, conference calls and electronic mail communication with investors, analysts and members of the media, upon request.

5) Date of release of audited financial report: April 13, 2015

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	YES
Financial statements/reports (current and prior years)	YES
Materials provided in briefings to analysts and media	YES
Shareholding structure	YES
Group corporate structure	YES
Downloadable annual report	YES
Notice of AGM and/or EGM	YES
Company's constitution (company's by-laws, memorandum and articles of association)	YES

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

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 an arms' length basis and on terms similar to those granted to other franchisees. (Source: 2014 JFC Annual Report, as filed on April 14, 2015)

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

Related party transactions are addressed through discussions and on a case-to-case basis.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	A majority of the subscribed capital, present in person or presented by proxy shall be the required at every meeting to constitute a quorum for the election of directors and for the transaction of any business whatever except in those cases in which the Corporation Code requires the affirmative vote of a greater proportion. (As amended on December 1992) In the absence of quorum, any officer entitled to preside or act as Secretary of such meeting, shall have the power to adjourn the meeting from time to time until stockholders holding the requisite number of stock shall be present or represented. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called. (As amended on December 4, 1992) (Source: Section 3, Article III, By-Laws)

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	At each meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy, all shares of stock held by him which have voting power upon any matter duly raised in such meeting. The votes for the election of directors, as well as the votes upon any question raised before the meeting, except with respect to procedural questions which may be determined by the chairman of the meeting, shall be by viva voce or show of hands, except when written balloting shall be requested by any stockholder. (As amended on December 4, 1992). (Source: Section 10, Article III, By-Laws)
Description	Stockholders may vote in person or by proxy.

(c) Stockholders' Rights

Stockholders' Right under The Corporation Code	Stockholders' Rights not in The Corporation Code
Right to vote on all matters that require consent and approval.	
Power of Inspection	
Right to Information	
Right to Dividends	
Appraisal Right	

Dividends

Declaration Date	Record Date	Payment Date
April 7, 2014	May 8, 2014	May 30, 2014
November 12, 2014	November 27, 2014	December 18, 2014
April 7, 2015	May 7, 2015	May 29, 2015

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the view of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Inquiries, suggestions, comments and any communication from stockholders may be coursed through the Company's Investor Relations Group or Legal Division.	Recipient of the information shall address the inquiry or comment, or relay such inquiry or comment to the proper person or group.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

Stockholder approval is required to amend the Company's Articles of Incorporation, an increase in the outstanding capital stock of the Company, and the sale of all or substantially all assets of the Company, following the Corporation Code.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
 - a. Date of sending out notices: Notices were sent on June 5, 2015
 - b. Date of the Annual/Stockholders' Meeting: June 26, 2015

4. State, if any, question and answers during the Annual/Special Stockholders' Meeting.

After presentation of the Management's Report, stockholders were invited to raise questions. Below is the summary of questions raised during the meeting and the response given:

On restroom facilities. In response to the query on restroom facilities per store, Mr. Tan Untiong, as the Chief Real Estate Executive of the Corporation, reiterated the Corporation's compliance with the requirements provided in the National Building Code and other relevant laws and regulations.

On products. Comments were given by stockholders on the Corporation's current products and its effects to the health of the consumers. Chairman of the Board, Mr. Tan Caktiong, responded that the Corporation serves its food products in moderate food proportions.

On supply. A stockholder sought clarification if the supply disruption in 2014 affected the Corporation's local and international operations. Chairman of the Board, Mr. Tan Caktiong, clarified that the disruption in 2014 was not a supply or sourcing issue but was attributable to the implementation of the SAP software. In response to a follow-up question on how the Corporation will address future software system upgrades, Mr. Tan Caktiong assured the public that with its key learnings from its 2014 experience, the Corporation shall ably manage future systems upgrades with implementation and contingency plans.

On suggestions to the Corporation's annual stockholders' meetings. A stockholder gave her inputs and suggestions on the preferred time of the year to hold the stockholders' meeting including suggested corporate souvenir items to be distributed to attending stockholders.

5. Result of Annual/Special Stockholders' Meetings Resolutions
6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

A disclosure was submitted to the Philippines Stock Exchange immediately after the Annual Stockholders' Meeting on June 26, 2015.

e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

There were no modifications made in the regulations.

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board Members/ Officers present	Date of Meeting	Voting Procedure (by poll, show of Hands, etc.)	% of SH Attending In Person	% of SH in Proxy	Total % of SH attendance
Annual Stockholders' Meeting	Tony Tan Caktiong - Chairman Ernesto Tanmantiong - President and CEO William Tan Untiong - Corporate Secretary Joseph Tanbuntiong - Treasurer Ang Cho Sit Antonio Chua Poe Eng Ret. CJ Artemjo V. Panganiban Cezar P. Consing - Independent Director Ysmael V. Baysa - Chief Financial Officer Daniel Rafael Ranton Z. Gomez III - Chief Marketing Officer Atty. Valerie F. Amante - Assistant Corporate Secretary	June 26, 2015	Voting was done by poll.	2.24%	82.52%	84.76%

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMSs?

The Company appoints RCBC Stock Transfer Office to count and/or validate the votes.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Each common share is entitled to one vote.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting:

	Company's Policies
Execution and acceptance of proxies	A stockholder may attend the meeting by submitting a duly accomplished proxy substantially in the form attached hereto which must be received by the Corporate Secretary not later than ten (10) days before the meeting ("Cut-Off Date"). Proxies received after Cut-Off Date shall not be recognized for this meeting. Proxies duly received by the Corporate Secretary on or before Cut-Off Date shall be recognized for the meeting unless revoked by personal appearance of the stockholder or by a later proxy received on or before Cut-Off Date. (Source: Section 2, Article III, By-Laws)
Notary	Proxies need not be notarized.
Submission of Proxy	Proxies must be submitted at least 10 days before the meeting. (Source: Section 2, Article III, By-Laws)
Several Proxies	There are no policies on multiple proxies.
Validity of Proxy	The proxy is valid only for the specific meeting.
Proxies executed abroad	Proxies executed abroad are accepted.
Invalidated Proxy	There are no policies on invalidated proxies.
Validation of Proxy	There are no policies on validation of proxies.
Violation of Proxy	There are no policies on violations proxies.

(h) Sending Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting

Policies	Procedure
Except as otherwise provided by law, written or printed notice of all annual meetings of stockholders, stating the place and time of the meeting and, if necessary, the general nature of the business to be considered shall be transmitted by personal delivery, mail, telegraph, facsimile or cable to each stockholder of record entitled to vote thereat at his address last known to the Secretary of the Corporation at least twenty (20) days before the date of the meeting. Except where expressly required by law, no publication of any notice of annual meeting of stockholders shall be required. If any stockholder shall, in person or by attorney-in-fact thereunto authorized, in writing, or by telegraph, cable, or facsimile, waive notice of any meeting, whether before or after the holding of such meeting, notice thereof need not be given to him. Notice of any adjourned meeting of the stockholders shall not be required to be given, except when expressly required by law. (As amended on December 4, 1992). (Source: Section 5, Article III, By-Laws)	The notice of annual stockholders' meeting, along with a copy of the Company's Annual Report and Definitive Information Statement, is sent to stockholders of record at least twenty (20) days before the date of the meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All stockholders of record as of the Record Date set by the Board of Directors shall be provided with the notice of annual stockholders' meeting, along with a copy of the Company's Annual Report and Definitive Information Statement.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 5, 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	June 5, 2015

State whether CD format or hard copies were distributed	Annual Report – CD Format (hard copies are provided upon request) Information Statement – CD Format
If yes, indicate whether requesting stockholders were provided hard copies	Yes. Hard copies of the Information Statement were provided to requesting stockholders.

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	YES
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	NO, as these are indicated in the Definitive Information Statement provided with the Notice.
The auditors to be appointed or re-appointed.	NO, as this is indicated in the Definitive Information Statement provided with the Notice.
An explanation of the dividend policy, if any dividend is to be declared.	NO, as this is indicated in the Definitive Information Statement provided with the Notice.
The amount payable for final dividends.	NO, but these are included in periodic disclosures on dividend declaration.
Documents required for proxy vote.	YES

Should any of the foregoing information be not disclosed, please indicated the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Right to vote on all matters that require their consent or approval;	Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code of the Philippines. Cumulative voting shall be used in the election of directors. A director shall not be removed without cause if it will deny minority stockholders representation in the Board of Directors.
Power of Inspection	A stockholder may inspect corporate books and records in accordance with the Corporation Code and only for a legitimate purpose and during reasonable office hours and at no cost to the Company. The annual reports, including financial statements, to be provided by the Company to its stockholders shall, however, be for the account of the Company.
Right to Information	Upon request, stockholders shall be provided with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the company, relationships among directors and key officers, and the aggregate compensation of directors and officers.
Right to Dividends	Stockholders shall have the right to receive dividends subject to the discretion of the Board. The company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the board; or (b) when the company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.
Appraisal Right	The stockholders shall have the appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances: 1. In case any amendment to the articles of incorporation has the effect of

Policies	Implementation
	changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence. 2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and 3. In case of merger and consolidation. Stockholders shall be encouraged to personally attend the annual stockholders' meeting and any special meeting that may be called. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy, subject to the requirements of the Company's By-laws. It shall be duty of the directors to promote stockholders' rights, remove impediments to the exercise of stockholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of stockholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to stockholders participating in meetings and/or voting in person or by proxy. Accurate and timely information shall be made available to stockholders to enable them to make a sound judgment on all matters brought to their consideration or approval.

(Source: Article 7, Amended Manual on Corporate Governance)

(b) Do minority stockholders have a right to nominate candidates for board of directors?

YES, subject to the submission of nominees to the Nomination Committee.

K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

All internal and external communications are prepared in consultation with the relevant internal groups, including Finance, Human Resources and Legal. The Company's Chief Financial Officer and its Corporate Legal Counsel sign all disclosures made to the public.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	JFC, through its Investor Relations Group, seeks to provide its stakeholders with information necessary to make informed decisions about our Company. It manages relationships with investors and analysts as well as with regulatory bodies that oversee the financial markets. The department also interfaces with the organization's senior management for the purpose of sharing market insights and investor feedback.
(2) Principles	JFC's disclosure practices are designed to give all investors and analysts fair access to information. The Company complies with all security regulations of the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC). JFC reports its financial results and material developments to the PSE and the SEC, its shareholders and other stakeholders in an open and comprehensive manner. JFC provides reasonable access to analysts, investors and the media to help them make informed opinions of JFC, but not influencing those opinions and to address reports or questions that they may have about JFC. However, JFC does not share earnings projections and does not provide focused guidance to analysts for the development of their earnings estimates.

	Details
(3) Modes of Communications	JFC adopts the following communications channel: one-on-one meetings, road shows, phone meetings, Company website/ email. JFC meetings with investors and analysts will not be a forum for sharing non-public information.
(4) Investors Relations Officer	Corazon B. Palomar, Investor Relations Director Investor Relations Department, 14F Jollibee Plaza, No. 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City Direct Line: 632 6887141

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portion of corporate assets?

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price:

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

The Company's corporate social responsibility efforts are coursed through, and spearheaded by, the Jollibee Group Foundation, Inc.

Initiative	Beneficiary
Busog Lusog Talino School Feeding Program	Over 37,000 school-age pupils in 191 cities and municipalities in the Philippines.
Farmer Entrepreneurship Program	Over 900 smallholder farmers from 27 farmer groups nationwide.
Jollibee Group FoodAID Program	Disaster-stricken communities in the Philippines

(Source: 2014 Annual Report, filed on April 14, 2015).

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
Board of Committees	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
Individual Directors	The Company conducts an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added
CEO/President	The Company conducts an individual performance appraisal, and an organization-wide financial review twice a year.	Net Operating Income Systems Wide Sales Rolling Base Sales Economic Value Added

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

The following penalties shall be imposed after notice and hearing on the Company's directors, officers and staff in case of violation of the Company's Manual on Corporate Governance:

Violations	Sanctions
First Violation	Reprimand
Second Violation	Suspension
Third Violation	Removal from office Director – removal from directorship

(Source: Article 12, Amended Manual on Corporate Governance)

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 7, 2015:

RESOLVED, that Jollibee Foods Corporation declares out of its unrestricted retained earnings as of 2009 a cash dividend of Eighty Centavos (PhP 0.80) per common share, due to all stockholders of record as of May 7, 2015 (ex-dividend date of May 4, 2015) and payable on May 29, 2015

2. The above-mentioned resolution have 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 ____ day of
APR 07 2015 at Pasig City.


 WILLIAM TAN UNTIONG
 Corporate Secretary

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

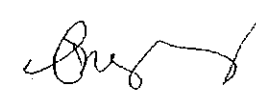
BEFORE ME, a Notary Public in and for the city named above, personally
 appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

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 APR 07 2015

Doc. No. 312;
 Page No. 69;
 Book No. 3;
 Series of 2015.


 ANGELINE L. CHONG
 Notary Public - Pasig City
 Until December 31, 2015
 Attorney's Roll No. 54490
 Appointment No. 6

PTR No. 4990946; 01/13/14; Pasig City
 IBP No. 958344; 01-15-14; RSM
 14/F Jollibee Plaza, 10 F. Ortigas Jr. Avenue
 Ortigas Center, Pasig City 1605
 MCLE Compliance No. IV-0009764;
 11/12/12; Pasig City

SECRETARY'S CERTIFICATE

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

1. The Board of Directors duly approved the proposed revisions to the Stock Option Plan on July 1, 2015. A copy of the revised Stock Option Plan is attached hereto as Annex A (with revisions highlighted for easy reference).
2. 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 July 6, 2015 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. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

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 July 6, 2015

Doc. No. 236;
Page No. 49;
Book No. 4;
Series of 2015.


ANGELINE L. CHONG
Notary Public - Pasig City
Until December 31, 2015
Attorney's Roll No. 54490
Appointment No. 6
PTR No. 4990946; 01/13/14; Pasig City
IBP No. 958344; 01-15-14; RSM



108262015000204

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, 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 : August 26, 2015 10:06:17 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 108262015000204
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered August 26, 2015
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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Signing of Agreement

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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)

SEC Form 17C
Signing of Agreement
(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 26, 2015**
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 XXXXXXXXXX (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	<u>1,069,625,898</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,625,898 is inclusive of 55,803 MSOP shares and 333,334 ELTIP shares subject for listing and 2,834,895 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated August 20, 2015)	1,442,882
Shares applied for listing	<u> </u>
Ending balance, as of August 25, 2015	1,442,882
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated August 20, 2015)	1,392,013
Shares applied for listing	<u> </u>
Ending balance, as of August 25, 2015	1,392,013
TOTAL	<u>2,834,895</u>

1. Other Events

THE JOLLIBEE GROUP OF COMPANIES

Jollibee Foods Corporation (JFC) has signed an Agreement with DoubleDragon Properties Corp. (DD) for the construction by DD of Jollibee Tower, a 40-storey Commercial & Office Tower on JFC's Ortigas Center lot located at the corner of F. Ortigas Jr. Road (formerly Emerald Ave.) and Garnet Road, Ortigas Central Business District.

JFC will receive from DD office, commercial and parking units in Jollibee Tower, in exchange for JFC's 3,002 square meter lot.

Jollibee Tower's ground floor will include commercial spaces and a drive-thru store provision to carry JFC brands, while the 2nd and 3rd floors will house an event center. Selected floors will also be used to house some JFC offices to augment JFC's existing office spaces.

Jollibee Tower is expected to be designed as a Grade A structure and is expected to secure Leadership in Energy and Environmental Design (LEED) certification. Construction is expected to commence in the 4th quarter of 2015 and the project is expected to be completed within 2018.

Jollibee Foods Corporation operates the largest food service network in the Philippines. As of July 31, 2015, it was operating 2,374 restaurant outlets in the country: Jollibee brand 882, Chowking 423, Greenwich 220, Red Ribbon 349, Mang Inasal 455 and Burger King 45. Abroad, it was operating 629 stores: Yonghe King (China) 316, Hong Zhuang Yuan (China) 42, San Pin Wang (China) 57, Jollibee 132 (US 32, Vietnam 67, Brunei 12, Saudi Arabia 10, Qatar 3, Kuwait 4, Hong Kong 1, Singapore 2 and UAE 1), Red Ribbon in the US 33, Chowking 46 (US 19, UAE 19, Qatar 5, Oman 2 and Kuwait 1), Jinja Bar (US) 3. The JFC Group had a total of 3,003 stores worldwide.

JFC also has a 50% interest in joint ventures for the following stores: Highlands Coffee (Vietnam, Philippines) 82, Pho 24 (Vietnam, Indonesia, Cambodia, and Korea) 38, and 12 Sabu (China) 20.

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.

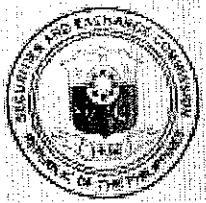
JOLLIBEE FOODS CORPORATION
Registrant



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



109172015000537

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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Barcode Page

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Receiving Branch : SEC Head Office
Receipt Date and Time : September 17, 2015 10:57:24 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 109172015000537
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered September 16, 2015
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)

Contact Person

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 no. of Stockholders

Total Amount of Borrowings

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)

SEC Form 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 **September 16, 2015**
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	<u>1,069,636,821</u>
Treasury Shares: Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,636,821 is inclusive of 2,819,229 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated September 4, 2015)	1,427,216
Shares applied for listing	-
Ending balance, as of September 16, 2015	<u>1,427,216</u>
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated September 4, 2015)	1,392,013
Shares applied for listing	-
Ending balance, as of September 16, 2015	<u>1,392,013</u>
TOTAL	<u><u>2,819,229</u></u>

11. Other Events

In compliance with the directives of the Philippine Stock Exchange, the Company paid the penalty imposed for the delayed disclosure of changes in shareholdings of a director and principal officer for transactions in 2013.

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



110022015000963

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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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 110022015000963

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered October 02, 2015

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Date of Special Stockholders' Meeting and Record Date

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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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)

SEC Form 17-C
Date of Special Stockholders' Meeting
and Record Date
(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 **02 October 2015**

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	<u>1,069,636,821</u>
Treasury Shares: Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,636,821 is inclusive of 2,810,104 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated October 1, 2015)	1,418,091
Shares applied for listing	-
Ending balance, as of October 2, 2015	<u>1,418,091</u>
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated October 1, 2015)	1,392,013
Shares applied for listing	-
Ending balance, as of October 2, 2015	<u>1,392,013</u>
TOTAL	<u>2,810,104</u>

11. Item 9. Other Events

During the Board meeting on October 1, 2015, pursuant to Section 6 of the By-Laws of the Company, the President, Mr. Ernesto Tanmantiong, called for the holding of a special stockholders' meeting on 23 November 2015 at 2'o clock in the afternoon at 32F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City. The agenda will be the approval of the amendment(s) to the Senior Management Stock Option and Incentive Plan.

The Board of Directors approved the special stockholders' meeting as called by the President and further approved the record date of October 19, 2015. Thus, all stockholders, as of record date of October 19, 2015, are entitled to participate in said special stockholders' meeting.

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

A handwritten signature in black ink, appearing to be 'V. Amante', written over a horizontal line.

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



110072015000200

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Representative

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Company Information

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

Document Information

Document ID 110072015000200
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered October 06, 2015
No. of Days Late 0
Department CFD
Remarks *w/cd for*

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Top 100 Stockholders as of September 30, 2015

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

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COVER SHEET

JOLLIBEE FOODS CORPORATION
(Company's Full Name)

10/F Jollibee Plaza Building No. 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)

TOP 100 STOCKHOLDERS
As of September 30, 2015

(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 6, 2015
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:	1,069,636,821
Treasury Shares:	16,447,340

Note: Total common outstanding share of 1,069,636,821 is inclusive of 2,810,104 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated October 2, 2015)	1,418,091
Shares applied for listing	-
Ending balance, as of October 6, 2015	1,418,091
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated October 2, 2015)	1,392,013
Shares applied for listing	-
Ending balance, as of October 6, 2015	1,392,013
TOTAL	2,810,104

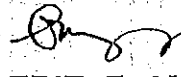
11. Other Events

Please see attached list of Top 100 stockholders as of September 30, 2015.

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

for: 

VALERIE F. AMANTE

Vice President and Head, Corporate Legal
& Corporate Information Officer



110132015000049

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Receipt Date and Time : October 13, 2015 09:27:09 AM
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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 110132015000049
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered October 13, 2015
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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Signing of Agreement

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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)

SEC Form 17C
Signing of Agreement
(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 13, 2015**
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

Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	<u>1,069,636,821</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,636,821 is inclusive of 2,751,426 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:

Beginning balance (per SEC Form 17-C dated October 12, 2015)	1,359,413
Shares applied for listing	-
Ending balance, as of October 13, 2015	<u>1,359,413</u>

ELTIP Shares:

Beginning Balance (per SEC Form 17-C dated October 12, 2015)	1,392,013
Shares applied for listing	-
Ending balance, as of October 13, 2015	<u>1,392,013</u>

TOTAL	<u>2,751,426</u>

11. Other Events

THE JOLLIBEE GROUP OF COMPANIES

JFC To Make Strategic Investment in US-Based "Smashburger"

Metro Manila, Philippines, October 13, 2015 – *Jollibee Foods Corporation* (PSE: JFC)

Jollibee Foods Corporation ("JFC"), the largest Asian food company, disclosed today that JFC, through its wholly owned subsidiary Bee Good! Inc. ("BGI"), entered into an agreement with Smashburger Master LLC ("Master"), to acquire 40% of Smashburger®, a fast casual better burger brand based in the United States.

Smashburger is a leading Fast Casual "better burger" restaurant known for its fresh, never frozen, 100% Certified Angus 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. The chain is recognized in various surveys and publications as one of the best tasting burgers in the US.

Smashburger, with headquarters in Denver, Colorado, currently has 339 restaurants (184 company-owned and 155 franchised) worldwide in 35 states in the US and in 7 foreign markets. Smashburger estimates system wide sales of approximately USD339 million in 2015, an amount equivalent to 12% of JFC's estimated worldwide system wide sales for the same year. Smashburger's system wide sales have been growing at an annual rate of approximately 30% between 2011 and 2015 while its store network has been increasing annually by approximately 20%.

The transaction represents JFC's largest acquisition to date, and its largest investment outside the Philippines.

JFC Chairman Mr. Tony Tan Caktiong gave the following statement: "Smashburger is one of the fastest growing restaurant brands in the US and we are very excited to work side by side with the owners and management of Smashburger as we continue its growth. This acquisition will make JFC's presence in the US more significant, going beyond the Filipino market and serving mainstream consumers in the USD100 billion US burger market, a food segment which is estimated to be almost three times larger than the pizza, sandwich or coffee segment in terms of sales. This acquisition will make the US one of JFC's most important markets and drivers of long term growth along with the Philippines, China and the Filipino markets abroad."

"We at Smashburger are excited about our new strategic partnership with Jollibee," commented Rick Schaden, Chairman and Founder of Smashburger. "As founders and entrepreneurs we both have built teams that focus on bringing the highest and best tasting food to our restaurant categories. Founder and Chairman, Tony Tan Caktiong and I share a true passion for the restaurant business having opened and operated our very first restaurants and we believe our companies still cultivate that spirit today as we initiate this partnership."

Under the terms of its agreement with Master, BGI will pay Master approximately USD99 million for BGI's 40% equity share of Smashburger, based on a USD 335 million enterprise value and a USD 248 million equity value. This purchase will be financed partly from JFC's cash reserves and partly from a 10-year bank borrowing. BGI has a mechanism in the agreement with Master to purchase up to an additional 35% of Smashburger between 2018 and 2021 and the balance of 25% between 2019 at the earliest and 2026 at the latest. The purchase price for the remaining 60% will be based on the achievement of certain financial

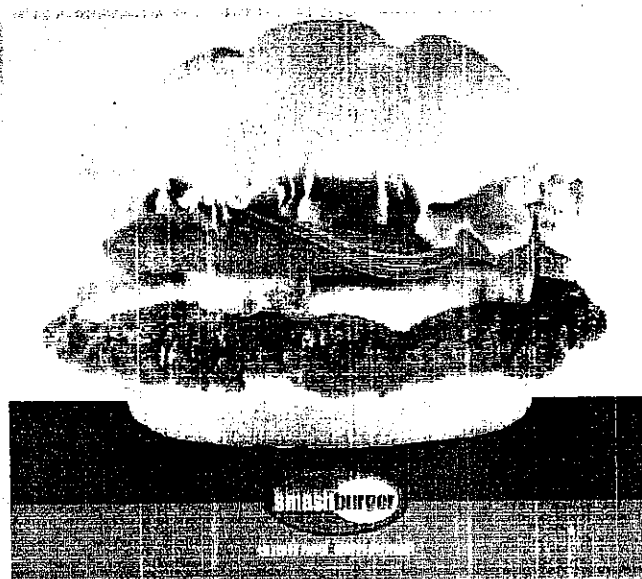
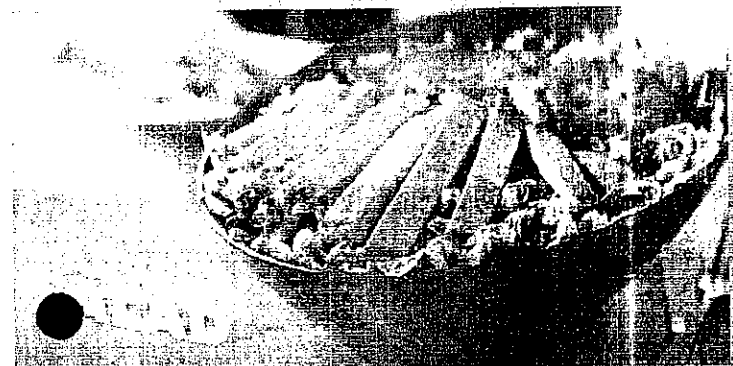
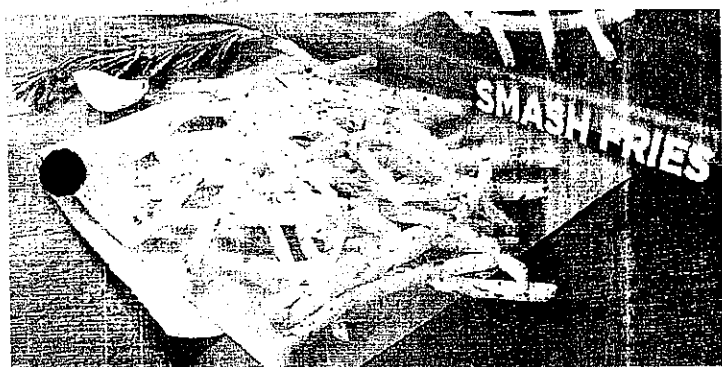
performance targets agreed between BGI and Master. The acquisition of BGI's 40% stake is expected to be completed within 2015.

JFC was advised by J.P. Morgan as financial advisor, Pillsbury Winthrop Shaw Pittman LLP as legal advisor, and Isla Lipana & Co./PwC as accounting and tax advisor in this transaction. Master was advised by North Point Advisors as financial advisor and Paul, Weiss, Rifkind, Wharton & Garrison as legal advisor.

JFC presently owns and operates 87 restaurants in the United States primarily serving Filipino customers, consisting of Jollibee units with 32 outlets, Red Ribbon 33, Chowking 19, and Jinja 3. System wide sales in the US presently account for 5% of JFC's worldwide system wide sales.

Jollibee Foods Corporation operates the largest food service network in the Philippines with a total of 2,384 outlets, as of August 31, 2015, with the following number of outlets: Jollibee 884, Chowking 422, Greenwich 221, Red Ribbon 354, Mang Inasal 457 and Burger King 46. It also has 629 outlets abroad with 415 in China, 87 in the US, and 127 in Southeast Asia and the Middle East for a total of 3,013 restaurant outlets worldwide.

JFC also has a 50% interest in joint ventures for the following stores: Highlands Coffee (Vietnam, Philippines) 85, Pho 24 (Vietnam, Indonesia, Cambodia, and Korea) 39, and 12 Sabu (China) 20.



About Smashburger

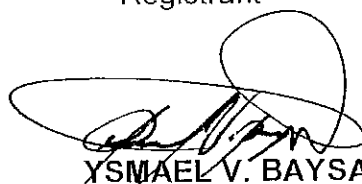
Smashburger is a leading Fast Casual "better burger" restaurant known for its fresh never frozen, 100% Certified Angus Beef® burgers that are smashed on the grill to sear in the juices, creating an upscale quality burger packed with flavor and served at a great value. In addition to burgers, Smashburger offers grilled or crispy chicken sandwiches, fresh salads, signature side items such as Haystack onions and Veggie Frites, and hand spun Häagen-Dazs® shakes. On each market menu, Smashburger offers locally inspired items like a regional burger, a regional side or a local craft beer. Beginning in 2007 in Denver, Colorado, there are currently 339 corporate and franchised Smashburger restaurants operating in 35 states and 7 countries. To learn more, visit www.smashburger.com.

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

A handwritten signature in black ink, appearing to read 'Ysmael V. Baysa', written over a horizontal line.

YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

A handwritten signature in black ink, appearing to read 'Valerie F. Amante', written over a horizontal line.

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



110232015001708

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Representative

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Company Information

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

Document Information

Document ID 110232015001708
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered October 23, 2015
No. of Days Late 0
Department CFD
Remarks

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)

Contact Person

Company Telephone Number

1 2 3 1
Month Day Year
Fiscal Year

Any Day in June
Month Day Year
Annual Meeting

Masterlist of Stockholders as of Record Date October 19, 2015

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

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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
Masterlist of Stockholders as of Record Date October 19, 2015
(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 **23 October 2015**
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	<u>1,069,636,821</u>
Treasury Shares	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,636,821 is inclusive of 2,155,344 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated October 22, 2015)	1,276,031
Shares applied for listing	<u>(12,700)</u>
Ending balance, as of October 23, 2015	1,263,331
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated October 22, 2015)	892,013
Shares applied for listing	<u>-</u>
Ending balance, as of October 23, 2015	892,013
TOTAL	<u>2,155,344</u>

11. Item 9. Other Events

Please see attached stockholders as of Record Date, October 19, 2015.

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



110272015000010



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

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Company Representative

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Company Information

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

Document Information

Document ID 110272015000010
Document Type 17-C (FORM 11-C: CURRENT DISCL/RPT)
Document Code 17-C
Period Covered October 27, 2015
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)

Contact Person

Company Telephone Number

31-Dec
Month Day Year
Fiscal Year

Any Day in June
Month Day Year
Annual Meeting

JFC Completes Strategic Investment in US-Based "Smashburger"

17C
Secondary License Type (If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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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)

SEC Form 17C
JFC Completes Strategic Investment in US-Based "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 **October 27, 2015**
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 XXXXXXXXXX (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	<u>1,069,636,821</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,636,821 is inclusive of 2,155,344 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated October 23, 2015)	1,263,331
Shares applied for listing	-
Ending balance, as of October 27, 2015	<u>1,263,331</u>
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated October 23, 2015)	892,013
Shares applied for listing	-
Ending balance, as of October 27, 2015	<u>892,013</u>
TOTAL	<u><u>2,155,344</u></u>

11. Other Events

THE JOLLIBEE GROUP OF COMPANIES

JFC Completes Strategic Investment in US-Based "Smashburger"

Los Angeles, California, USA, October 26, 2015/Metro Manila, Philippines, October 27, 2015 – Jollibee Foods Corporation (PSE: JFC)

Further to its October 13, 2015 disclosure, Jollibee Foods Corporation ("JFC") disclosed today that JFC's wholly owned subsidiary, Bee Good! Inc. ("BGI") has completed its acquisition from Smashburger Master LLC ("Master") of 40% of the outstanding units of SJBF LLC, the parent company of the entities comprising the Smashburger® business. The amount paid by BGI for its 40% stake is \$99,473,918, subject to post-closing adjustment based on a pre-agreed mechanism with Master.

Jollibee Foods Corporation has funded the acquisition of its 40% stake in Smashburger with its cash reserves and with a 10-year loan from Metropolitan Bank and Trust Company (MetroBank).

BGI has a mechanism in the agreement with Master to purchase up to an additional 35% of SJBF LLC between 2018 and 2021 and the balance of 25% between 2019 at the earliest and 2026 at the latest. The purchase price for the remaining 60% will be based on the achievement of certain financial performance targets agreed between BGI and Master.

Smashburger is a leading Fast Casual "better burger" restaurant known for its fresh, never frozen, 100% Certified Angus 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. The chain is recognized in various surveys and publications as one of the best tasting burgers in the US.

Smashburger, with headquarters in Denver, Colorado, currently has 339 restaurants (184 company-owned and 155 franchised) worldwide in 35 states in the US and in 7 foreign markets. Smashburger estimates system wide sales of approximately USD339 million in 2015, an amount equivalent to 12% of JFC's estimated worldwide system wide sales for the same year. Smashburger's system wide sales have been growing at an annual rate of approximately 30% between 2011 and 2015 while its store network has been increasing annually by approximately 20%.

JFC was advised by J.P. Morgan as financial advisor, Pillsbury Winthrop Shaw Pittman LLP as legal advisor, and Isla Lipana & Co./PwC as accounting and tax advisor in this transaction. Master was advised by North Point Advisors as financial advisor and Paul, Weiss, Rifkind, Wharton & Garrison as legal advisor.

JFC presently owns and operates 87 restaurants in the United States primarily serving Filipino customers, consisting of Jollibee units with 32 outlets, Red Ribbon 33, Chowking 19, and Jinja 3. System wide sales in the US presently account for 5% of JFC's worldwide system wide sales.

Jollibee Foods Corporation operates the largest food service network in the Philippines with a total of 2,393 outlets, as of September 30, 2015, with the following number of outlets: Jollibee 890, Chowking 423, Greenwich 222, Red Ribbon 355, Mang Inasal 457 and Burger King 46. It also has 630 outlets abroad with 415 in China, 87 in the US, and 128 in Southeast Asia and the Middle East for a total of 3,023 restaurant outlets worldwide.

JFC also has a 50% interest in joint ventures for the following stores: Highlands Coffee (Vietnam, Philippines) 87, Pho 24 (Vietnam, Indonesia, Cambodia, and Korea) 38, and 12 Sabu (China) 21.

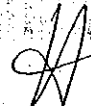
SIGNATURE

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



111092015002558

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Receiving Branch : SEC Head Office

Receipt Date and Time : November 09, 2015 04:15:36 PM

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Company Representative

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Company Information

SEC Registration No. 0000077487

Company Name JOLLIBEE FOODS CORP.

Industry Classification Miscellaneous Business Activities

Company Type Stock Corporation

Document Information

Document ID 111092015002558

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered November 09, 2015

No. of Days Late 0

Department CFD

Remarks

JFC reported a net income attributable to equity holders of the Parent Company for the third quarter of 2015 of Php1.3 billion, 7.3% higher than the amount generated in the same period last year. Operating income grew by 6.0% driven by a 13.6% increase in revenues with gross profit margin at 18.0%, same level as last year's and better than in the first half of 2015 of 17.3%. Operating expenses increased by 18.3% driven by IT-related expenses and increased advertising spending.

JFC Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: "Profit for the 3rd quarter would have grown by at least 14.0% if the extraordinary cost increase from the upgrade in information technology were excluded. We look forward to reverting to a normal growth in IT related expenses in the years ahead and reaping the benefits from our investments. Return on invested capital from new stores across the brands and regions remain healthy even as we increase the number of new stores opened, indicating a likely profitable business expansion next year and in the years ahead. Working capital has improved significantly in the 3rd quarter enabling us to reduce our debt level and to increase our net cash position, even though we still have areas for improvement which we will work on in the months ahead. We do not foresee a significant rise in our debt level despite the 40% acquisition of Smashburger and our increased new store investments."

On October 26, 2015, JFC disclosed that through its wholly owned subsidiary Bee Good! Inc. (BGI), it completed its acquisition from Smashburger Master LLC (Master) of 40% of the outstanding units of SJBFLC, the parent company of the entities comprising the Smashburger business. The amount paid by BGI for its 40% stake is US\$99.5 million, subject to post-closing adjustment based on pre-agreed mechanism with Master.

As of October 13, 2015, Smashburger had 339 stores worldwide in 35 states in the United States and in 7 foreign markets. Smashburger estimates system wide sales of approximately US\$339 million in 2015, an amount equivalent to 12% of JFC's estimated worldwide system wide sales for the same year. Smashburger's system wide sales have been growing at an annual rate of approximately 30% between 2011 and 2015 while its store network has been increasing annually by approximately 20%.

The Board of Directors of JFC approved in its meeting held on November 9, 2015, the declaration of a regular cash dividend of Php0.97 per share bringing its total cash dividend in 2015 to Php1.77 per share, an increase of 7.9% versus the total cash dividends declared in 2014.

JFC operates the largest food service network in the Philippines. As of September 30, 2015, it was operating 2,393 restaurant outlets in the country: Jollibee brand 890, Chowking 423, Greenwich 222, Red Ribbon 355, Mang Inasal 457 and Burger King 46. Abroad, it was operating 630 stores: Yonghe King (China) 316, Hong Zhuang Yuan (China) 42, San Pin Wang (China) 57, Jollibee 133 (US 32, Vietnam 67, Brunei 12, Saudi Arabia 10, Qatar 3, Kuwait 4, Hong Kong 1, Singapore 2, Bahrain 1 and UAE 1), Red Ribbon in the US 33, Chowking 46 (US 19, UAE, 20, Qatar 4, Oman 2 and Kuwait 1), Jinja Bar (US) 3. The JFC Group had a total of 3,023 stores worldwide.

JFC also has a 50% interest in joint ventures for the following stores: Highlands Coffee (Vietnam, Philippines) 87, Pho 24 (Vietnam, Indonesia, Cambodia, Korea and Australia) 38 and 12 Sabu (China) 21.

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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Press Release: 2015 3rd Quarter Results

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

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
2015 3rd Quarter Results
(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

Central Receiving Unit

LCU

DTU

77487
S.E.C REG. No.

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 9, 2015**
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	<u>1,069,660,654</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,660,654 is inclusive of 6,000, 5,333 and 12,500 MSOP shares subject for listing and 2,144,064 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated November 5, 2015)	1,252,051
Shares applied for listing	-
Ending balance, as of November 9, 2015	<u>1,252,051</u>
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated November 5, 2015)	892,013
Shares applied for listing	-
Ending balance, as of November 9, 2015	<u>892,013</u>
TOTAL	<u><u>2,144,064</u></u>

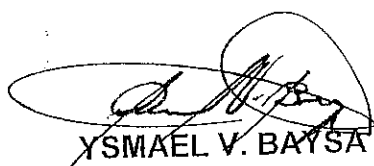
11. Other Events

Please see attached Press release re: 2015 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



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

THE JOLLIBEE GROUP OF COMPANIES

JFC Q3 Sales Growth Accelerates, Profit Up 7.3%

Metro Manila, Philippines, November 9, 2015 - Jollibee Foods Corporation (PSE: JFC)
- Financial Results for the Quarter ended September 30, 2015

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the quarter and nine months ended September 30, 2015:

Financial Summary	Quarter 3			YTD September		
	2015	2014	% Change	2015	2014	% Change
System Wide Retail Sales	32,319	28,419	13.7%	94,474	85,473	10.5%
Revenues	25,052	22,052	13.6%	72,908	65,753	10.9%
Net Income	1,264	1,199	5.4%	3,966	3,715	6.7%
Net Income Attributable to Equity						
Holders of the Parent Company	1,258	1,172	7.3%	3,858	3,640	6.0%
Earnings per Common Share - Basic	1.178	1.108	6.3%	3.618	3.452	4.8%
Earnings per Common Share - Diluted	1.155	1.083	6.7%	3.546	3.376	5.0%

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

Jollibee Foods Corporation, the Philippines' largest food service company generated in the third quarter of 2015 System Wide Sales of Php32.3 billion. Sales growth accelerated to 13.7% versus the same period a year ago, from 9.5% in the first quarter and 8.4% in the second quarter. Sales increase was driven by a 6.1% increase in store network and about 7.6% same store sales growth on a worldwide basis.

Sales in the Philippines grew by 13.6% during the quarter versus a year ago, China by 9.7%, the United States by 19.1% and Southeast Asia and the Middle East by 25.2%. Total sales of foreign businesses grew by 14.2%.

Jollibee Foods Corporation Chief Executive Officer, Mr. Ernesto Tanmantiong gave the following statement: "Sales growth accelerated to 13.7% in the 3rd quarter compared with 8.9% in the first half of the year. We look forward to opening a total of at least 300 stores in 2015 on a worldwide basis, a milestone in JFC's history."

"For 2016, we plan to accelerate the expansion of our store network, opening even more stores than in 2015- in the Philippines and in all regions abroad. We are allocating Php10.4 billion for capital expenditures, of which Php7.5 billion is for new store investments and existing store renovations and the rest will mostly be for the commissary expansion. We also plan to enter new countries such as Malaysia, Oman, Canada, Italy, and the United Kingdom through our Jollibee brand and open more stores in countries where we already have presence such as Singapore, Vietnam and the United States. To achieve this strong business growth in 2016 and in the years ahead, we will continue to build our organization capability particularly in store network expansion, supply chain and information technology. We will also expand the coverage of our JFC University development course and other organization development programs. We have an exhilarating period of growth ahead!"



111092015002553

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, 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 : Jojit Licudine
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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 111092015002553
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code 17-C
Period Covered November 09, 2015
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)

Contact Person

Company Telephone Number

31-Dec
Month Day Year
Fiscal Year

Any Day in June
Month Day Year
Annual Meeting

Cash Dividend Declaration
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings
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, No. 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.



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 9, 2015**
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 XXXXXX (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
- Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock & warrants outstanding
Common	<u>1,069,660,654</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding share of 1,069,660,654 is inclusive of 6,000, 5,333 and 12,500 MSOP shares subject for listing and 2,144,064 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated November 5, 2015)	1,252,051
Shares applied for listing	-
Ending balance, as of November 9, 2015	<u>1,252,051</u>
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated November 5, 2015)	892,013
Shares applied for listing	-
Ending balance, as of November 9, 2015	<u>892,013</u>
TOTAL	<u>2,144,064</u>

11. Other Events

Jollibee Foods Corporation (JFC) announced that its Board of Directors approved today, November 9, 2015, a cash dividend of Php0.97 per share of common stock for all shareholders of record as of November 25, 2015 (ex-dividend date of November 20, 2015). This cash dividend is 9.0% higher than that declared on November 12, 2014. Payment date is on December 9, 2015.

The total cash dividend declared in 2015 is Php1.77 per share, an increase of 7.9% versus the total cash dividends declared in 2014.

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

SECRETARY'S CERTIFICATE

I, **VALERIE FERIA AMANTE**, Filipino, of legal age and with office address at the 14/F Jollibee Plaza Bldg., 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City, being the duly appointed Assistant Corporate Secretary of **JOLLIBEE FOODS CORPORATION** (the "Corporation"), a corporation duly organized and existing under Philippine law, with business address at Jollibee Plaza Bldg., 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 November 9, 2015:

RESOLVED, that Jollibee Foods Corporation declares out of its unrestricted retained earnings as of 2010, a cash dividend of Ninety Seven Centavos (Php0.97) per common share, due to all stockholders of record as of November 25, 2015 (ex-dividend date of November 20, 2015) and payable on December 9, 2015.

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 09 NOV 2015 day of _____ at Pasig City.


VALERIE FERIA AMANTE
Assistant Corporate Secretary

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

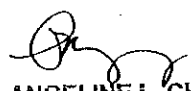
Before me, a Notary Public in and for the city named above, personally appeared:

Name	Competent Evidence of Identity	Place/Date of Issue
Valerie Feria Amante	SSS ID# 07-17692471	

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 09 NOV 2015 day of _____.

Doc. No. 472;
Page No. 86;
Book No. 5;
Series of 2015.


ANGELINA L. CHONG
Notary Public - Pasig City
Until December 31, 2015
Attorney's Roll No. 54490
Appointment No. 6
PTR No. 4990946; 01/13/14; Pasig City
IBP No. 958344; 01-15-14; RSM
14/F Jollibee Plaza, 10 F. Ortigas Jr. Avenue
Ortigas Center, Pasig City 1605
MCLE Compliance No. IV-0009764;
11/12/12; Pasig City



111252015001700

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Representative

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Company Information

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

Document Information

Document ID 111252015001700
Document Type 17-C (FORM 11-C: CURRENT DISCL/RPT)
Document Code 17-C
Period Covered November 23, 2015
No. of Days Late 0
Department CFD
Remarks

COVER SHEET

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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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year

Fiscal Year

Any Day in June

Month Day Year

Annual Meeting

Results of Special Stockholders' Meeting

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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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 Special Stockholders' Meeting

(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 **23 November 2015**
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

1600
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	1,069,663,321
Treasury Shares	16,447,340

Note: Total common outstanding share of 1,069,663,321 is inclusive of 6,000, 5,333, 12,500 and 2,667 MSOP shares subject for listing and 2,133,730 shares entrusted with Deutsche Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated November 9, 2015)	1,241,717
Shares applied for listing	-
Ending balance, as of November 16, 2015	<u>1,241,717</u>
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated November 9, 2015)	892,013
Shares applied for listing	-
Ending balance, as of November 16, 2015	<u>892,013</u>
TOTAL	<u><u>2,133,730</u></u>

11. Item 9. Other Events

During the Special Stockholders' Meeting of the Company, the stockholders ratified the Amended Senior Management Stock Option and Incentive Plan.

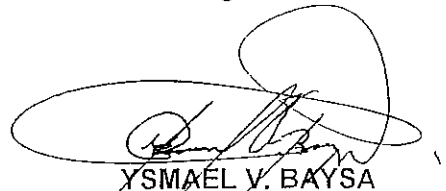
11. Item 9. Other Events

During the Special Stockholders' Meeting of the Company, the stockholders ratified the Amended Senior Management Stock Option and Incentive Plan.

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



111252015001690

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Representative

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Company Information

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

Document Information

Document ID 111252015001690
Document Type 17-C (FORM 11-C: CURRENT DISCL/RPT)
Document Code 17-C
Period Covered November 25, 2015
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)

Contact Person

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Any Day in June

Month Day Year
Annual Meeting

Amended Stock Option Plan Rules

17C

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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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

Amended Stock Option Plan Rules

(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 **25 November 2015**
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

1600
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

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Shares applied for listing	-
Ending balance, as of November 24, 2015	1,241,717
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated November 23, 2015)	892,013
Shares applied for listing	-
Ending balance, as of November 24, 2015	892,013
TOTAL	2,133,730

11. Item 9. Other Events

Please see attached submission on the Amended Plan Rules of the Company's Senior Management Stock Option and Incentive Plan.

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*



November 25, 2015

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City, Metro Manila

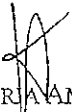
Attention: **DIRECTOR VICENTE GRACIANO P. FELIZMENIO, JR.**
Markets and Securities Regulation Department

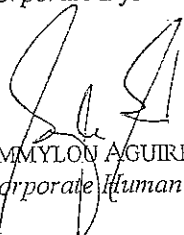
Dear Director Felizmenio:

Jollibee Foods Corporation (the "Company") respectfully submits a copy of the Amended Plan Rules of the Company's Senior Management Stock Option and Incentive Plan (the "Revised Rules"). A copy of the Secretary's Certificate confirming the adoption of the said Revised Rules by the Compensation Committee of the Board of Directors of the Company is attached for your reference.

We trust that everything is in order. Thank you for your attention.

Very truly yours,


VALERIE FERA AMANTE
*Vice President and Head, Corporate Legal
Corporate Information Officer*


EMMYLON AGUIRRE
Corporate Human Resources



SECRETARY'S CERTIFICATE

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

1. The Board of Directors duly approved the proposed revisions to the Stock Option Plan on November 23, 2015. A copy of the revised Stock Option Plan is attached hereto as Annex A (with revisions highlighted for easy reference).
2. 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 ____ day of
24 NOV 2015 at Pasig City.


WILLIAM TAN UNTIONG
Corporate Secretary

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

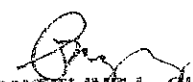
Before me, a notary public in and for the city named above, personally appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place/Date of Issue</u>
William Tan Untiong	Passport No. EC0232914 issued on February 7, 2014 valid until February 6, 2019	

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 ____ day of 24 NOV 2015.

Doc. No. 513;
Page No. 104;
Book No. 5;
Series of 2015.


ANGELINE L. CHONG
Notary Public - Pasig City
Until December 31, 2015
Attorney's Roll No. 54490
Appointment No. 6
PTR No. 4990946; 01/13/14; Pasig City
IBP No. 958344; 01-15-14; RSM
14/F Jollibee Plaza, 10 F. Ortigas Jr. Avenue
Ortigas Center, Pasig City 1605
MCLC Compliance No. IV-0009764;
11/12/12; Pasig City

JOLLIBEE FOODS CORPORATION
SENIOR MANAGEMENT STOCK OPTION AND INCENTIVE PLAN
Amended Plan Rules (as amended on November 23, 2015)

1. DESCRIPTION OF PROGRAM AND PURPOSE

This Senior Management Stock Option and Incentive Plan ("Plan") has been established by Jollibee Foods Corporation ("Company") to encourage increased proprietary interest in the Company and to provide incentives for long-term performance for (a) selected key members of management of the Company and certain subsidiaries and (b) Designated Affiliated Entities.

The Plan is divided into two (2) Programs, namely, the Management Stocks Option Program ("MSOP") and the Executive Long-Term Incentive Program ("ELTIP").

The MSOP is designed to achieve the following objectives:

- Provide a yearly stock option grant program based on Company performance to complement the participant's annual total cash compensation
- Alignment of participant's interest with those of shareholders

The ELTIP is designed to achieve the following objectives:

- Provide stock ownership as an incentive that will reinforce entrepreneurial and long-term ownership behavior for the participants
- Provide a program that rewards superior performance in achieving medium to long-term goals

2. DEFINITION OF TERMS

In this Plan, the following terms have the following meanings:

- a. **Board** – the Board of Directors of the Company
- b. [reserved]
- c. **Company** – Jollibee Foods Corporation
- d. **Committee** – the Compensation Committee created by the Board as defined in 3.1
- e. **Designated Consultants** – any individual who has rendered technical or management consultancy services to the Jollibee Group and whom the Board of Directors of the Company designates as such for the purpose of this Plan.

- f. [reserved]
- g. **Disability** – as determined by the Committee in accordance with standards and procedures similar to those under the Company's long-term disability plan. Disability shall mean the inability of a participant, as determined by the Committee, substantially to perform such Participant's regular duties and responsibilities due to a medically determinable physical or mental illness which has lasted for a period of six (6) consecutive months.
- h. **Eligible Participant or Participant** - an individual eligible to be granted Stock Options under the MSOP or Stock Incentives under the ELTIP
- i. **ELTIP Entitlement Date** – the date when the ELTIP Participant is granted the offer to earn the ELTIP Incentives, as defined in Section 4.2.2
- j. **ELTIP Exercise Period** – the five-year period beginning in the ELTIP Grant Date during which the ELTIP Participant may purchase Shares corresponding to the vested ELTIP Incentives at the given Exercise Price, as defined in Section 4.2.5
- k. **ELTIP Grant Date** – the date on which an ELTIP Participant achieves the Hurdle Rate and Personal Goals within the Hurdle Period and earns the ELTIP Incentives, as defined in the Section 4.2.3
- l. **ELTIP Incentive** – the Stock Incentives offered under the ELTIP
- m. **ELTIP Participant** – an individual eligible to be granted ELTIP Incentives under the ELTIP as defined in the Section 4.2.1
- n. **Exercise Price** – in respect of a Stock Option/Incentive, means the price designated by the Company at which the Participant may purchase a Share.
- o. **ELTIP Vesting Date** – the dates on which the ELTIP Incentives accrue at a rate of one-third per year, beginning on the ELTIP Grant Date and on each of the first and second year anniversary dates thereof, as defined in the Section 4.2.4
- p. [reserved]
- q. **Hurdle Period** – the period set by the Company and Committee at which the Hurdle Rate and Personal Goals must be achieved to earn the ELTIP Incentives and Trigger the ELTIP Grant Date, as defined in the Section 4.2.2
- r. **Hurdle Rate** – the medium to long-term goals set by the Committee to be achieved by the ELTIP Participants in order to earn the ELTIP Incentives, as defined in the Section 4.2.2

- s. **Incentive Cycle** – in respect of the ELTIP, means the period commencing on the ELTIP Entitlement Date and ending on the last day of the ELTIP Exercise Period
- t. **Incentive Holder** – an Eligible Participant who is granted and accepts Stock Incentives under the ELTIP
- u. **Jollibee Group** – the Company and its Subsidiaries
- v. **MSOP Exercise Period** – the seven-year period beginning on the first year from the MSOP Grant Date during which the MSOP Participant may purchase Shares corresponding to the vested MSOP Options at the given Exercise Price, as defined in Section 4.1.4
- w. **MSOP Grant Date** – the date when MSOP Participant is granted the MSOP Options, as defined in Section 4.1.2
- x. **MSOP Option** – the Stock Options offered under the MSOP
- y. **MSOP Participant** – an individual eligible to be granted MSOP Options under the MSOP as defined under Section 4.1.1
- z. **MSOP Vesting Date** – the first, second and third year anniversary dates of MSOP Grant Date on which the MSOP Options accrue at a rate of one-third per year, as defined in Section 4.1.3
- aa. **Notice of Entitlement to Earn ELTIP Incentives** – the written notice of entitlement to earn ELTIP Incentives distributed by the Committee to ELTIP Participants as described in Section 4.2.2
- bb. **Notice of MSOP Option Grant** – the written notice distributed by the Committee to MSOP Participants as described in 4.1.2
- cc. **Option Cycle** – in respect of the MSOP, means the period commencing on the MSOP Grant Date and ending on the last day of the MSOP Exercise Period
- dd. **Option Holder** – an Eligible Participant who is granted and accepts Stock Options under the MSOP
- ee. **Personal Goals** – the individual objectives set by the ELTIP Participants for their respective operating units or work areas that will contribute to the medium to long-term goals, as defined in Section 4.2.2
- ff. **Plan** – refers to the Senior Management Stock Option and Incentive Plan, as amended

- gg. **Program** – refers to either the MSOP and the ELTIP of the Plan and Programs refers collectively to the MSOP and the ELTIP
- hh. **PSE** – The Philippine Stock Exchange, Inc.
- ii. **Resignation** – a voluntary act by the Eligible Participant to cease, for any reason, (i) employment or membership in the relevant management committee of the Company or its Subsidiaries, as the case may be, or (ii) provision of contracted services, in the case of a Designated Consultant
- jj. **Retirement** – (i) retirement from employment with the Company and its Subsidiaries on or after the retirement date(s) specified in the Company's qualified retirement plans or such earlier date as approved in writing by the Committee for the purposes of this Plan; or (ii) in the case of Designated Consultants, expiration of the relevant contract for consulting services.
- kk. **Shareholder(s)** – owners of record of Shares of the Company
- ll. **Shares** – common shares of stock of the Company and in case of any declassification of the shares of the Company, the common shares or any subsequent classification thereof comprising the authorized capital stock of the Company
- mm. **Strategic Business Unit or SBU** – the discrete businesses operated by the Company (directly or through Subsidiaries) under such brands as the Company may develop or acquire;
- nn. **Stock Incentive** – refers to the ELTIP Incentive granting the holder thereof the right to subscribe to Shares under the terms and conditions of the Plan
- oo. **Stock Option** – refers to the MSOP Option granting the holder thereof the right to subscribe to Shares under the terms and conditions of the Plan
- pp. **Subsidiary (ies)** – any corporation at least fifty percent (50%) of the voting stock of which is effectively owned by the Company
- qq. **[reserved]**
- rr. **Termination** – separation from the Company or its Subsidiaries: (a) due to authorized or just causes under the Labor Code or under the Company's or its Subsidiaries' Code of Conduct or (b) termination by the Company of the services of a Designated Consultant

3. ADMINISTRATION OF THE PLAN

- 3.1 **The Compensation Committee.** The Plan shall be administered by the Corporation's Compensation Committee, as constituted pursuant to the By-Laws of the Corporation (as may be amended from time to time). Any act or acts approved in writing by all of the members of the Committee, then serving, shall be the act or acts of the Committee (as if taken by unanimous vote at a meeting of the Committee duly called and held).
- 3.2 **Plan Administration and Plan Rules.** The Committee is authorized to construe and interpret the Plan and to promulgate, amend, modify and rescind rules and regulations relating to the implementation, administration and maintenance of the Plan, and grant exemptions from Plan rules. Subject to the terms and conditions of the Plan, the Committee shall make all determinations necessary or advisable for the implementation, administration and maintenance of the Plan, including, without limitation, (a) coverage and eligibility of the Plan's Eligible Participants, (b) granting Stock Options/Incentives in such amounts and form as the Committee shall determine, (c) imposing such restrictions, terms and conditions upon such Stock Options/Incentives as the Committee shall deem appropriate, and (d) correcting any defect or omission, or reconciling any inconsistency, in the Plan. The Committee may designate persons other than members of the Committee to carry out the day-to-day administration of the Plan under such conditions and limitations as it may prescribe, except that the Committee shall not delegate its authority with regard to eligibility for participation in the Plan and/or the granting of any Stock Options/Incentives to Eligible Participants. Any determinations, decision or action of the Committee in connection with the construction, interpretation, administration, implementation or maintenance of the Plan may be appealed to the Board and the Board's decision shall be final, conclusive and binding upon all Eligible Participants and any person(s) claiming under or through any Eligible Participants. The Company shall effect the determination made by the Committee, by execution of written agreements and/or instruments in such forms as may be required by the Committee.
- 3.3 **Chief Executive Officer.** The Chief Executive Officer may recommend exemptions from Plan rules for the Compensation Committee's approval.

4. FEATURES OF THE PROGRAMS

4.1 The MSOP Program

- 4.1.1. **MSOP Participants** – MSOP Options shall be granted to Eligible Participants identified by the Committee from any of the following:
- (a) Members of senior management of the Company as identified by the Chairman of the Board and Chief Executive Officer of the Company, including without limitation heads of SBUs and corporate functions.

(b) Members of management committees of SBUs and other key talents of Jollibee Group of Companies, and,

(c) Designated Consultants

4.1.2. **Grant of MSOP Options** – The Committee shall grant MSOP Options to an MSOP Participant on a date to be determined by the Committee for a particular Option Cycle (“MSOP Grant Date”).

All MSOP Participants shall receive a Notice of MSOP Option Grant indicating the following:

(a) Number of MSOP Options granted as determined by the Committee

(b) MSOP Grant Date

(c) Vesting and exercise schedule including the applicable MSOP Vesting Dates, MSOP Exercise Period, the first day of the MSOP Exercise Period and the last day of the MSOP Exercise Period

(d) Exercise price

The receipt of the Notice of MSOP Option Grant is not, and shall not, be construed as an exercise of the MSOP Options. A MSOP Participant deciding to exercise the MSOP Options must submit a written notice to the Committee specifying the number of Stock Options to be exercised and delivering payment for the Stock Options to the Company.

The grant of MSOP Options shall in no case be construed as a continuing obligation on the part of the Company to grant, or a continuing entitlement on the part of the MSOP Participant to receive, MSOP Options in any succeeding years or Option Cycles.

Neither should any grant of the MSOP Options be construed as a guarantee of employment or engagement of services or continuing employment or engagement benefit in favor of any Eligible Participant.

4.1.3. **MSOP Vesting Date** – Once granted, the MSOP Options shall vest at the rate of one-third (1/3) of the total MSOP Options granted on each anniversary of the MSOP Grant Date for the next three (3) years.

- 4.1.4. **MSOP Exercise Period** – Vested MSOP Options may be exercised for a period of seven (7) years, beginning on the first year from the MSOP Grant Date; provided that, for the ninth MSOP Option Cycle, the exercise period shall commence on July 1, 2013 and end on June 30, 2020. Only vested MSOP Options may be exercised during the Exercise Period.

All MSOP Options that remain unexercised as of 5:00 pm: (a) on June 30, 2020, in respect of the ninth MSOP Option Cycle and (b) on the seventh anniversary of the Grant Date, in respect of any succeeding Option Cycles, shall forthwith lapse and shall be deemed forfeited. In such case, the Company shall not be liable to issue or deliver the Shares pertaining to any such unexercised MSOP Options.

- 4.1.5. **MSOP Options Grant, Vesting and Exercise Schedule** – For the avoidance of doubt, the MSOP Option grant, vesting and exercise schedule for each Option Cycle is illustrated as follows (dates are applicable for the first MSOP Option Cycle only):

	MSOP Grant Date	Year 1 Vesting & Exercise Period	Year 2 Vesting & Exercise Period	Year 3 Vesting & Exercise Period	Year 4 Vesting & Exercise Period	Year 5 Vesting & Exercise Period	Year 6 Vesting & Exercise Period	Year 7 Vesting & Exercise Period
	1-Jul-12	1-Jul-13	1-Jul-14	1-Jul-15	1-Jul-16	1-Jul-17	1-Jul-18	1-Jul-19
Vesting		33.40%	66.70%	100%				
Exercise		33.40%	66.70%	100%	100%	100%	100%	100%

Note: One (1) year refers to a 12 month-period from Grant Date.

- 4.1.6. **Modes of Exercise of MSOP Options** – The holder of MSOP Options may exercise such MSOP Options through any one of the following modes

(a) Exercise and Hold

Under this mode, the holder of the MSOP Options shall purchase the Shares underlying the MSOP Options in his name. In this case, the Committee shall cause the Company to issue the Shares to such exercising holder corresponding to the MSOP Options, after which, the Company shall cease to be liable to the exercising holder for such exercised MSOP Options; or

(b) Exercise and Sell

Under this mode, the holder shall cause the Company to sell the Shares in the PSE at a price to be designated by such holder and receive the proceeds of the sale of such Shares, net of the Exercise Price, applicable taxes, broker's commission and any other costs and expenses of the sale. Upon sale of the Shares in the PSE by the Company at the price indicated by the holder of the MSOP Options and delivery of the net proceeds of such sale by the Company to such holder, the Company shall cease to be liable to the holder of such exercised MSOP Options.

Any costs to be incurred in issuing the Shares to the holder of the MSOP Options shall be borne by the Company while costs related to the sale of the Participant's shares in the PSE shall be borne by the MSOP Participant.

4.1.7. **Procedure for Exercise of MSOP Options** – During the Exercise Period, the holder of the MSOP Options may wholly or partially exercise the MSOP Options by delivering to the Committee:

- (a) the duly accomplished, signed and irrevocable Exercise Notice specifying the number of MSOP Options to be exercised and the mode of exercise of the MSOP Options to the Committee;
- (b) the payment of the applicable Exercise Price, in the event the holder chooses the Exercise and Hold mode provided in Section 4.1.6 (a);
- (c) the indication in the Exercise Notice of the purchase price at which the holder decides to sell his Shares, in the event the holder chooses the Exercise and Sell mode provided in Section 4.1.6 (b).

4.1.8. **MSOP Exercise Price** – The Committee shall determine the MSOP Exercise Price for each MSOP Option Cycle. For the ninth MSOP Option Cycle, the exercise price is set at P107.90 per share.

4.2. **The ELTIP Program**

4.2.1. **ELTIP Participants** – ELTIP Incentives shall be granted to Eligible Participants as may be identified by the Committee from any of the following:

- (a) Members of senior management of the Company as identified by the Chairman of the Board and Chief Executive Officer of the Company, including without limitation heads of SBUs and corporate functions; and
- (b) Designated Consultants

4.2.2. **Entitlement to Earn ELTIP Incentives** – On a date designated by the Committee (“ELTIP Entitlement Date”), the Committee shall identify the ELTIP Participants who will be entitled to earn a specified number of ELTIP Incentives at a specified Exercise Price if the ELTIP Incentive is granted in accordance with this Plan. The ELTIP stock option will be earned upon achievement of the Company’s medium to long term hurdle rate (“Hurdle Rate”) and the Personal Goals within a period to be set also by the Committee (“Hurdle Period”), subject to the following:

- (a) The Employee’s Personal Goals shall serve as the gate which opens the Entitlement to the ELTIP Incentives. Achieving the Personal Goals entitles the Participants to be eligible for the ELTIP Incentives.
- (b) The Company’s medium to long term Hurdle Rate is based on the targeted percentage in annual earnings per share and ELTIP incentives will be earned and granted as follows:

% Growth in annual earnings per share	% of 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

The Board of Directors may, at any time, set a new Hurdle Rate for purposes of Section 4.2.2(b), to take effect as of the immediately succeeding Hurdle Period.

- (c) In the event that the Company achieves the minimum Hurdle Rate and the individual’s Personal Goals on or prior to the last day of the Hurdle Period, then the ELTIP Incentives shall be earned, granted and one third shall vest on the designated ELTIP Grant Date.
- (d) In the event that the Corporation fails to achieve the minimum Hurdle Rate by the last day of the Hurdle Period, then no ELTIP Incentives shall be earned, granted and vested.
- (e) In the event that the Company achieves the minimum Hurdle Rate prior to the last day of the Hurdle Period but the individual fails to accomplish the ELTIP Participant’s Personal Goals, then the ELTIP Participant shall not earn any ELTIP Incentives.
- (f) A newly hired or promoted employee may be identified as an ELTIP Participant in the middle of the hurdle period. The newly hired or promoted employee will earn a specified number of ELTIP Incentives at an Exercise Price based on the ELTIP Entitlement Date in the middle of the hurdle period.

All ELTIP Participants shall receive a Notice of Entitlement to Earn ELTIP Incentives indicating the following:

- (a) Number of ELTIP Incentives that may be earned
- (b) Hurdle Rate and personal goals
- (c) Entitlement Date
- (d) Grant/Earning, Vesting and Exercise Schedule including the applicable ELTIP Grant Date, ELTIP Vesting Dates, ELTIP Exercise Period, the first day of the Exercise Period and the last day of the Exercise Period
- (e) Exercise Price

The receipt of the Notice of Entitlement to Earn ELTIP Incentive is not, and shall not, be construed a grant of the ELTIP Incentives.

4.2.3. **Grant of ELTIP Incentives** – The Committee shall grant ELTIP Incentives to ELTIP Participants that have earned ELTIP Incentives on a date designated by the Committee (“ELTIP Grant Date”). Subject to the provisions of Section 4.2.1 hereof, all ELTIP Participant shall receive a Notice of ELTIP Incentive Grant indicating the following:

- (a) Confirmation of achievement of Hurdle Rate and personal goals
- (b) Number of ELTIP Incentives granted as determined by the Committee
- (c) ELTIP Grant Date
- (d) Vesting and exercise schedule including the earliest and latest dates
- (e) Exercise price

The receipt of the Notice of ELTIP Incentives Grant is not, and shall not, be, construed as an exercise of the ELTIP Incentives. The ELTIP Participants deciding to exercise the ELTIP Incentives must submit to the Committee a duly accomplished Exercise Form, to be obtained from the Committee.

The grant of ELTIP Incentives is not, and shall not, be, construed as a continuing obligation on the part of the Company to grant or a continuing entitlement on the part of the ELTIP Participant to receive ELTIP Incentives in any succeeding years or Incentive Cycles.

Neither should any grant of the ELTIP Incentives be construed as a guarantee of employment or engagement of services benefit in favor of any Eligible Participant.

4.2.4. **ELTIP Vesting Date** – On ELTIP Grant Date, the first one-third (1/3) of the ELTIP Incentives shall vest. The second and third portions shall vest on the second year anniversary and third year anniversary, respectively, from ELTIP Grant Date.

4.2.5. **ELTIP Exercise Period** – The vested ELTIP Incentives may be exercised over a period of five (5) years beginning on the ELTIP Grant Date; provided that for the third ELTIP Incentives Cycle, the exercise period shall commence on May 1, 2015 and end on April 30, 2020. Only vested ELTIP Incentives may be exercised during the Exercise Period.

All ELTIP Incentives that remain unexercised as of 5:00 pm: (a) on April 30, 2020, in respect of the third ELTIP Incentive Cycle and (b) on the fifth anniversary of the Grant Date, in respect of any succeeding Incentive Cycles, shall forthwith lapse and shall be deemed forfeited. In such case, the company shall not be liable to issue or deliver the Shares pertaining to any such unexercised ELTIP Incentives.

4.2.6. **ELTIP Incentives Entitlement, Grant/Earning, Vesting and Exercise Schedule** – For the avoidance of doubt, the ELTIP Incentive Cycle is illustrated as follows (dates are applicable for the first ELTIP Incentive Cycle only):

	ELTIP Entitlement Date (EED)	Hurdle Period					
			ELTIP Grant/Earning Date				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period	Vesting & Exercise Period
	19-Oct-12	1-Jan-12 to 31-Dec-14	1-May-15	1-May-16	1-May-17	1-May-18	1-May-19
Earning			100%				
Vesting			33.40%	66.70%	100%		
Exercise			33.40%	66.70%	100%	100%	100%

Note: One (1) year refers to a 12 month-period from Grant/Earning Date.

4.2.7. **Modes of Exercise of ELTIP Incentives** – The holder of ELTIP Incentives may exercise such ELTIP Incentives by indicating one of the following modes in the written notice of exercise to the Company:

(a) Exercise and Hold

Under this mode, the holder of the ELTIP Incentives shall purchase the Shares underlying the ELTIP Incentives in his name. In this case, the Committee shall cause the Company to issue the Shares in favor of the exercising holder corresponding to exercised ELTIP Incentives. Upon issuance of the Shares to the holder of the ELTIP Incentives, the Company shall cease to be liable to the exercising holder for such exercised ELTIP Incentives; or

(b) Exercise and Sell

Under this mode, the holder shall cause the Company to sell the Shares in the PSE at a price to be designated by such holder and receive the proceeds of the sale of such Shares, net of the Exercise Price, applicable taxes, broker's commission and any other costs and expenses of the sale. Upon sale of the Shares in the PSE by the Company at the price indicated by the holder of the ELTIP Incentives and delivery of the net proceeds of such sale by the Company to such holder, the Company shall cease to be liable to the exercising holder for such exercised ELTIP Incentives.

Any costs to be incurred in issuing the Shares to the holder of the ELTIP Incentives shall be borne by the Company while costs related to the sale of the Participant's shares in the PSE shall be borne by the ELTIP Participant.

4.2.8. **Procedure for Exercise of ELTIP Incentives** – During the Exercise Period, the holder of the ELTIP Incentives may wholly or partially exercise the ELTIP Incentives by delivering to the Committee:

- (a) the duly accomplished, signed and irrevocable Exercise Notice specifying the number of ELTIP Incentives to be exercised and the mode of exercise of the ELTIP Incentives;
- (b) the payment of the applicable Exercise Price, in the event the holder chooses the Exercise and Hold mode provided in Section 4.2.7 (a);
- (c) the indication in the Exercise Notice of the purchase price at which the holder decides to sell his Shares, in the event the holder chooses the Exercise and Sell mode provided in Section 4.2.7 (b).

4.2.9. **ELTIP Exercise Price** – The Committee shall determine the ELTIP Exercise Price for each ELTIP Incentive Cycle. For the ninth ELTIP Incentive Cycle, the exercise price is set at P105.00 per Share.

4.3. **Maximum Number of Shares.** The maximum number of Shares in respect of which Stock Options/Incentives may be granted under this Plan shall be in such number as may be determined by the Compensation Committee.

4.4. **Changes in Common Stocks.** In the events of merger, consolidation, reorganization, recapitalization, reclassification of stock, stock dividend, stock split, change in par value or other change in corporate structure or capitalization affecting the Company's Shares, the proper adjustments shall be made to the amount of Shares covered by the Stock Options/Incentives which have been granted, and other price per Share of the Stock Options/Incentives.

5. TAXES

All taxes, including income tax and transaction tax, due on the Options/ Incentives granted, vested and exercised shall be for the account of the Participants. The Company shall be bound to withhold any tax payment that is lawfully required to be withheld by the employer.

6. TERMINATION OF EMPLOYMENT

6.1. **Resignation/Termination.** Except as otherwise herein provided, should an Eligible Participant's employment or contract for services cease by reason of Resignation or Termination during any particular Option/Incentive Cycle, all Stock Options/Incentives which have not been vested as of the date of Resignation or Termination shall immediately revert to the Company. All the rights of the said Eligible Participant over such Stock Options/Incentives, which have not been vested, shall likewise cease. Nevertheless, such Eligible Participant shall be entitled to all Stock Options/Incentives which, as of the date of Resignation or Termination, have been vested; Provided, that the Eligible Participant must exercise all vested Stock Options/Incentives within thirty (30) days from the date of Resignation or Termination; provided, further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant, whose employment or contract for services has ceased, to the Company or any of its Subsidiaries.

6.2.Retirement.

(a) Should an Eligible Participant's employment or contract for services cease by reason of Retirement before the age of 65 during any particular Options/Incentive Cycle, all the Stock Options/ Incentives which have not been vested shall immediately revert to the Company. All the rights of the said Eligible Participant over such Stocks Options/ Incentives, which have not been vested, shall likewise cease. Nevertheless, such Eligible Participant shall be entitled to all Stock Options/ Incentives which, as of the date of Retirement, have been vested; provided, that the Eligible Participant must exercise all vested Stock Options/Incentives not later than the last day of the Exercise Period of the relevant MSOP Option Cycle and/or ELTIP Incentive Cycle; provided further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant whose employment or contract for services has ceased to the Company or any of its Subsidiaries.

(b) If an Eligible Participant's employment or contract for services ceases by reason of Retirement at or beyond the age of 65 during any particular Stock Options/Incentives Cycle, *and* such Eligible Participant has served the Company or its Subsidiaries for at least 6 months of the Hurdle Period of the relevant ELTIP Incentive Cycle (with respect to a retiring ELTIP Participant), or for at least 6 months from MSOP Grant Date of the relevant MSOP Cycle (with respect to a retiring MSOP Participant), the following rules shall apply:

(1) for ELTIP Participants: (i) if the retirement occurs after the ELTIP Entitlement Date but before the ELTIP Grant Date of the relevant Incentive Cycle, the retiring ELTIP Participant shall continue to be eligible to be granted Stock Incentives upon the occurrence of the ELTIP Grant Date; provided that the number of Stock Incentives to be granted shall be pro-rated based on the time period during which the Eligible Participant actually served during the Hurdle Period of the relevant Incentive Cycle. The pro-rated Stock Incentives so granted shall continue to vest in accordance with the schedule stated in the Plan; (ii) if the retirement occurs after the ELTIP Grant Date but before all granted Stock Incentives have vested, all granted Stock Incentives shall continue to vest in accordance with the schedule stated in the Plan.

(2) for MSOP Participants, all granted Stock Options shall continue to vest in accordance with the schedule stated in the Plan.

In all cases of Retirement under Section 6.2(b), all the rights of the Eligible Participant over the Stock Options or Stock Incentives as specified herein shall be preserved notwithstanding such Retirement; provided, that, the Eligible Participant must exercise all vested Stock Options or Stock Incentives not later

than the last day of the twelve months immediately following the last vesting date of the relevant MSOP Option Cycle and/or ELTIP Incentive Cycle; provided further, that such Stock Options/Incentives may, at the discretion of the Company, be used to settle any outstanding liability or other obligation of the Eligible Participant whose employment has ceased with the Company or any of its Subsidiaries.

As a condition for the enjoyment of the foregoing benefit, Eligible Participants shall sign a non-compete agreement in form and substance acceptable to the Company, to cover the whole period starting from the date on which the Eligible Participant retires and ending on the last date of vesting, both dates inclusive. The Eligible Participant will forfeit the unvested Stock Options/Incentives in the event of breach of the non-compete agreement. This non-compete agreement shall be without prejudice to other non-compete covenants signed by the Eligible Participants in connection with their employment with the Company or its Subsidiaries.

6.3. Death or Permanent Disability. In case of death or permanent Disability of the Eligible Participant, all Stock Options/Incentives that have not yet vested at the time of death or permanent disability shall be deemed vested; provided that all vested Stock Options/Incentives and deemed vested Stock Options/Incentives must be exercised not later than the last day of the Exercise Period of the relevant MSOP Stock Option Cycle and/or ELTIP Incentive Cycle.

In case of death, the vested Stock Options/Incentives and deemed vested Stock Options/Incentives may be exercised by:

1. If there is a judicial settlement of estate, the court appointed executor or administrator; or
2. If there is extra-judicial settlement of estate, the heirs authorized under the duly executed extra-judicial settlement.

In case of permanent Disability coupled with incapacity, the vested and deemed vested Stock Options may be exercised by the court-appointed legal guardian of the incapacitated Eligible Participant.

6.4. No Exercise. Under no circumstances shall any vested Stock Options/Incentives be exercisable after the periods for exercise specified in Section 4.1.4, 4.1.5, 4.2.5 and 4.2.6 hereof.

7. NON-TRANSFERABILITY OF AWARDS

No Notice of Entitlement to Earn, Notice of Stock Option/Incentive Grant or Stock Options/Incentives under the Plan and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, pledged, disposed of or otherwise encumbered by an Eligible Participant or his heirs. Except as allowed by law, no such interest shall be subject to seizure for the payment of the debts, liabilities, judgments of the Eligible Participant (or any beneficiary) or be transferable in the event of the latter's bankruptcy or insolvency. Subject to Section 6.3 in cases of incapacity, during the lifetime of the Eligible Participant, Stock Options/Incentives are exercisable only by the Eligible Participant.

8. RANKING OF SHARES

The Shares to be issued and allotted upon the exercise of an option shall rank *pari passu* in all respect with the then existing issued and outstanding Shares of the Company, and will be subject to all the provisions of the Articles of Incorporation and By-laws of the Company then in effect.

9. DISPUTES

Any dispute arising under this Plan may be referred to the Board who in turn may retain one or more competent, disinterested third parties who shall act as experts and not as arbitrators. The Board's decision shall be final and binding.

10. SUSPENSION, TERMINATION, OR AMENDMENT OF THE PLAN

10.1 **Suspension and/or Termination.** Upon the recommendation of the Committee, the Board may, at any time, suspend or terminate this Plan. All Stock Options/Incentives that have not been vested as of the date of suspension or termination of the Plan, shall immediately revert to the Company. All Stock Options/Incentives that have vested but have not been exercised as of the date of the suspension or termination of this Plan, may be exercised by the Eligible Participant for a period not to exceed three (3) months after such suspension or termination. The Eligible Participant shall be entitled to all fully paid shares and dividends (including interest income earned) accrued on such fully paid shares.

10.2 **Amendment.** The Board may, in its discretion, amend or modify the Plan or any provision thereof provided any such amendment shall not prejudice any rights already vested or any privilege already exercised.

11. MISCELLANEOUS

11.1 **No Right to Employment.** Neither the adoption of the Plan, granting of any agreement, shall confer upon any employee of the Company or any Subsidiary any right to continued employment with the Company or any Subsidiary, as the case may be, nor shall it interfere in any way with the right, if any, of the Company or any Subsidiary to terminate the employment of any employee at any time for any reason.

11.2 **Unfunded Plan.** The Plan shall be unfunded and the Company shall not be required to segregate any assets in connection with any benefits under the Plan. Any liability of the Company shall be based solely upon the contractual obligations that may be created as a result of the Plan or any corresponding agreement. No such obligation of the Company shall be deemed to be secured by any pledge of, encumbrance on, or other interest in, any property or asset of the Company or any Subsidiary. Nothing contained in the Plan or any Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant of Stock Option shall be construed as creating in respect of any Eligible Participant (or beneficiary thereof or any other person) any equity or other interest of any kind in any asset of the Company or any Subsidiary or creating a trust of any kind or a fiduciary relationship of any kind between the Company, any Subsidiary and/or any such Participant, any beneficiary or any other person.

11.3 **Administrative Cost.** The Company shall bear the costs of establishing, maintaining and administering this Plan.

11.4 **Other Company Benefit and Compensation Programs.** Payments and other benefits received by an Eligible Participant pursuant to the Plan shall not be deemed a part of an Eligible Participant's compensation for the purposes of the determination of the benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company or any Subsidiary unless expressly provided in such other plans or arrangements, or except where the Board expressly determines in writing that inclusion of a Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option should be included to accurately reflect competitive annual base salary or other cash compensation. Notice of Entitlement to Earn ELTIP Incentives or Notice of Grant Stock Option under the Plan may be in addition to, in combination with, or as alternatives to, grants, awards or payments under any other plans or arrangements that the Company or any of its Subsidiaries may adopt. The Company or its Subsidiaries may adopt such other compensation plans or programs and additional compensation arrangements as it deems necessary to attract, retain and motivate employees.

11.5 **Leaves of Absence/Transfer.** The Committee shall have the power to promulgate rules and regulations and to make determinations, as it deems appropriate, under the Plan in respect of any leave of absence from the Company or any Subsidiary granted to an Eligible Participant. If a participant transfers within the Company, or to or from the Subsidiary, such Eligible Participant shall not be deemed to have terminated employment as a result of such transfer.

11.6 **Dissolution.** In the event the shareholders of the Company pass a resolution for the voluntary dissolution of the Company prior to the expiry of the Stock Options/Incentives, a holder of Stock Options/Incentives may, by notice in writing and within three (3) months after the resolutions duly passed, elect to be treated as if his Stock Options/Incentives had been exercised in full before the resolution, and will qualify to receive in respect of the Shares which are the subject of such election reduced by the Exercise Price which would otherwise have been payable in respect thereof.

11.7 **Governing Laws.** The Plan and all the actions taken thereunder shall be governed by and construed in accordance with the laws of the Republic of the Philippines, without regard to principles of conflict of laws. Any titles and headings herein are for reference purposes only, and shall in no way limit, define or otherwise affect the meaning, construction or interpretation of any provisions of the Plan.

11.8 Date of Approval. The Board of Directors of unanimously approved the latest amendment to this Plan on November 23, 2015.

APPROVED BY:


TONY TAN CAKTIONG
Chairman

ATTESTED By:


WILLIAM TAN UNTIONG
Corporate Secretary

-----Nothing Follows-----

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						7	7	4	8	7

COMPANY NAME

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

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

1	0	/	F		J	o	l	l	i	b	e	e		P	l	a	z	a		B	u	i	l	d	i	n	g	,		
1	0		F	.		O	r	t	i	g	a	s		J	r	.		A	v	e	.	,		O	r	t	i	g	a	
s			C	e	n	t	e	r	,		P	a	s	i	g		C	i	t	y										

Form Type

A	C	F	S

Department requiring the report

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

-

Company's Telephone Number

(02)	634	-	1111

Mobile Number

-

No. of Stockholders

3,118

Annual Meeting (Month / Day)

Any day in the month of June

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Ysmael V. Baysa

Email Address

yvb@jollibee.com.ph

Telephone Number/s

688-7104

Mobile Number

-

CONTACT PERSON'S ADDRESS

10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Ave., 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.



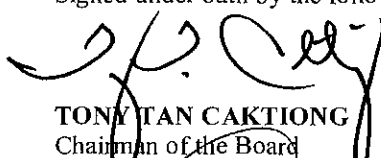
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES** (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2015, 2014 and 2013, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

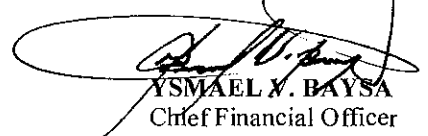
The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

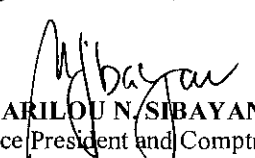
SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders for the years ended December 31, 2015, 2014 and 2013, has examined the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

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

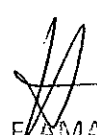
Before me, a notary public in and for the city named above, personally appeared the following:

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 06 APR 2016

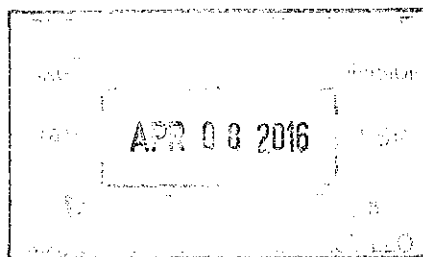
Doc. No. 462
Page No. 94
Book No. 1
Series of 2016


VALERIE FAMANTE
Notary Public Pasig City

Notarial Commission No. 189 expiring on December 31, 2016
14/Jollibee Plaza, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City
PTR No. 0397564 issued on January 13, 2015/Pasig City
IBP No. 702167 / Lifetime Member / Pasig City
Roll of Attorney's No. 46166

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Jollibee Foods Corporation
10/F Jollibee Plaza Building,
10 F. Ortigas Jr. Ave.,
Ortigas Center, Pasig City.



We have audited the accompanying consolidated financial statements of Jollibee Foods Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Jollibee Foods Corporation and its subsidiaries as at December 31, 2015 and 2014, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2015, in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.



Marydita C. Miguel

Partner

CPA Certificate No. 65556

SEC Accreditation No. 0087-AR-3 (Group A),

January 18, 2013, valid until April 30, 2016

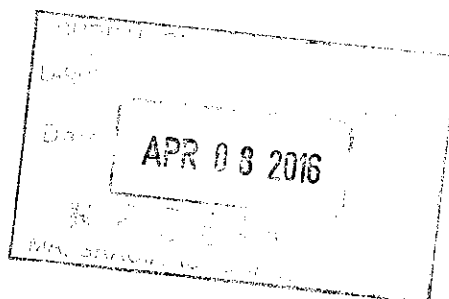
Tax Identification No. 102-092-270

BIR Accreditation No. 08-001998-55-2015,

February 27, 2015, valid until February 26, 2018

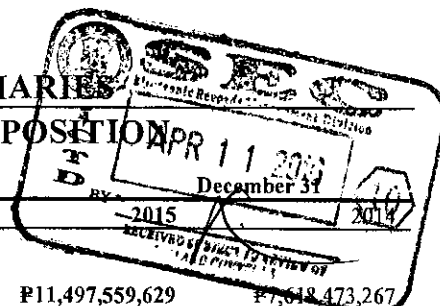
PTR No. 5321664, January 4, 2016, Makati City

April 6, 2016



JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 30 and 31)	P11,497,559,629	P7,618,473,267
Short-term investments (Notes 6, 30 and 31)	922,317,012	-
Receivables (Notes 7, 30 and 31)	5,432,775,539	7,937,404,797
Inventories (Note 8)	5,478,416,309	5,971,813,991
Derivative asset (Note 18)	9,868,242	-
Other current assets (Note 9)	3,828,229,080	2,493,699,399
Total Current Assets	27,169,165,811	24,021,391,454
Noncurrent Assets		
Available-for-sale financial assets (Notes 10, 30 and 31)	21,462,462	21,479,461
Interests in and advances to joint ventures, co-venturers and an associate (Note 11)	8,449,310,264	3,388,902,606
Property, plant and equipment (Note 12)	14,547,151,906	13,363,567,166
Investment properties (Note 13)	998,113,493	1,025,645,035
Goodwill and other intangible assets (Note 14)	9,412,134,199	9,385,110,293
Operating lease receivables (Notes 29, 30 and 31)	12,516,788	21,089,606
Derivative asset (Note 11)	75,031,052	-
Deferred tax assets - net (Note 24)	1,408,488,536	751,965,318
Other noncurrent assets (Notes 15, 30 and 31)	2,669,673,900	2,139,528,661
Total Noncurrent Assets	37,593,882,600	30,097,288,146
	P64,763,048,411	P54,118,679,600
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 16, 30 and 31)	P19,527,045,864	P16,295,665,174
Income tax payable	235,980,000	181,829,126
Short-term debt (Notes 18, 30 and 31)	282,360,000	1,865,000,000
Current portion of:		
Long-term debt (Notes 18, 30 and 31)	927,916,273	715,520,000
Liability for acquisition of businesses (Notes 11, 30 and 31)	94,852,231	32,906,018
Total Current Liabilities	21,068,154,368	19,090,920,318
Noncurrent Liabilities		
Provisions (Note 17)	30,500,639	30,500,639
Noncurrent portion of:		
Long-term debt (Notes 18, 30 and 31)	8,790,712,333	4,428,012,970
Liability for acquisition of businesses (Notes 11, 30 and 31)	-	101,064,311
Pension liability (Note 25)	1,466,530,394	832,390,250
Operating lease payables (Notes 29, 30 and 31)	1,615,639,498	1,544,846,191
Derivative liability (Notes 18, 30 and 31)	34,921,275	1,545,472
Deferred tax liabilities - net (Note 24)	-	11,377,928
Total Noncurrent Liabilities	11,938,304,139	6,949,737,761
Total Liabilities	33,006,458,507	26,040,658,079
Equity Attributable to Equity Holders of the Parent Company (Note 30)		
Capital stock (Note 19)	1,086,149,410	1,081,040,314
Subscriptions receivable (Note 19)	(17,177,884)	(17,177,884)
Additional paid-in capital (Note 19)	5,055,293,439	4,452,162,323
Cumulative translation adjustments of foreign subsidiaries and share in cumulative translation adjustment of an interest in a joint venture	107,225,186	(25,789,376)
Remeasurement loss on net defined benefit plan - net of tax	(536,579,937)	(219,900,060)
Comprehensive loss on derivative liability (Note 18)	(35,449,264)	(2,395,155)
Excess of cost over the carrying value of non-controlling interests acquired (Note 19)	(542,764,486)	(542,764,486)
Retained earnings (Notes 19 and 30):		
Appropriated for future expansion	10,200,000,000	10,200,000,000
Unappropriated	15,487,039,084	12,445,662,470
	30,803,735,548	27,370,838,146
Less cost of common stock held in treasury (Note 19)	180,511,491	180,511,491
	30,623,224,057	27,190,326,655
Non-controlling Interests	1,133,365,847	887,694,866
Total Equity	31,756,589,904	28,078,021,521
	P64,763,048,411	P54,118,679,600

See accompanying Notes to Consolidated Financial Statements.

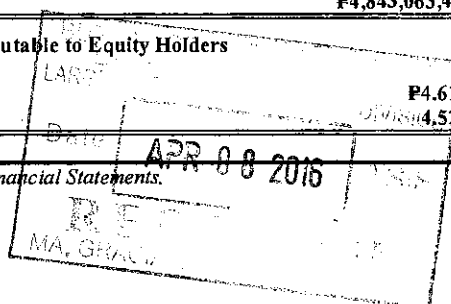


JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014	2013
REVENUES			
Net sales	P95,810,688,792	P86,209,777,710	P76,313,489,585
Royalty, franchise fees and others (Note 20)	4,969,028,967	4,461,460,490	3,969,279,614
	100,779,717,759	90,671,238,200	80,282,769,199
COST OF SALES (Note 21)	82,891,701,255	73,727,792,141	65,284,763,064
GROSS PROFIT	17,888,016,504	16,943,446,059	14,998,006,135
EXPENSES			
General and administrative expenses (Note 22)	10,288,042,741	8,953,711,295	7,427,887,196
Advertising and promotions	2,244,943,336	1,852,967,633	1,639,022,544
	12,532,986,077	10,806,678,928	9,066,909,740
INTEREST INCOME (EXPENSE) (Note 23)			
Interest income	257,783,585	242,045,341	245,573,808
Interest expense	(225,544,319)	(152,471,253)	(152,920,028)
	32,239,266	89,574,088	92,653,780
EQUITY IN NET LOSSES OF JOINT VENTURES AND AN ASSOCIATE (Note 11)	(189,085,967)	(126,174,100)	(115,560,608)
OTHER INCOME (Note 23)	1,236,757,580	659,303,926	337,325,031
INCOME BEFORE INCOME TAX	6,434,941,306	6,759,471,045	6,245,514,598
PROVISION FOR INCOME TAX (Note 24)			
Current	1,926,077,984	1,694,768,550	1,521,966,682
Deferred	(537,470,070)	(424,239,011)	741,389
	1,388,607,914	1,270,529,539	1,522,708,071
NET INCOME	5,046,333,392	5,488,941,506	4,722,806,527
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustments of foreign subsidiaries and share in cumulative translation adjustment of interests in joint ventures	144,873,513	(76,062,317)	414,851,757
Comprehensive gain (loss) on derivative asset or liability (Note 18)	(31,463,561)	1,882,127	6,806,839
Unrealized loss on available-for-sale financial assets	-	-	(102,626,829)
	113,409,952	(74,180,190)	319,031,767
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gains (losses) on pension (Note 25)	(421,504,400)	358,528,285	(350,596,093)
Income tax effect (Note 24)	104,824,523	(106,374,133)	103,199,623
	(316,679,877)	252,154,152	(247,396,470)
	(203,269,925)	177,973,962	71,635,297
TOTAL COMPREHENSIVE INCOME	P4,843,063,467	P5,666,915,468	P4,794,441,824
Net Income Attributable to:			
Equity holders of the Parent Company (Note 28)	P4,928,236,228	P5,361,978,768	P4,671,559,394
Non-controlling interests	118,097,164	126,962,738	51,247,133
	P5,046,333,392	P5,488,941,506	P4,722,806,527
Total Comprehensive Income Attributable to:			
Equity holders of the Parent Company	P4,711,516,804	P5,551,053,183	P4,714,897,553
Non-controlling interests	131,546,663	115,862,285	79,544,271
	P4,843,063,467	P5,666,915,468	P4,794,441,824
Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 28)			
Basic	P4.618	P5.075	P4.450
Diluted	P4.518	4.955	4.360

See accompanying Notes to Consolidated Financial Statements.



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

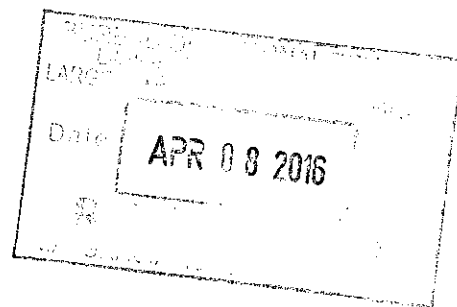
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Equity Attributable to Equity Holders of the Parent Company

	Capital Stock (Note 19)	Subscriptions Receivable (Note 19)	Additional Paid-in Capital (Note 19)	Share in Cumulative Adjustment of an Interest in a Joint venture (Note 19)	Remeasurement Gains (Loss) on Net Defined Benefits Plan - net of tax (Note 23)	Unrealized Gain on Available-for-Sale Financial Assets (Note 10)	Comprehensive Loss on Derivative Asset or Liability (Note 18)	Excess of Cost over the Carrying Value of Non-controlling Interests Acquired (Note 19)	Retained Earnings (Note 19)	Cast of Common Stock Held in Treasury (Note 19)	Total	Non-controlling Interests	Total Equity
Balance at January 1, 2013	P1,063,859,559	(P17,177,844)	P3,284,139,309	(P351,379,055)	(P224,657,742)	P107,626,829	(P7,087,197)	(P42,764,486)	P5,000,000,000	(P180,511,491)	P20,998,202,046	P733,100,982	P21,731,303,028
Total comprehensive income													
Net income				389,685,765	(247,396,470)	(102,626,829)	3,675,693				4,671,559,394	51,247,133	4,722,806,527
Other comprehensive loss				389,685,765	(247,396,470)	(102,626,829)	3,675,693				43,358,159	28,297,138	71,655,297
Movements in other equity accounts:													
Issuances of and subscriptions to capital stock (Note 19)	4,749,116												210,907,795
Cost of stock options granted (Notes 19, 22 and 26)			206,158,679										150,418,741
Cash dividends (Note 19)			150,418,741										(3,525,547,355)
Cash dividends received by non-controlling interest (Note 11)													(30,000,000)
Appropriation during the year (Note 19)									5,200,000,000				29,416,044
Additional investments during the year			356,577,420										(583,956)
Balances at December 31, 2013	P1,068,608,675	(P17,177,844)	P3,640,716,729	P38,306,710	(P472,054,212)	P-	(P3,411,504)	(P42,764,486)	P10,200,000,000	(P180,511,491)	P22,548,878,780	P812,061,297	P23,360,940,077

See accompanying Notes to Consolidated Financial Statements.

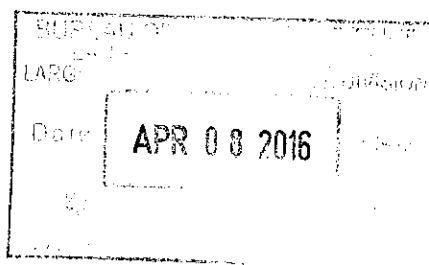


JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

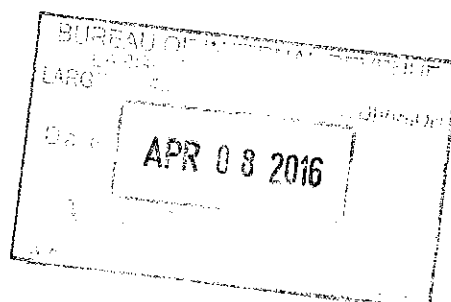
	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱6,434,941,306	₱6,759,471,045	₱6,245,514,598
Adjustments for:			
Depreciation and amortization (Notes 12, 13, 14, 21 and 22)	3,425,676,922	3,186,379,730	3,072,455,820
Interest income (Note 23)	(257,783,585)	(242,045,341)	(245,573,808)
Interest expense (Note 23)	225,544,319	152,471,253	152,920,028
Movement in pension liability (Notes 21, 22 and 25)	212,635,742	187,283,727	86,990,769
Equity in net losses of joint ventures and an associate (Note 11)	189,085,967	126,174,100	115,560,608
Stock options expense (Notes 22 and 26)	173,211,693	166,490,888	150,418,741
Loss on disposals and retirements of property, plant and equipment and investment properties (Notes 12, 13 and 22)	136,746,521	156,615,427	446,158,983
Impairment losses on:			
Receivables (Notes 7 and 22)	325,907,626	36,301,470	34,007,984
Inventories (Notes 8 and 22)	11,048,562	11,066,386	9,367,464
Property, plant and equipment, investment properties and security and other deposits (Notes 12, 13 and 22)	—	2,000,000	—
Reversals of impairment losses on:			
Receivables (Notes 7 and 22)	(4,605,656)	(868,308)	—
Inventories (Notes 8 and 22)	(12,047,290)	(8,489,305)	—
Property, plant and equipment, investment properties and security and other deposits (Notes 12, 13 and 22)	—	(62,647,298)	(13,300,000)
Deferred rent amortization – net	79,366,125	(24,047,625)	110,196,300
Net unrealized foreign exchange loss (gain)	(31,602,975)	6,320,479	(34,235,766)
Write off of AFS financial asset	—	—	4,343,148
Income before working capital changes	10,908,125,277	10,452,476,628	10,134,824,869
Decreases (increases) in:			
Receivables	2,269,039,596	(4,329,136,233)	(517,755,507)
Inventories	494,396,411	(2,413,958,938)	(940,056,121)
Other current assets	(1,510,842,807)	(1,288,316,588)	(447,087,313)
Increases in trade payables and other current liabilities	2,976,473,345	1,794,597,130	2,041,413,463
Net cash generated from operations	15,137,191,822	4,215,661,999	10,271,339,391
Interest received	219,845,694	212,872,623	224,956,889
Income taxes paid	(1,871,927,109)	(1,667,683,961)	(1,446,921,723)
Net cash provided by operating activities	13,485,110,407	2,760,850,661	9,049,374,557
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Interest in a joint ventures (Note 11)	(5,057,543,417)	(74,998,875)	(103,608,000)
Property, plant and equipment (Note 12)	(4,596,786,547)	(5,045,474,419)	(3,907,875,891)
Short-term investments	(922,317,012)	—	—
Intangible assets (Note 14)	(99,980,421)	(318,736,601)	(267,270,178)
Market entry fee (Notes 11 and 15)	(93,870,000)	—	—
Investment property (Note 13)	—	(277,484,623)	—
Available-for-sale financial assets	—	—	(300,000)
Proceeds from disposals of property, plant and equipment and investment properties	46,049,000	291,195,603	50,662,989
Decrease (increase) in other noncurrent assets	(89,368,653)	(270,947,498)	109,573,188
Net cash used in investing activities	(10,813,817,050)	(5,696,446,413)	(4,118,817,892)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Short-term debt (Note 18)	(9,191,000,000)	—	—
Cash dividends (Note 19)	(1,899,665,609)	(1,560,657,861)	(3,232,637,120)
Long-term debt (Note 18)	(734,360,000)	(1,096,987,500)	(3,149,351,766)
Liability for acquisition of businesses (Note 11)	(87,775,326)	(109,920,000)	(149,814,984)

(Forward)



	Years Ended December 31		
	2015	2014	2013
Proceeds from:			
Short-term debt (Note 18)	P7,594,200,000	P1,865,000,000	P-
Long-term debt (Note 18)	5,176,600,000	1,053,535,000	2,582,580,000
Issuances of and subscriptions to capital stock	435,028,519	657,386,344	210,907,795
Interest paid	(188,647,612)	(123,473,583)	(141,263,440)
Contributions from non-controlling interests	177,627,620	-	29,416,042
Dividends paid to non-controlling interests	(63,503,302)	(40,228,716)	(30,000,000)
Net cash provided by (used in) financing activities	1,218,504,290	644,653,684	(3,880,163,473)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,889,797,647	(2,290,942,068)	1,050,393,192
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(10,711,285)	5,538,267	4,892,292
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,618,473,267	9,903,877,068	8,848,591,584
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	P11,497,559,629	P7,618,473,267	P9,903,877,068

See accompanying Notes to Consolidated Financial Statements.



JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Jollibee Foods Corporation (the Parent Company) was incorporated in the Philippines. The Parent Company and its subsidiaries (collectively referred to as “the Jollibee Group”) are involved primarily in the development, operation and franchising of quick service restaurants (QSR) under the trade names “Jollibee”, “Chowking”, “Greenwich”, “Red Ribbon”, “Yong He King”, “Hong Zhuang Yuan”, “Mang Inasal”, “Burger King”, “San Pin Wang”, “Highlands Coffee”, “Pho24”, “12 Hotpot”, “Dunkin’ Donuts” and “Smashburger”. 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 common shares of the Parent Company were listed and have been 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, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, 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 6, 2016.

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 the derivative assets and liabilities and certain available-for-sale (AFS) financial assets, 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.

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 PFRSs and amendments to existing PFRS which became effective on January 1, 2015:

- Amendments to PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions*

PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.



This amendment is not applicable to the Jollibee Group since defined benefit plans of the Jollibee Group do not require contributions from employees and third parties wherein employees or third parties.

Annual Improvements to PFRSs (2010-2012 Cycle)

The following Annual Improvements to PFRS (2010-2012 cycle) are effective for annual periods beginning on or after July 1, 2014 and are not expected to have material impact on the Jollibee Group's consolidated financial statements. They include:

- *PFRS 2, Share-based Payment - Definition of Vesting Condition*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

While the Jollibee Group has stock options plans, the clarification mentioned above will not change the recognition and measurement of these stock option plans.

- *PFRS 3, Business Combinations - Accounting for Contingent Consideration in a Business Combination*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit and loss whether or not they fall within the scope of PAS 39, *Financial Instruments: Recognition and Measurement* (or PFRS 9, *Financial Instruments*, if early adopted). The Jollibee Group is already compliant with this amendment since it currently measures contingent consideration from acquisitions at fair value through profit or loss.

- *PFRS 8, Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.



- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*

The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. This is not applicable to the Jollibee Group since it has not adopted the revaluation model to subsequently measure items of property, plant and equipment and intangible assets after initial recognition.

- PAS 24, *Related Party Disclosures - Key Management Personnel*

The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

- Annual Improvements to PFRSs (2011-2013 Cycle)

The Annual Improvements to PFRSs (2011-2013 Cycle) are effective for annual periods beginning on or after July 1, 2014 and have no material impact on the Jollibee Group's consolidated financial statements. They include:

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*

The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:

- Joint arrangements, not just joint ventures, are outside the scope of PFRS 3; and
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*

The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.

- PAS 40, *Investment Property - Ancillary Services*

The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). This amendment will be applied only to future acquisition of an asset with ancillary services.



New Accounting Standards, Interpretations and Amendments to Existing Standards
Effective Subsequent to December 31, 2015

The Jollibee Group will adopt the following revised standards, interpretations and amendments when these become effective.

Effective January 1, 2016

▪ PAS 1, *Presentation of Financial Statements - Disclosure Initiative*

The amendments in PAS 1 clarify, rather than significantly change, existing PAS 1 requirements. The amendments clarify:

- The materiality requirements in PAS 1;
- That specific line items in the statements of comprehensive income and the statements of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements; and
- That the share of OCI of an associate and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statements of financial position and the statements of comprehensive income. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Jollibee Group is currently assessing the impact of the amendments on the consolidated financial statements but does not currently expect significant changes as a result of the amendments.

▪ PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarifications of Acceptable Methods of Depreciation and Amortization*

The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Jollibee Group given that the Jollibee Group has not used a revenue-based method to depreciate its non-current assets.

▪ PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants*

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are



retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Jollibee Group as the Jollibee Group does not have any bearer plants.

▪ *PAS 27, Separate Financial Statements - Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Jollibee Group's consolidated financial statements.

▪ *PFRS 10, Consolidated Financial Statements and PAS 28, Investments in an Associate and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

These amendments address the conflict between PFRS 10 and PAS 28 (2011) 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 the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in PFRS 3, between an investor and its associate or joint venture is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

These amendments must be applied prospectively and are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. These amendments are not expected to have significant impact to the Jollibee Group's consolidated financial statements.

▪ *PFRS 10, Consolidated Financial Statements, PFRS 12, Disclosure of Interests in Other Entities and PAS 28, Investments in an Associate and Joint Ventures - Investment Entities: Applying the Consolidation Exception*

The amendments address issues that have arisen in applying the investment entities exception under PFRS 10. The amendments to PFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments of PFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to PAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.



These amendments must be applied retrospectively and are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. These amendments are not expected to have any impact on the Jollibee Group's consolidated financial statements.

- *PFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests*

The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Jollibee Group.

- *PFRS 14, Regulatory Deferral Accounts*

PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Jollibee Group is an existing PFRS preparer, this standard would not apply.

- *Annual Improvements to PFRSs (2012-2014 Cycle)*

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016. They include:

- *PFRS 5, Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. This amendment must be applied prospectively. This amendment is currently not applicable to the Jollibee Group since it has no non-current asset held for sale and discontinued operations.



- *PFRS 7, Financial Instruments: Disclosures - Servicing Contracts*

PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in PFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments. This amendment is not applicable to the Jollibee Group, having no servicing contracts for its financial assets.

- *PFRS 7, Financial Instruments: Disclosure - Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively. These amendments are not expected to have significant impact for the Jollibee Group.

- *PAS 19, Employee Benefits - Regional Market Issue Regarding Discount Rate*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. Government bond rates are currently used to calculate the present value of the Group's defined benefit obligation due to the absence of a deep local market for high quality corporate bonds. This amendment must be applied retrospectively. The Jollibee Group is already compliant with the requirements of this amendments even before it became effective since government board rates are currently used to calculate the present value of the Jollibee Group's defined benefit obligation due to the absence of a deep local market for high quality corporate bonds.

- *PAS 34, Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. The Jollibee Group is already in compliant with the requirements of this amendment.



Effective January 1, 2018

- *PFRS 9, Financial Instruments (2014 or Final Version)*

In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015. The Jollibee Group plans to adopt the new standard on the required effective date, which is subject to changes arising from a more detailed ongoing analysis.

Other than the potential changes on the accounting for the Jollibee Group's AFS financial assets, the Jollibee Group does not expect any material change on its accounting for financial assets and financial liabilities. The Jollibee Group, however, expects potential changes in its impairment model as a 'expected credit loss' model replaces the 'incurred credit losses' model under PAS 39.

The Jollibee Group is currently assessing the impact of adopting this standard and expects that the adoption of PFRS 9 will have an effect on the classification and measurement of the Jollibee Group's financial assets but will have no impact on the classification and measurement of the Jollibee Group's financial liabilities.

The following new standard issued by the International Accounting Standards Board (IASB) has not yet been adopted by the Financial Reporting Standards Council

- *IFRS 15, Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is 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. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Jollibee Group is primarily engaged in the restaurant and franchising businesses. The Jollibee Group is currently assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15. Furthermore, the Jollibee Group is considering the clarifications issued by the IASB in an exposure draft in July 2015 and will monitor any further developments.

- *IFRS 16, Leases*

In January 2016, the IASB issued IFRS 16, *Leases*, which requires lessees to recognize assets and liabilities for most leases. Lessees will have a single accounting model for all leases, with certain exemptions. For lessors, there is little change to the existing accounting in PAS 17, *Leases*.



The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 has been applied, or is applied at the same date as IFRS 16. The Jollibee Group is currently assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16. For most leases though wherein it is the lessee, the Jollibee Group will be required to recognize both a right to use asset and a lease liability to gross amounts.

With Deferred Effective Date

- Philippine Interpretation IFRIC 15, *Agreements of Construction of Real Estate*

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the IASB and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have any impact on the financial statements of the Jollibee Group as it is not into the business of construction of real estate.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015.

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.

There is a general presumption that a majority of voting rights results in control. To support this presumption and 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; or
- 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 into 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 associate 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. 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 OCI 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 income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company.

An increase or decrease 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 increases or decreases in the ownership interest in a subsidiary do not result in the recognition of a gain 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, 2015 and 2014:

	Country of Incorporation	Principal Activities	2015		2014	
			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	70	-	70	-
Grandworth Resources Corporation (Grandworth):	Philippines	Leasing	100	-	100	-
Adgraphix, Inc. (Adgraphix)	Philippines	Digital printing	-	100	-	100
ICConnect Multi Media Network, Inc. (ICConnect)	Philippines	Advertising	-	60	-	60
JC Properties & Ventures Co.	Philippines	Inactive	-	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) ^(a)	Canada	Food service	-	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 Cup Pte.Ltd. ^(b)	Singapore	Holding company	-	60	-	60
- Beijing Golden Coffee Cup Food & Beverage Management Co., Ltd. ^(b)	PRC	Food Service	-	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
Guangxi San Pin Wang Food and Beverage Management Company Limited (San Pin Wang)	PRC	Food service	-	55	-	55
Happy Bee Foods Processing Pte. Ltd. (HBFPPPL)	Singapore	Holding company	-	70	-	70
- Happy Bee Foods Processing (Anhui) Co. Ltd.	PRC	Food service	-	100	-	100
JSF Investments Pte. Ltd. (JSF)	Singapore	Holding company	-	99	-	99
Chow Fun Holdings LLC (Chow Fun)	USA	Food service	-	81	-	81
Jollibee (China) Food & Beverage Management Co. Ltd. (JFCC and formerly Shanghai Chunly Co. Ltd) ^(c)	PRC	Management company	-	100	-	100
Jollibee International (BVI) Ltd. (JIBL):	BVI	Holding company	-	100	-	100
- Jollibee Vietnam Corporation Ltd.	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	-	-
Chanceux, Inc.	Philippines	Holding company	100	-	100	-
BKTitans, Inc. (BKTitans)	Philippines	Holding company	-	54	-	54
- PFN Holdings Corporation	Philippines	Holding company	-	53	-	53
• Perf Restaurants, Inc. ^(d)	Philippines	Food service	-	53	-	53
Donut Magic Phils., Inc. (Donut Magic) ^(e)	Philippines	Dormant	100	-	100	-
Ice Cream Copenhagen Phils., Inc. (ICCP) ^(e)	Philippines	Dormant	100	-	100	-
Mary's Foods Corporation (Mary's) ^(e)	Philippines	Dormant	100	-	100	-
QSR Builders, Inc.	Philippines	Inactive	100	-	100	-
Jollibee USA	USA	Dormant	100	-	100	-

(a) On May 7, 2015, the Jollibee Group, through HFC, incorporated HFCC to own and operate Jollibee restaurants in Canada.

(b) On December 19, 2014, the Jollibee Group, through JWPL, entered into a joint agreement to form Golden Cup together with Jasmine Asset Holding Ltd. (Jasmine), to own and operate Dunkin' Donuts restaurants in the People's Republic of China (PRC) through Beijing Golden Coffee Cup, which was also incorporated in the same year.

(c) Merged with Shanghai Yong He King Food and Beverage Co. Ltd. in 2014 with JFCC as the surviving entity.

(d) Perf Restaurants, Inc. also holds shares in Perf Trinoma and Perf MOA.

(e) On June 18, 2004, the stockholders of the Jollibee Group approved the Plan of Merger of the three dormant companies. The application is pending approval from the SEC as at December 31, 2015.



3. 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 normal the 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;
- 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 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 recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available an supportable market data as possible).



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 that are subject to insignificant risk of change in value.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss (FVPL), 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, in the case of financial assets not recorded at FVPL, 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at FVPL
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Financial Asset at FVPL. Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition at FVPL. 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 FVPL. Financial assets at FVPL 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 FVPL. 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 FVPL.

This category generally applies to the Jollibee Group's derivative assets.

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 (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 in profit or loss. The losses arising from impairment are recognized also in profit or loss.

This category generally applies to cash and cash equivalents, short-term investments, receivables, advances to related parties, refundable deposits and employees' car plan receivables.

AFS Financial Assets. AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at FVPL. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized in OCI 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 and interest earned while holding AFS financial assets is recognized in profit or loss.



Derecognition

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 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 recognizes 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.

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, 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, 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.

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 the statement of 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.

In the case of debt instruments classified as AFS financial assets, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in profit and loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, 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 trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL. Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

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 FVPL 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 FVPL.

Loans and borrowings. This is the category most relevant to the Jollibee Group. After initial recognition, interest-bearing loans and borrowings 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 that are an integral part of the EIR. The EIR amortization is included as interest expense in the consolidated statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings.

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

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 Company and all of the counterparties.



Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement. The 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 OCI 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, or
- Hedges of a net investment in a foreign operation.

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. 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.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges. The change in the fair value of a hedging instrument is recognized in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in profit or loss.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

The Jollibee Group has no fair value hedges as at December 31, 2015 and 2014, respectively.



Cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized in OCI, while any ineffective portion is recognized immediately in the statement of profit or loss.

The Jollibee Group has a cross currency swap to hedge its exposure to foreign currency risk in forecast transactions, as well as an interest rate swap for its exposure to volatility in interest rates. The ineffective portion relating to these swaps are recognized in profit or loss.

Amounts recognized as OCI 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 OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Debt Issue Costs

Debt issue costs are deducted against long-term debt and are amortized over the terms of the related borrowings.

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs are accounted for as follows:

Processed inventories	- Standard costing, 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 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 advance payments to suppliers to be applied for future purchases, prepaid expenses which are paid in advance and recorded as asset before these are utilized; 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.

Property, Plant and Equipment

Property, plant and equipment, except land, 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. 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, 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

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 period the asset is derecognized.

The residual values, if any, useful lives and depreciation and amortization method of the assets are reviewed and adjusted, if appropriate, at the end of each financial period.

Fully depreciated assets are retained in the accounts until they are disposed or retired.

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 readily 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 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.

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 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 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.

Goodwill or Gain on a Bargain Purchase

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.



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.

The estimated useful lives used in amortizing computer software and other intangible assets are disclosed in Note 14.

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.

Interests in and Advances to Joint Ventures, Co-venturers 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 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 associate 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 investment in an associate or joint ventures 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 an associate or joint ventures, less any impairment in value. Goodwill relating to the associate or joint ventures 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 associate or joint ventures. The Jollibee Group's share in profit or loss of the associate is shown on the face of the consolidated statement of comprehensive income as "Equity in net losses of joint ventures and an associate", which is the profit or loss attributable to equity holders of the joint ventures and associate.



When the Jollibee Group's share of losses in the associate or joint ventures 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 associate 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.

The reporting dates of the Parent Company and the associate 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. Unrealized gains arising from transactions with the associate or joint ventures are eliminated to the extent of the Jollibee Group's interests in the associate 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 an associate, 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 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 joint ventures constitutes significant influence, it is accounted for as interest in an associate.

Impairment of Nonfinancial Assets

The carrying values of interests in and advances to joint ventures, co-venturers and an associate, property, plant and equipment, investment properties, 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.

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 Jollibee Group's accumulated earnings, net of dividends declared.

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 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.

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

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Jollibee Group and the amount of revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, sales taxes and duties. The Jollibee Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Jollibee Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the customers, which is normally upon delivery. Sales returns and sales 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 a certain percentage of the franchisees' net sales.



Franchise Fees. Revenue from franchise fees is recognized when all services or conditions relating to the payment of franchise fees have been substantially performed.

Service Fees. Revenue is recognized in the period in which the service has been rendered.

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.

Cost and Expenses

Cost and expenses are decreases in economic benefits during the accounting 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. The amount of expenses incurred by the Jollibee Group is reduced by the network advertising and promotional costs reimbursed by the Jollibee Group's franchisees and subsidiaries.

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Pension Benefits

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.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of 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 costs 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 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 net defined benefit liability or asset. Net interest on the pension liability or asset is recognized under “Cost of Sales” 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 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 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 People’s Republic of China (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, 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 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.

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.

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 and carried at amortized cost. The related accretion is recognized as interest income and the amortization as rent expense. Associated costs, such as maintenance and insurance, are expensed as incurred. Contingent rent is recognized as expense in the period 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 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. Contingent rents are recognized as revenue in the period in which they are earned.

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.

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. Non-monetary 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 and Hong Kong dollar. 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 the consolidated statement of changes in equity under the account "Cumulative translation adjustments of foreign subsidiaries and share in cumulative translation adjustment of an interest in a joint venture". 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 carryforward 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 a joint venture, 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 interest in a joint venture, 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 OCI or directly in equity.

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 tax, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Other current assets" or "Trade payables and other current liabilities" accounts 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.



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.

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 ₱7,841.9 million, ₱7,702.7 million and ₱6,287.3 million in 2015, 2014 and 2013, 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 P92.4 million, P90.6 million and P97.5 million in 2015, 2014 and 2013, respectively (see Notes 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 entity 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 which type of activities they engage in is important to the Jollibee Group as at end of the year.

Material Associates and Joint Ventures

The consolidated financial statements include additional information about associates and joint ventures that are material to the Jollibee Group (see Note 11). Management determined material associates as those associates where the Jollibee Group's carrying amount of investment is greater than 5% of the total investments in an associate and interest in joint ventures as at end of the year.

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.

Impairment of Receivables. 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 2015, 2014 and 2013 amounted to ₱325.9 million, ₱36.3 million and ₱34.0 million, respectively, resulting from specific and collective assessments (see Note 22). In addition, reversal of previously recognized provisions amounting to ₱4.6 million and ₱0.9 million were recognized in 2015 and 2014, respectively (see Note 22). The carrying amount of receivables amounted to ₱5,432.8 million and ₱7,937.4 million as at December 31, 2015 and 2014, respectively (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 ₱11.0 million, ₱11.1 million and ₱9.4 million in 2015, 2014 and 2013, respectively (see Note 22). In addition, reversal of previously recognized provisions amounting to ₱12.0 million and ₱8.5 million were recognized in 2015 and 2014, respectively, while no reversal was recognized in 2013 (see Note 22). No write-offs were made in 2015 and 2014. The carrying amount of inventories amounted to ₱5,478.4 million and ₱5,971.8 million as at December 31, 2015 and 2014, respectively (see Note 8).

Impairment of Property, Plant and Equipment, Investment Properties, Interests in and Advances to Joint Ventures, Co-venturers and an Associate. The Jollibee Group performs impairment review of property, plant and equipment, investment properties, interests in and advances to joint ventures, co-venturers and an associate 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 nil, ₱62.6 million and ₱13.3 million in 2015, 2014 and 2013, respectively, while provision for impairment loss amounted to ₱2.0 million in 2014 (see Note 22). The aggregate carrying values of property, plant and equipment, investment properties, interests in and advances to joint ventures, co-venturers and an associate amounted to ₱23,994.6 million and ₱17,778.1 million as at December 31, 2015 and 2014, respectively (see Notes 11, 12 and 13).



Estimation of Useful Lives of Property, Plant and Equipment and Investment Properties. The Jollibee Group estimates the useful lives of property, plant and equipment and investment properties based on the period over which the property, plant and equipment and investment properties 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 and investment properties 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 property, plant and equipment and investment properties. 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 and investment properties 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 and investment properties in 2015 and 2014.

Impairment of Goodwill and Other Intangible Assets. The Jollibee Group determines whether 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 future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Management has determined that goodwill and other intangible assets are not impaired. The carrying amount of goodwill and other intangible assets amounted to ₱9,412.1 million and ₱9,385.1 million as at December 31, 2015 and 2014, respectively (see Note 14).

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 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 past results and future expectations on revenue and expenses.

The carrying amount of deferred tax assets amounted to ₱2,275.2 million and ₱1,535.0 million as at December 31, 2015 and 2014, respectively (see Note 24).

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 ₱1,466.5 million and ₱832.4 million as at December 31, 2015 and 2014, 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 ₱173.2 million, ₱166.5 million and ₱150.4 million in 2015, 2014 and 2013, respectively (see Notes 22 and 26).

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 where 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.

Derivative on Put / Call Rights on SJBF LLC. The Jollibee Group has derivatives 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 the binomial option pricing 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 statement of financial position.

As at December 31, 2015, the Jollibee Group recognized a derivative asset amounting to ₱75.0 million from put / call rights (see Note 11).



Contingent Consideration or Earn-out. The Jollibee Group has existing joint venture agreements with contingent consideration or earn-out provisions. This requires the estimation of payout associated with the probability-weighted discounted cash flow model, taking into consideration the specific conditions outlined in the purchase agreement that must be met to satisfy the contingency.

Jollibee Group estimated nil earn-out as at December 31, 2015 and 2014.

Provisions. The Jollibee Group recognizes a provision for an obligation resulting from a past event when it has assessed that it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These assessments are made based on available evidence, including the opinion of experts. Future events and developments may result in changes in these assessments which may impact the Jollibee Group's financial position and performance.

There were no additional provisions recorded in 2015, 2014 and 2013. Total outstanding provisions amounted to ₱30.5 million as at December 31, 2015 and 2014 (see Note 17).

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. 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.

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, 2015 and 2014:

	2015				
	Food Service	Franchising	Leasing	Eliminations	Consolidated
	<i>(In Thousands)</i>				
Revenues from external customers	P96,052,830	P4,518,123	P208,764	P-	P100,779,717
Inter-segment revenues	31,188,088	1,493,169	4,284,181	(36,965,438)	-
Segment revenues	127,240,918	6,011,292	4,492,945	(36,965,438)	100,779,717
Segment expenses	(126,142,365)	(1,493,169)	(4,434,288)	36,965,438	(95,104,384)
Impairment losses on receivables, property, plant and equipment, investment properties and security deposit, net of reversals	(320,303)	-	-	-	(320,303)
Equity in net losses of joint ventures and an associate	(189,086)	-	-	-	(189,086)
Other segment income	1,229,687	-	7,070	-	1,236,757
Segment result	P1,818,851	P4,518,123	P65,727	P-	6,402,701
Interest income					257,784
Interest expense					(225,544)
Income before income tax					6,434,941
Provision for income tax					(1,388,608)
Net income					P5,046,333
Assets and Liabilities					
Segment assets	P62,990,298	P-	P364,262	P-	P63,354,560
Deferred tax assets – net	1,401,800	-	6,688	-	1,408,488
Consolidated assets	P64,392,098	P-	P370,950	P-	P64,763,048
Segment liabilities	P22,968,364	P-	P83,486	P-	P23,051,850
Long-term debt - including current portion	9,718,629	-	-	-	9,718,629
Income tax payable	233,609	-	2,371	-	235,980
Consolidated liabilities	P32,920,602	P-	P85,857	P-	P33,006,459
Other Segment Information					
Capital expenditures	P4,696,767	P-	P-	P-	P4,696,767
Depreciation and amortization	3,431,249	-	4,428	-	3,435,677
	2014				
	Food Service	Franchising	Leasing	Eliminations	Consolidated
	<i>(In Thousands)</i>				
Revenues from external customers	P86,508,256	P3,986,141	P176,841	P-	P90,671,238
Inter-segment revenues	27,496,871	766,560	3,680,420	(31,943,851)	-
Segment revenues	114,005,127	4,752,701	3,857,261	(31,943,851)	90,671,238
Segment expenses	(111,886,809)	(766,560)	(3,847,589)	31,943,851	(84,557,107)
Impairment losses on receivables, property, plant and equipment, investment properties and security deposit, net of reversals	22,637	-	-	-	22,637
Equity in net losses of joint ventures and an associate	(126,174)	-	-	-	(126,174)
Other segment income	653,783	-	5,521	-	659,304
Segment result	P2,668,564	P3,986,141	P15,193	P-	6,669,898
Interest income					242,045
Interest expense					(152,471)
Income before income tax					6,759,472
Provision for income tax					(1,270,530)
Net income					P5,488,942
Assets and Liabilities					
Segment assets	P52,993,539	P-	P373,176	P-	P53,366,715
Deferred tax assets – net	743,530	-	8,435	-	751,965
Consolidated assets	53,737,069	P-	P381,611	P-	P54,118,680

(Forward)



	2014				
	Food Service	Franchising	Leasing	Eliminations	Consolidated
Segment liabilities	P20,605,297	P-	P98,621	P-	P20,703,918
Deferred tax liabilities – net	11,378	-	-	-	11,378
Long-term debt - including current portion	5,143,533	-	-	-	5,143,533
Income tax payable	178,872	-	2,957	-	181,829
Consolidated liabilities	P25,939,080	P-	P101,578	P-	P26,040,658
Other Segment Information					
Capital expenditures	P5,641,696	P-	P-	P-	P5,641,696
Depreciation and amortization	3,179,208	-	7,172	-	3,186,380
	2013				
	Food Service	Franchising	Leasing	Eliminations	Consolidated
			(In Thousands)		
Revenues from external customers	P76,595,268	P3,503,960	P183,541	P-	P80,282,769
Inter-segment revenues	23,891,327	665,299	3,130,550	(27,687,176)	-
Segment revenues	100,486,595	4,169,259	3,314,091	(27,687,176)	80,282,769
Segment expenses	(98,062,007)	(665,299)	(3,281,467)	27,687,176	(74,321,597)
Impairment losses on receivables, property, plant and equipment, investment properties and security deposit, net of reversals	(30,075)	-	-	-	(30,075)
Equity in net loss of joint ventures and an associate	(115,561)	-	-	-	(115,561)
Other segment income	329,816	-	7,509	-	337,325
Segment result	P2,608,768	P3,503,960	P40,133	P-	6,152,861
Interest income					245,574
Interest expense					(152,920)
Income before income tax					6,245,515
Provision for income tax					(1,522,708)
Net income					P4,722,807
Assets and Liabilities					
Segment assets	P44,909,353	P-	P361,084	P-	P45,270,437
Deferred tax assets – net	740,289	-	15,908	-	756,197
Consolidated assets	45,649,642	P-	P376,992	P-	P46,026,634
Segment liabilities	P16,913,356	P-	P110,190	P-	P17,023,546
Deferred tax liabilities – net	315,170	-	2,987	-	318,157
Long-term debt - including current portion	5,169,246	-	-	-	5,169,246
Income tax payable	152,387	-	2,358	-	154,745
Consolidated liabilities	P22,550,159	P-	P115,535	P-	P22,665,694
Other Segment Information					
Capital expenditures	P4,175,146	P-	P-	P-	P4,175,146
Depreciation and amortization	3,063,998	-	8,458	-	3,072,456

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, UAE, Hongkong Brunei, Saudi Arabia, Singapore, Kuwait, Qatar and Vietnam). 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 Jollibee Group'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 table presents revenues, segment assets and capital expenditures of the Jollibee Group's geographical segments:

	2015			
	Philippines	International	Eliminations	Consolidated
	<i>(In Thousands)</i>			
Segment revenues	₱78,421,700	₱22,675,693	(₱317,676)	₱100,779,717
Segment assets	39,026,027	24,328,533	—	63,354,560
Capital expenditures	3,547,641	1,149,126	—	4,696,767
	2014			
	Philippines	International	Eliminations	Consolidated
	<i>(In Thousands)</i>			
Segment revenues	₱70,179,960	₱20,689,510	(₱198,232)	₱90,671,238
Segment assets	36,417,986	16,948,729	—	53,366,715
Capital expenditures	4,529,006	1,112,690	—	5,641,696
	2013			
	Philippines	International	Eliminations	Consolidated
	<i>(In Thousands)</i>			
Segment revenues	₱62,002,412	₱18,439,768	(₱159,411)	₱80,282,769
Segment assets	29,402,035	15,868,402	—	45,270,437
Capital expenditures	2,686,332	1,488,814	—	4,175,146

6. Cash and Cash Equivalents and Short-term Investments

This account consists of:

	2015	2014
Cash on hand	₱292,751,687	₱403,680,062
Cash in banks	5,936,387,052	4,165,160,508
Short-term deposits	5,268,420,890	3,049,632,697
	₱11,497,559,629	₱7,618,473,267

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.

The Jollibee Group also has short-term investments amounting to ₱922.3 million as at December 31, 2015. These pertain to deposits with maturities of more than three months but less than a year.

Interest income earned from cash in bank, short-term deposits and short-term investments amounted to ₱118.0 million, ₱111.8 million and ₱145.6 million for 2015, 2014 and 2013, respectively (see Note 23).



7. Receivables

This account consists of:

	2015	2014
Trade	₱5,575,193,914	₱7,795,413,797
Less allowance for impairment loss	520,055,036	208,940,071
	5,055,138,878	7,586,473,726
Advances to employees	154,670,011	157,067,206
Current portion of employee car plan receivables	67,461,983	65,327,161
Others	155,504,667	128,536,704
	₱5,432,775,539	₱7,937,404,797

Trade receivables are noninterest-bearing and are generally settled on 30-60 day terms.

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 and the Social Security System (SSS) and insurance claims. Certain current assets in 2014 totaling ₱316.2 million were reclassified to trade receivables to conform with 2015 presentation.

The movements in the allowance for impairment loss on trade receivables as at December 31 are as follows:

	2015	2014
Balance at beginning of year	₱208,940,071	₱274,461,795
Provisions (see Note 22)	325,907,626	36,301,470
Write-offs	(11,154,044)	(101,112,448)
Reversals (see Note 22)	(4,605,656)	(868,308)
Translation adjustments	967,039	157,562
Balance at end of year	₱520,055,036	₱208,940,071

The provisions in 2015 and 2014 resulted from specific and collective impairment assessments performed by the Jollibee Group.

8. Inventories

This account consists of:

	2015	2014
At cost:		
Food supplies and processed inventories	₱5,222,435,586	₱5,677,944,750
Packaging, store and other supplies	183,664,631	245,482,727
	5,406,100,217	5,923,427,477
At net realizable value -		
Novelty items	72,316,092	48,386,514
Total inventories at lower of cost and net realizable value	₱5,478,416,309	₱5,971,813,991

The cost of novelty items carried at net realizable value amounted to ₱90.5 million and ₱67.5 million as at December 31, 2015 and 2014, respectively.



The movements in the allowance for inventory obsolescence as at December 31 are as follows:

	2015	2014
Balance at beginning of year	₱19,143,425	₱16,566,344
Provisions (see Note 22)	11,048,562	11,066,386
Reversals (see Note 22)	(12,047,290)	(8,489,305)
Translation adjustments	35,691	-
Balance at end of year	₱18,180,388	₱19,143,425

9. Other Current Assets

This account consists of:

	2015	2014
Deposits to suppliers and other third parties (see Note 7)	₱2,221,639,595	₱1,206,100,202
Prepaid expenses:		
Taxes	743,623,466	512,684,524
Rent	589,550,139	493,117,721
Others	192,836,136	185,355,486
Supplies	80,579,744	96,441,466
	₱3,828,229,080	₱2,493,699,399

Deposits to suppliers are generally applied to purchase of inventories and availment of services within the next financial year.

Prepaid taxes mainly represent creditable withholding taxes that can be applied in the following year against the corporate income tax due from Jollibee Group or can be claimed as tax refund from the BIR.

Prepaid expenses - others include unused portion of advance payment for advertising, insurance and other expenses in 2015 and 2014.

10. Available-for-Sale Financial Assets

This account consists mainly of shares in golf and leisure clubs amounting to ₱21.5 million each as at December 31, 2015 and 2014.



11. Business Combinations, Incorporation of New Subsidiaries, and Interests in and Advances to Joint Ventures, Co-venturers and an Associate

A. Business Combinations

Business Combination through Acquisition of Equity Shares

Acquisitions in 2012 and Prior

San Pin Wang. On March 9, 2012, the Jollibee Group, through JWPL, completed its acquisition of 55% equity interest 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 for a total acquisition cost of RMB30.0 million (P195.9 million). The Jollibee Group paid RMB20.0 million (P135.1 million) as of December 31, 2012. The remaining RMB10.0 million (P67.6 million) was paid in March 2013. The other 45% of San Pin Wang is held by Guangxi Zong Kai Food Beverage Investment Company Limited (“GZK”).

Subsequent to the acquisition date, the Jollibee Group and GZK contributed additional investments amounting to RMB11.0 million (P74.6 million) and RMB9.0 million (P59.2 million), respectively.

The primary reason for the acquisition of San Pin Wang was to expand the Jollibee Group’s chain of QSRs and to serve high-quality but affordable noodles to urban areas in the PRC.

A contingent consideration had been agreed as part of the purchase agreement with GZK. This consideration is contingent on meeting target net income after tax of San Pin Wang for the next three years. In May 2013, the Jollibee Group paid RMB7.5 million (P50.1 million) as the contingent consideration for the year 2012. In May 2015, another payment was made amounting to RMB6.8 million (P50.1 million) as the contingent consideration for the year 2014. The remaining contingent consideration is due for final measurement and payment to GZK in May 2016.

As at December 31, 2015 and 2014, accrual for contingent consideration from the acquisition of San Pin Wang amounted to P23.6 million (RMB3.1 million) and P72.1 million (RMB9.8 million), respectively.

Mang Inasal. On November 22, 2010, the Jollibee Group, through the Parent Company, acquired 70% of the issued and outstanding shares of Mang Inasal from Injap Investments, Inc. (the seller), owner and operator of Mang Inasal restaurant business in the Philippines, for a total acquisition cost of P2,976.2 million. The Jollibee Group paid P2,700.0 million as at December 31, 2010. The remaining 10%, net of deferred financing component, of the purchase price, is payable over a 3-year period as follows:

50%	12 months from November 22, 2010 (closing date)
25%	24 months from closing date
25%	36 months from closing date

In 2014, the Jollibee Group has fully settled its liability for the acquisition of Mang Inasal.



Business Combination through Purchase of Assets

Chowking US Operations. On May 27, 2011, the Jollibee Group, through its wholly-owned subsidiary, TTC, entered into an Asset Purchase Agreement with Fortune Capital Corporation (FCC), owner and operator of all Chowking stores in the USA as the master licensee therein, to purchase the property and equipment, inventories and security deposits of the twenty (20) existing stores of FCC. The purchase consideration amounted to USD16.0 million (P693.3 million). The Jollibee Group paid USD12.0 million (P520.0 million) of the total consideration as at December 31, 2011, balance is payable over the next five (5) years.

The balance of the liability for acquisition of Chowking US operations amounted to USD0.7 million (P34.6 million) and USD1.4 million (P61.8 million) as at December 31, 2015 and 2014, respectively. The last installment is expected to be settled in May 2016.

With this acquisition, the Jollibee Group took a more active role to further the growth of the Chowking business in the USA.

B. Incorporation of New Subsidiaries

Honeybee Foods (Canada) Corporation (HFCC). On May 7, 2015, the Jollibee Group, through HFC, incorporated HFCC to own and operate Jollibee restaurants in Canada. As at December 31, 2015, no capital investment has been made other than the investment to incorporate.

Golden Cup Pte. Ltd. (Golden Cup). On December 19, 2014, the Jollibee Group, through JWPL, entered into a joint agreement to form Golden Cup together with Jasmine Asset Holding Ltd. (Jasmine), to own and operate Dunkin' Donuts restaurants in the PRC.

JWPL owns 60% of the business and Jasmine owns the other 40%. JWPL and Jasmine have committed to invest up to USD300.0 million to the Joint Venture, of which up to USD180.0 million will be contributed by JWPL in proportion to its ownership in the business. Golden Cup was incorporated on December 22, 2014 but has not yet started commercial operations as at December 31, 2015.

As at December 31, 2015, capital contributions of the Jollibee Group to Golden Cup amounted to USD6.0 million (P266.4 million).

Pursuant to the Master Franchise Agreement signed on January 5, 2015 between Dunkin Donuts Franchising LLC and Golden Cup, a market entry fee amounting to USD2.1 million (P93.9 million) was paid by Golden Cup to Dunkin Donuts on the signing date (see Note 15).

C. Partly-owned Subsidiaries with Material Non-Controlling Interests

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

	Country of incorporation and operation	2015	2014
Mang Inasal	Philippines	30%	30%
HBFPPL	Singapore	30%	30%
San Pin Wang	People's Republic of China	45%	45%

The summarized financial information of these subsidiaries are provided below. These information are based on amounts before intercompany eliminations.



Summarized Statement of Comprehensive Income for 2015

	Mang Inasal	HBFPPL	San Pin Wang
Revenues	₱7,263,114,848	₱1,702,402,983	₱1,229,334,894
Net income	453,297,379	73,410,582	56,672,330
Other comprehensive income	2,624,012	5,778,032	2,811,873
Total comprehensive income	455,921,391	79,188,614	59,484,203
Total comprehensive income attributable to non-controlling interests	133,084,903	22,023,175	25,502,548
Dividends paid to non-controlling interests	58,500,000	—	—

Summarized Statement of Comprehensive Income for 2014

	Mang Inasal	HBFPPL	San Pin Wang
Revenues	₱6,113,830,460	₱1,366,618,701	₱1,009,152,336
Net income	333,620,513	72,129,007	44,378,997
Other comprehensive income (loss)	(8,489,686)	25,727,395	9,631,698
Total comprehensive income	325,130,827	97,856,402	54,010,695
Total comprehensive income attributable to non-controlling interests	97,161,103	21,638,702	20,571,520
Dividends paid to non-controlling interests	36,000,000	—	—

Summarized Statement of Comprehensive Income for 2013

	Mang Inasal	HBFPPL	San Pin Wang
Revenues	₱5,024,650,246	₱922,513,905	₱88,524,112
Net income (loss)	243,925,820	(23,880,385)	(22,758,697)
Other comprehensive income (loss)	(858,376)	33,534,645	28,127,143
Total comprehensive income	243,067,444	9,654,260	5,368,446
Total comprehensive income attributable to non-controlling interests	77,455,459	2,700,169	3,865,149
Dividends paid to non-controlling interests	30,000,000	—	—

Summarized Statement of Financial Position as at December 31, 2015

	Mang Inasal	HBFPPL	San Pin Wang
Current assets	₱2,176,382,490	₱450,607,662	₱261,324,261
Noncurrent assets	442,100,692	933,937,095	125,731,328
Current liabilities	1,449,329,972	369,497,486	100,353,245
Noncurrent liabilities	167,163,686	465,894,000	16,209,497
Total equity	1,001,989,524	549,153,271	270,492,847
Equity attributable to non-controlling interests	729,268,757	137,965,112	120,669,456



Summarized Statement of Financial Position as at December 31, 2014

	Mang Inasal	HBFPPL	San Pin Wang
Current assets	₱1,937,781,602	₱512,981,429	₱197,034,498
Noncurrent assets	382,460,649	735,873,410	126,397,868
Current liabilities	1,427,536,973	425,432,584	96,116,405
Noncurrent liabilities	151,894,483	442,728,000	16,307,317
Total equity	740,810,795	380,694,255	211,008,644
Equity attributable to non-controlling interests	654,683,854	114,208,276	93,901,565

Summarized Cash Flow Information for 2015

	Mang Inasal	HBFPPL	San Pin Wang
Net cash provided by operating activities	₱876,412,572	₱215,266,710	₱18,527,573
Net cash provided by (used in) investing activities	(130,216,558)	(194,468,160)	3,265,718
Net cash used in financing activities	(195,000,000)	—	—
Net increase in cash and cash equivalents	551,196,014	20,798,550	21,793,291

Summarized Cash Flow Information for 2014

	Mang Inasal	HBFPPL	San Pin Wang
Net cash provided by (used in) operating activities	(₱397,772,916)	₱14,304,136	₱6,339,091
Net cash used in investing activities	(102,666,251)	(294,084,243)	(15,301,329)
Net cash provided by financing activities	250,000,000	265,148,000	—
Net decrease in cash and cash equivalents	(250,439,167)	(14,632,107)	(8,962,238)

Summarized Cash Flow Information for 2013

	Mang Inasal	HBFPPL	San Pin Wang
Net cash provided by (used in) operating activities	₱360,181,397	(₱97,598,466)	(₱4,249,883)
Net cash used in investing activities	(69,758,734)	(41,977,010)	(34,800,901)
Net cash provided by (used in) financing activities	(100,000,000)	177,580,000	—
Net increase in cash and cash equivalents	190,422,663	38,004,524	(39,050,784)



D. Interests in and Advances to Joint Ventures, Co-venturers and an Associate

	2015	2014
Interests in and advances to SuperFoods joint ventures and co-venturers	₱3,345,553,021	₱3,144,855,846
Interests in joint ventures:		
SJBF LLC	4,742,732,683	—
WJ	220,809,356	165,339,382
Golden Bee	47,943,083	—
	8,357,038,143	3,310,195,228
Interest in an associate – Entrek	92,272,121	78,707,378
	₱8,449,310,264	₱3,388,902,606

Interests in Joint Ventures

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, Highlands Coffee Service JSC, Quantum Corp., Pho24 Corp., Blue Sky Holding Limited Hongkong, Sino Ocean Asia Limited Hongkong, Blue Sky Holdings Limited Macau, and China Co.) through formation of joint ventures. This consists of a 49% share in SF Vung Tau Joint Stock Company, in Vietnam and a 60% share in Blue Sky Holding Limited in Hongkong (the SuperFoods 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 and Viet Thai International Company Limited. 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 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 in 2011.

On October 22, 2015, JSF contributed additional investment in SuperFoods 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). Based on management's assessment using the earn-out formula, no additional consideration needs to be recognized as at January 20, 2012, date of acquisition, and as at December 31, 2012 to 2015.

In accordance with the Framework Agreement, JWPL, through its 99%-owned subsidiary JSF, extended loans to the SuperFoods Group with the following details:



Loans to Co-venturers

Loan to the co-venturers in the SuperFoods Group joint venture amounting to USD35.0 million (P1,523.9 million), extended on June 30, 2011, is payable in June 2016. The loan bears interest of 5% per annum payable in lump sum also in June 2016. The loan was agreed to be used for general corporate purposes. Total interest from this loan recognized as interest income amounted to USD1.8 million (P83.5 million), USD1.8 million (P80.5 million) and USD1.4 million (P65.9 million) for the years ended December 31, 2015, 2014 and 2013, respectively. The USD35.0 million loan is secured by a mortgage by the co-venturers of all their shares in SuperFoods Holding Companies.

On April 30, 2013, an additional loan was extended to the co-venturers in the SuperFoods Group amounting to USD1.0 million (P41.2 million) payable in February 2014 but was extended to December 2015. The loan bears interest of 5% per annum payable in lump sum also in December 2015. December 2015, the loan was further extended to June 2016, subject 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 USD0.05 million (P2.6 million), USD0.05 million (P2.2 million) and USD0.03 million (P1.6 million) for the years ended December 31, 2015, 2014 and 2013, respectively.

On August 22, 2013, an additional loan was extended to the co-venturers in the SuperFoods Group amounting to USD1.0 million (P44.1 million) payable in August 2014. As of August 2014, the principal was subject to 5% interest per annum. However, with the extension to December 2015, the sum of principal and the accumulated interest as of August 2014 were subjected to 4.99% interest per annum. In December 2015, the loan was further extended to June 2016, subject to 4.99%. The loan was agreed to be used for general corporate purposes. Total interest from this loan amounted to USD0.05 million (P2.5 million), USD0.05 million (P2.4 million) and USD0.02 million (P0.9 million) for the years ended December 31, 2015, 2014 and 2013, respectively.

Loan to Blue Sky

On June 10, 2011, a loan was extended to Blue Sky Holdings Limited (Blue Sky), the Hong Kong-based holding company, amounting to USD5.0 million (P216.0 million) payable in June 2014. As of June 2014, the principal was subject to 5% interest per annum. However, with the extension to December 2015, the sum of principal and the accumulated interest as of June 2014 were subjected to 4.99% interest per annum. In December 2015, the loan was further extended to June 2016, subject to 4.99%. Total interest from this loan recognized as interest income amounted to USD0.3 million (P13.9 million), USD0.3 million (P10.4 million) and USD0.3 million (P11.9 million) for the years ended December 31, 2015, 2014 and 2013, respectively.

On May 7, 2012, an additional loan was extended to Blue Sky amounting to USD2.5 million (P105.9 million) payable in May 2014. As of May 2014, the principal was subjected to 5% interest per annum. However, with the extension to December 2015, the sum of principal and the accumulated interest as of May 2014 were subjected to 4.99% interest per annum. In December 2015, the loan was further extended to June 2016, subject to 4.99%. Total interest from this loan amounted to USD0.1 million (P6.7 million), USD0.1 million (P6.1 million) and USD0.1 million (P6.0 million) for the years ended December 31, 2015, 2014 and 2013, respectively.

The carrying value of the loans to co-venturers and Blue Sky, including the accrued interest, amounted to P2,548.2 million and P2,317.9 as of December 31, 2015 and 2014, respectively.



The details of the Jollibee Group's interests in the SuperFoods joint venture and advances to co-venturers as at December 31, 2015 and 2014 are as follows:

	2015	2014
Interest in a joint venture – cost		
Balance at beginning of year	₱1,086,562,975	₱1,086,562,975
Additions during the year	34,095,847	–
Balance at the end of the year	1,120,658,822	1,086,562,975
Cumulative equity in net losses:		
Balance at beginning of year	(259,539,871)	(172,909,359)
Equity in net loss for the year	(63,791,063)	(86,630,512)
Balance at the end of year	(323,330,934)	(259,539,871)
	797,327,888	827,023,104
Advances to the joint ventures and co-venturer:		
Balance at beginning of year	2,317,832,742	2,200,148,676
Accrual of interest	109,110,458	101,577,556
Translation adjustments	121,281,933	16,106,510
Balance at end of year	2,548,225,133	2,317,832,742
	₱3,345,553,021	₱3,144,855,846

Summarized financial information of the SuperFoods Group based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2015	2014
Current assets	₱500,473,793	₱391,071,679
Noncurrent assets	1,196,430,982	1,092,536,978
Total assets	₱1,696,904,775	₱1,483,608,657
Current liabilities	₱576,963,970	₱580,354,963
Noncurrent liabilities	1,007,931,851	768,588,861
Total liabilities	₱1,584,895,821	₱1,348,943,824

	2015	2014
Cash and cash equivalents	₱97,215,799	₱66,982,823
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	–	19,619,006
Noncurrent financial liabilities (excluding provisions)	1,007,931,851	768,588,861



The amounts of the income and expense accounts include the following:

	2015	2014
Revenues	₱2,299,834,784	₱2,317,386,922
Depreciation and amortization	128,394,217	99,921,184
Interest income	13,652	102,437
Interest expense	56,206,489	55,331,753
Provision for income tax	14,796,812	2,162,576
Net loss	(127,582,126)	(173,261,023)
Total comprehensive loss	(127,582,126)	(173,261,023)
	2015	2014
Net assets	112,008,954	134,664,833
Proportion of the Jollibee Group's ownership	50%	50%
	56,004,477	67,332,416
Goodwill	708,890,600	674,794,753
Cumulative translation adjustments	32,432,811	84,895,935
	₱797,327,888	₱827,023,104

SJBF LLC (SJBF). On October 8, 2015, the Jollibee Group, through JWPL, incorporated Bee Good! Inc. (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) of the transaction price in December 2015. The remaining USD0.8 million (₱36.6 million) was carried as part of the "Current portion of liability for acquisition of business" account in the 2015 consolidated statement of financial position and was settled in January 2016. 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.

The agreement between BGI and Master 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.

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, representing the fair value of the First and Second Put / Call Rights on transaction date.



The details of Jollibee Group's interest in SJBF as at December 31, 2015 are as follows:

Investment during the year	₱4,812,854,343
Equity in net loss during the year	(70,121,660)
Balance at end of year	₱4,742,732,683

Summarized financial information of the SJBF based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Current assets	₱1,489,289,278
Noncurrent assets	4,698,052,225
Total assets	₱6,187,341,503
Current liabilities	₱2,549,999,466
Noncurrent liabilities	3,898,129,921
Total liabilities	₱6,448,129,387

The amounts of assets and liabilities above include the following:

Cash and cash equivalents	₱586,506,568
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	—
Noncurrent financial liabilities (excluding provisions)	3,791,307,722

The amounts of the income and expense accounts include the following:

	2015
Revenues	₱1,590,616,719
Depreciation and amortization	85,023,451
Interest expense	45,587,810
Net loss	(175,304,150)
Total comprehensive loss	(175,304,150)
Net assets	(₱260,787,884)
Proportion of the Jollibee Group's ownership	40%
	(104,315,154)
Provisional goodwill	4,837,671,526
Cumulative translation adjustments	9,376,311
	₱4,742,732,683

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.



The Jollibee Group has invested USD2.4 million (P98.0 million) in 2012. The first store started commercial operations in January 2013. The Jollibee Group made additional investments of USD3.1 million (P138.2 million), USD1.7 million (P75.0 million) and USD2.4 million (P103.6 million) during 2015, 2014 and 2013, respectively.

The details of Jollibee Group's interest in WJ as at December 31, 2015 and 2014 are as follows:

	2015	2014
Interest in a joint venture - cost:		
Balance at beginning of year	P276,646,875	P201,648,000
Investment during the year	138,225,240	74,998,875
Balance at end of year	414,872,115	276,646,875
Cumulative equity in net loss:		
Balance at beginning of year	(111,307,493)	(43,972,047)
Equity in net loss during the year	(82,755,266)	(67,335,446)
Balance at end of year	(194,062,759)	(111,307,493)
Balance at end of year	P220,809,356	P165,339,382

Summarized financial information of WJ based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2015	2014
Current assets	P360,433,195	P231,353,675
Noncurrent assets	181,127,783	184,734,574
Total assets	P541,560,978	P416,088,249
Current liabilities	P52,611,918	P49,968,723

The amounts of assets and liabilities above include the following:

	2015	2014
Cash and cash equivalents	P299,488,233	P146,008,593
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	—	303,141

The amounts of the income and expense accounts include the following:

	2015	2014
Revenues	P441,197,402	P239,974,834
Depreciation and amortization	46,811,259	30,365,317
Interest expense - net	3,308,549	3,173,567
Net loss	(172,406,804)	(140,282,180)
Total comprehensive loss	(172,406,804)	(140,282,180)

	2015	2014
Net assets	P488,949,060	P366,119,526
Proportion of the Jollibee Group's ownership	48%	48%
	234,695,549	175,737,372
Cumulative translation adjustments	(13,886,193)	(10,397,990)
	P220,809,356	P165,339,382



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.

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.

GPPL has invested USD0.8 million (P33.9 million) in 2015. The first store started commercial operations on May 4, 2015.

The details of the Jollibee Group's interest in the Golden Bee joint venture as at December 31, 2015 are as follows:

Investment during the year	P33,925,803
Equity in net earnings during the year	14,017,280
Balance at end of year	<u>P47,943,083</u>

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 are set out below:

Current assets	P98,590,566
Noncurrent assets	44,005,319
Total assets	<u>P142,595,885</u>
Current liabilities	<u>P53,735,001</u>

The amounts of assets and liabilities above include the following:

Cash and cash equivalents	P52,451,311
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	—

The amounts of the income and expense accounts include the following:

Revenues	P203,010,467
Depreciation and amortization	2,530,556
Net income	28,606,695
Total comprehensive income	28,606,695
Net assets	88,860,884
Proportion of the Jollibee Group's ownership	49%
	43,541,833
Cumulative translation adjustments	4,401,250
	<u>P47,943,083</u>



Interest in an Associate

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 an associate as at December 31, 2015 and 2014 are as follows:

	2015	2014
Interest in an associate - cost	₱16,660,000	₱16,660,000
Cumulative equity in net earnings:		
Balance at beginning of year	62,047,378	50,915,520
Equity in net earnings during the year	13,564,743	27,791,858
Impairment loss	-	(16,660,000)
Balance at end of year	75,612,121	62,047,378
	₱92,272,121	₱78,707,378

Summarized financial information of Entrek based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2015	2014
Current assets	₱474,524,666	₱413,250,302
Noncurrent assets	92,958,117	74,443,908
Total assets	₱567,482,783	₱487,694,210
Current liabilities	₱244,262,858	₱210,041,343
Noncurrent liabilities	4,356,052	-
Total liabilities	₱248,618,910	₱210,041,343

The amounts of the income and expense accounts include the following:

	2015	2014
Revenues	₱507,255,229	₱519,839,966
Total comprehensive income	40,694,227	83,375,574
	2015	2014
Net assets	₱318,863,873	₱277,652,867
Proportion of the Jollibee Group's ownership	33.33%	33.33%
	106,287,958	92,550,956
Impairment loss recognized in 2011	(16,660,000)	(16,660,000)
Cumulative translation adjustments	2,644,163	2,816,422
	₱92,272,121	₱78,707,378



12. Property, Plant and Equipment

The rollforward analysis of property, plant and equipment are as follows:

2015								
	Land and Land Improvements	Plant, Buildings, Condominium Units and Improvements	Leasehold Rights and Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
(In Thousands)								
Cost								
Balance at beginning of year	P666,643	P2,513,950	P13,266,463	P11,986,533	P988,901	P511,145	P1,275,237	P31,200,872
Additions	-	16,322	740,028	1,030,269	126,336	43,782	2,640,049	4,596,786
Transfers	-	-	4,704	(4,004)	84	-	(784)	-
Retirements and disposals	-	-	(467,053)	(407,990)	(55,888)	(19,738)	(6,677)	(957,346)
Reclassifications (see Note 13)	-	340,641	1,224,413	1,089,394	61,109	6,792	(2,644,460)	77,889
Translation adjustments	3,092	3,048	144,227	65,755	10,495	780	4,533	231,930
Balance at end of year	669,735	2,873,961	14,912,782	13,759,957	1,123,037	542,761	1,267,898	35,150,131
Accumulated Depreciation and Amortization								
Balance at beginning of year	7,420	1,001,352	7,773,154	8,103,470	659,396	298,513	-	17,835,305
Depreciation and amortization (see Notes 21 and 22)	108	98,857	1,610,486	1,432,084	139,774	64,411	-	3,345,648
Transfers	-	-	2,274	(2,238)	(36)	-	-	-
Retirements and disposals	-	-	(325,757)	(378,999)	(54,560)	(15,234)	-	(774,550)
Reclassifications (see Note 13)	-	57,437	(1,461)	1,577	(116)	-	-	57,437
Translation adjustments	-	314	79,497	50,640	6,138	558	-	137,147
Balance at end of year	7,528	1,157,960	9,138,113	9,206,534	750,596	340,248	-	20,600,979
Accumulated Impairment Losses								
Balance at beginning and end of year	-	-	-	2,000	-	-	-	2,000
Net Book Value	P662,207	P1,716,001	P5,774,669	P4,551,423	P372,441	P202,513	P1,267,898	P14,547,152

2014								
	Land and Land Improvements	Plant, Buildings, Condominium Units and Improvements	Leasehold Rights and Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
(In Thousands)								
Cost								
Balance at beginning of year	P666,214	P1,698,277	P12,985,033	P11,045,453	P888,507	P376,573	P548,004	P28,208,061
Additions	-	109,475	993,013	1,146,091	132,650	29,461	2,634,785	5,045,475
Transfers	-	1,097	198,923	42,376	48	-	(242,444)	-
Retirements and disposals	-	(141,190)	(814,067)	(908,748)	(91,236)	(27,295)	(33,817)	(2,016,353)
Reclassifications (see Note 13)	-	717,112	(47,826)	680,489	49,308	133,118	(1,628,397)	(96,196)
Translation adjustments	429	129,179	(48,613)	(19,128)	1,624	(712)	(2,894)	59,885
Balance at end of year	666,643	2,513,950	13,266,463	11,986,533	980,901	511,145	1,275,237	31,200,872
Accumulated Depreciation and Amortization								
Balance at beginning of year	7,313	720,755	7,197,208	7,608,975	618,496	266,673	-	16,419,420
Depreciation and amortization (see Notes 21 and 22)	107	86,354	1,522,480	1,358,648	130,898	43,664	-	3,142,151
Transfers	-	-	(150)	102	48	-	-	-
Retirements and disposals	-	(41,001)	(678,063)	(852,408)	(86,703)	(25,664)	-	(1,683,839)
Reclassifications (see Note 13)	-	212,372	(237,424)	(4,486)	(4,261)	6,161	-	(27,638)
Translation adjustments	-	22,872	(30,897)	(7,361)	918	(321)	-	(14,789)
Balance at end of year	7,420	1,001,352	7,773,154	8,103,470	659,396	290,513	-	17,835,305
Accumulated Impairment Losses								
Balance at beginning of year	-	-	-	16,200	-	-	-	16,200
Additions during the year	-	-	-	2,000	-	-	-	2,000
Reversals during the year (see Note 22)	-	-	-	(16,200)	-	-	-	(16,200)
Balance at end of year	-	-	-	2,000	-	-	-	2,000
Net Book Value	P659,223	P1,512,598	P5,493,309	P3,881,063	P321,505	P220,632	P1,275,237	P13,363,567

The cost of fully depreciated property, plant and equipment still in use amounted to P8,690.5 million and P7,405.7 million as at December 31, 2015 and 2014, respectively.

Construction in progress account mainly pertains to costs incurred for ongoing construction of properties, including soon-to-open stores.



Provision for impairment losses on property, plant and equipment amounted to ₱2.0 million in 2014 (see Note 22). No provisions for impairment losses were recognized in 2015.

In 2014 and 2013, management reassessed the recoverable amount of the Jollibee Group's office, store and food processing equipment which includes actual inspection of the Jollibee Group's existing assets, and recognized a reversal of provision amounting to ₱16.2 million and ₱13.3 million, respectively, based on fair value less cost to sell, presented under the "General and administrative expenses" account in the 2014 statement of comprehensive income (see Note 22).

The recoverable amount of the impaired office, store and food processing equipment amounted to ₱16.2 million and ₱2.0 million as at December 31, 2014 and 2013, respectively. The recoverable amount is based on fair value less cost to dispose. Management expects minimal costs to dispose the items.

Loss on disposals and retirements of property, plant and equipment and investment properties amounted to ₱136.7 million, ₱156.6 million and ₱446.2 million in 2015, 2014 and 2013, respectively.

No property, plant and equipment as at December 31, 2015 and 2014 have been pledged as security or collateral.

13. Investment Properties

The rollforward analysis of this account follows:

	2015		
	Buildings and Building Improvements		Total
	Land		
	<i>(In Thousands)</i>		
Cost			
Balance at beginning and end of year	₱983,428	₱277,840	₱1,261,268
Reclassifications (see Note 12)	—	(77,889)	(77,889)
Balance at end of year	983,428	199,951	1,183,379
Accumulated Depreciation and Amortization			
Balance at beginning of year	—	235,623	235,623
Depreciation (see Notes 21 and 22)	—	7,080	7,080
Reclassifications (see Note 12)	—	(57,437)	(57,437)
Balance at end of year	—	185,266	185,266
Net Book Value	₱983,428	₱14,685	₱998,113



	2014		
	Land	Buildings and Building Improvements	Total
	<i>(In Thousands)</i>		
Cost			
Balance at beginning of year	₱714,455	₱336,030	₱1,050,485
Additions	276,252	1,233	277,485
Retirements and disposals	(7,279)	(167,312)	(174,591)
Reclassifications (see Note 12)	—	96,196	96,196
Translation adjustments	—	11,693	11,693
Balance at end of year	983,428	277,840	1,261,268
Accumulated Depreciation and Amortization			
Balance at beginning of year	—	252,271	252,271
Depreciation (see Notes 21 and 22)	—	6,965	6,965
Retirements and disposals	—	(59,293)	(59,293)
Reclassifications (see Note 12)	—	27,638	27,638
Translation adjustments	—	8,042	8,042
Balance at end of year	—	235,623	235,623
Accumulated Impairment Losses			
Balance at beginning year	46,447	—	46,447
Reversals during the year (see Note 22)	(46,447)	—	(46,447)
Balance at end of year	—	—	—
Net Book Value	₱983,428	₱42,217	₱1,025,645

In 2014, the Jollibee Group transferred certain units of a building with carrying amount ₱68.6 million as at December 31, 2014 from property, plant and equipment to investment property due to end of owner-occupation.

During 2015, the Jollibee Group reclassified its buildings held as investment property with a carrying amount of ₱20.5 million as at December 31, 2015 to property, plant and equipment due to the change in its use to owner-occupied property.

The cost of fully depreciated buildings and building improvements still being leased out by the Jollibee Group amounted to ₱182.0 million as at December 31, 2015 and 2014, respectively.

The Jollibee Group's investment properties have an aggregate fair value of ₱1,414.3 million as at December 31, 2014 as determined by independent qualified appraisers. Management does not expect a significant change in the aggregate fair value of the Jollibee Group's investment properties in 2015. 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 new properties. Fair value hierarchy disclosures for investment properties have been provided in Note 31.

Rent income derived from income-generating properties amounted to P92.4 million, P90.6 million and P97.5 million in 2015, 2014 and 2013, respectively (see Notes 20 and 29).

Direct operating costs relating to the investment properties which include depreciation and maintenance expenses totaled to P24.8 million, P24.5 million and P23.2 million in 2015, 2014 and 2013, respectively.

In 2014, the Company reversed the allowance for impairment loss recognized in 2011 amounting to P46.4 million for its land held as investment property as a result of the increase in the fair value of the asset compared to the carrying amount had there been no impairment loss recognized. The reversal of impairment loss is presented in the statement of comprehensive income (see Note 22).

No investment properties as at December 31, 2015 and 2014 have been pledged as security or collateral for the Jollibee Group's debts.

14. Goodwill and Other Intangible Assets

This account consists of:

	2015	2014
Goodwill	P6,822,526,341	P6,822,526,341
Trademark	2,004,255,942	2,004,255,942
Computer software, net of accumulated amortization	559,241,901	536,291,694
Other intangible assets, net of accumulated amortization	26,110,015	22,036,316
	P9,412,134,199	P9,385,110,293

Goodwill and trademark

Goodwill and trademark acquired through business combinations are attributable to the following group of CGUs as at December 31, 2015 and 2014:

Goodwill:	
Hong Zhuang Yuan	P2,497,252,906
Mang Inasal	1,781,266,639
Red Ribbon Bakeshop:	
Philippine operations	737,939,101
US operations	434,651,055
Yong He King:	
Yong He King	429,016,109
Hangzhou Yonghe	106,264,544
Chowking US operations	383,855,247
San Pin Wang (see Note 11)	292,141,532
Jinja Bar & Bistro	154,894,001
Burger King	5,245,207
Total goodwill	6,822,526,341
Trademark -	
Mang Inasal	2,004,255,942
Goodwill and trademark	P8,826,782,283



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.

In 2015, the Jollibee Group conducted a reassessment of the useful life of its ERP system which resulted in a change in its expected usage. Considering the substantial amount of investment made by the Jollibee Group to implement the new application, the alternative applications currently available in the market and the Jollibee Group's historical experience with its previous ERP system, management now expects and intends to use the new ERP application for ten (10) years from commissioning date. Management has previously estimated the expected useful life of the new ERP application at five (5) years. This change will result to annual amortization expense to be lower by P58.0 million in 2015, by P64.0 million in 2016 to 2018, and by P33.0 million in 2019; and amortization expense which is higher by P58.0 million in 2020 thereafter.

The rollforward analysis of the Jollibee Group's computer software as at December 31 is as follows:

	2015	2014
Cost:		
Balance at beginning of year	P567,750,478	P267,270,178
Additions	88,426,801	300,480,300
Balance at end of year	P656,177,279	P567,750,478
Accumulated amortization:		
Balance at beginning of year	P31,458,784	P-
Amortizations (see Note 22)	65,476,594	31,458,784
Balance at end of year	P96,935,378	P31,458,784
Net book value:		
At December 31	P559,241,901	P536,291,694
At January 1	536,291,694	267,270,178

Other intangible assets

The Jollibee Group's other intangible assets include trademarks and patents amortized over its useful life of five years.

The rollforward analysis of other intangible assets as at December 31 is as follows:

	2015	2014
Cost:		
Balance at beginning of year	P36,309,205	P18,052,904
Additions	11,553,620	18,256,301
Balance at end of year	P47,862,825	P36,309,205
Accumulated amortization:		
Balance at beginning of year	P14,272,889	P8,468,517
Amortizations (see Note 22)	7,479,921	5,804,372
Balance at end of year	P21,752,810	P14,272,889
Net book value:		
At December 31	P26,110,015	P22,036,316
At January 1	22,036,316	9,584,387



Impairment Testing of Goodwill and Trademark

Goodwill acquired through business combinations have been allocated to nine (9) 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 BOD covering a five-year period. Furthermore, the trademark of Mang Inasal is allocated to the CGU of Mang Inasal.

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 Growth Rate
Hong Zhuang Yuan	PRC	11.7%	6.2%
Mang Inasal	Philippines	13.1%	6.5%
Red Ribbon Bakeshop:			
Philippine operations	Philippines	12.9%	6.5%
US operations	USA	9.7%	2.5%
Yong He King	PRC	11.4%	6.2%
Chowking US operations	USA	9.5%	2.5%
San Pin Wang	PRC	11.7%	6.2%
Jinja Bar & Bistro	USA	7.9%	2.5%
Burger King	Philippines	12.4%	6.5%

Key assumptions with respect to the calculation of value in use of the groups of CGUs as at December 31, 2015 and 2014 used by management in its cash flow projections to undertake impairment testing of goodwill are as follows:

- 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.
- 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.
- Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) margin - 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.

A rise in the pre-tax discount rate for Jinja Bar & Bistro to 12.0% (+4.0%) will result in impairment.

A reduction by 6.0% in the long-term growth rate for Jinja Bar & Bistro to -3.5% long-term growth rate decline would result to impairment.



Decreased demand can lead to a decline in the gross margin. A decrease in the gross margin of -3.5% and -2.1% from 2016 onwards would result in impairment for Jinja Bar & Bistro, respectively.

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 other groups of CGUs to exceed its recoverable amount.

No impairment losses were recognized for goodwill and trademark for the years ended December 31, 2015, 2014 and 2013.

15. Other Noncurrent Assets

This account consists of:

	2015	2014
Security and other deposits (see Notes 30 and 31)	₱1,794,988,953	₱1,522,942,799
Noncurrent portion of:		
Rent and other long-term prepayments	376,602,568	318,547,751
Employee car plan receivables (see Notes 30 and 31)	130,156,134	130,234,889
Market entry fee (see Note 11)	93,870,000	—
Returnable containers and others	68,896,728	44,299,472
Deferred compensation	13,196,517	13,236,501
Deferred rent expense	58,751,612	65,588,610
Other assets	133,211,388	44,678,639
	₱2,669,673,900	₱2,139,528,661

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 2.67%-5.50% in 2015 and 2014. 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.

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 is amortized on a straight-line basis over the credit period.

Market entry fee represents upfront fee paid to the franchisor prior to the operations of Dunkin' Donuts restaurants in the PRC for a period of twenty (20) years (see Note 11).

Other assets include tools for repairs and maintenance of office and store equipment which were still unused as at December 31, 2015 and 2014.

Accretion of interest on security and other deposits and employee car plan receivables amounted to ₱19.8 million, ₱25.2 million and ₱18.9 million in 2015, 2014 and 2013, respectively (see Note 23).



16. Trade Payables and Other Current Liabilities

This account consists of:

	2015	2014
Trade	₱9,433,766,730	₱6,575,866,203
Accruals for:		
Salaries, wages and employee benefits	1,577,551,002	1,356,033,704
Local and other taxes	1,297,183,541	2,129,608,286
Store operations	1,062,570,902	1,017,989,839
Advertising and promotions	934,634,342	1,022,030,971
Rent	856,335,222	727,097,312
Professional fees	379,863,402	152,476,539
Utilities	351,679,763	326,583,023
Freight	335,996,262	270,636,918
Repairs and maintenance	255,114,294	219,646,777
Operating supplies	252,667,293	232,297,364
Corporate events	212,493,276	154,244,861
Security	105,173,678	86,808,033
Communication	78,288,924	63,206,594
Trainings and seminars	64,129,887	51,502,121
Transportation and travel	39,609,756	30,354,737
Interest (see Note 18)	36,766,361	19,763,966
Insurance	18,174,378	15,274,095
Service fees and others	811,325,174	667,413,426
Customers' deposits	764,790,680	731,790,996
Unearned revenue from gift certificates	108,845,361	67,634,181
Dividends payable	43,544,875	56,350,870
Other current liabilities	506,540,761	321,054,358
	₱19,527,045,864	₱16,295,665,174

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.

Customers' deposits pertain to security deposits from operating leases with franchisees and subsidiaries, which are refundable at the end of the lease term.

Other current liabilities consist of stale checks, amounts payable for mascots and various subscriptions in newspapers given to customers as a complementary to their meals.

Accretion of interest on financial liabilities amounted to ₱19.9 million, ₱18.1 million and ₱19.1 million in 2015, 2014 and 2013, respectively (see Note 23).



17. Provisions

The Jollibee Group has outstanding provisions amounting to ₱30.5 million as at December 31, 2015 and 2014, consisting mainly of provisions for asserted claims.

These include estimates of legal services, settlement amounts and other costs of claims made against the Jollibee Group. Other information on the claims are not disclosed as this may prejudice the Jollibee Group's position on such claims.

18. Short and Long-term Debts

Short-term Debt

Short-term debt consists of unsecured bank loans as follows:

	2015	2014
USD-denominated -		
Loan 1	₱282,360,000	₱—
PHP-denominated:		
Loan 2	—	550,000,000
Loan 3	—	815,000,000
Loan 4	—	500,000,000
	₱282,360,000	₱1,865,000,000

USD-denominated:

Loan 1. On February 12, 2015, JWPL availed a short-term loan amounting to USD6.0 million (₱268.2 million) with an interest rate of 1.5%, subject to monthly repricing. The principal is payable on February 5, 2016. The loan was paid on its due date.

PHP-denominated:

Loans of the Parent Company. Loan 2 consists of a short-term loan amounting to ₱550.0 million availed on October 31, 2014 with an interest rate of 1.9% payable on January 30, 2015. The principal amount was paid in full on maturity date.

Loan 3 consists of a short-term loan amounting to ₱815.0 million availed on December 12, 2014 with an interest rate of 1.8% payable on January 12, 2015. The principal amount was paid in full on maturity date.

Loan 4 consists of a short-term loan amounting to ₱500.0 million availed on December 23, 2014 with an interest rate of 1.8% payable on January 30, 2015. The principal amount was paid in full on maturity date.



The Parent Company, Zenith and Mang Inasal also availed various short-term loans during the year. Details of the short-term debts availed and fully paid at maturity follow:

Borrower	Date Availed	Maturity Date	Interest Rate	Principal Amount
<i>Parent Company</i>	January 14, 2015	February 27, 2015	1.9%	₱815,000,000
	January 30, 2015	February 27, 2015	2.1%	1,050,000,000
	February 12, 2015	June 30, 2015	2.5%	681,000,000
	February 27, 2015	August 27, 2015	2.4%	1,865,000,000
	August 27, 2015	September 28, 2015	2.5%	1,365,000,000
	September 28, 2015	November 11, 2015	2.5%	865,000,000
<i>Zenith</i>	March 20, 2015	September 18, 2015	2.5%	200,000,000
	March 27, 2015	September 25, 2015	2.5%	170,000,000
<i>Mang Inasal</i>	February 27, 2015	June 30, 2015	2.4%	315,000,000

The agreements for the short-term debts above did not provide any restrictions or requirements with respect to maintenance of required financial ratios.

Interest expense recognized on short-term debt amounted to ₱52.4 million and ₱3.2 million in 2015 and 2014, respectively (see Note 23). The Jollibee Group did not avail of short-term loans in 2013.

Long-term Debt

The long-term debt consists of the following:

	2015	2014
Principal	₱9,726,068,000	₱5,153,136,000
Unamortized debt issue cost	(7,439,394)	(9,603,030)
	₱9,718,628,606	₱5,143,532,970

The details of long-term debt follow:

	2015	2014
USD-denominated:		
Loan 1	₱5,176,600,000	₱—
Loan 2	1,058,850,000	1,453,400,000
Loan 3	564,720,000	804,960,000
Loan 4	188,240,000	178,880,000
Loan 5	277,654,000	263,848,000
PHP-denominated:		
Loan 6	1,495,227,273	1,493,863,636
Loan 7	797,333,333	796,533,334
Loan 8	160,004,000	152,048,000
	9,718,628,606	5,143,532,970
Less current portion - net of debt issue costs of ₱47,727 in 2015	927,916,273	715,520,000
	₱8,790,712,333	₱4,428,012,970

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%. As at December 31, 2015, the carrying value of the loan amounted to ₱5,176.6 million.



Under the loan agreement, 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.

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 1.00%. The principal is payable in 16 quarterly installments commencing on May 26, 2014 up to February 26, 2018, the maturity date. As at December 31, 2015 and 2014, the carrying value of the loan amounted to ₱1,058.9 million and ₱1,453.4 million, respectively.

Loan 3 consists of a 4-year unsecured loan acquired on October 25, 2013 amounting to USD18.0 million (₱777.8 million) with an interest rate based on three-month USD LIBOR plus spread of 1.00% subject to interest repricing every quarter. The principal is payable in 12 quarterly installment commencing on January 25, 2015 up to October 25, 2017, the date of maturity. As at December 31, 2015 and 2014, the carrying value of the loan amounted to ₱564.7 million and ₱805.0 million, respectively.

The loan agreements above (Loans 2-3) provide certain restrictions and requirements with respect to maintaining financial ratios, which include Debt-to-Equity ratio which is not to exceed 1.5 and below and Debt Service Coverage ratio of at least 2.0. As at December 31, 2015 and 2014, JWPL is in compliance with the terms of its loan covenants.

USD-denominated loans of HBFPPPL. Loan 4 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 1.00% basis points subject to repricing every quarter. The principal is payable on May 7, 2018, the maturity date. As at December 31, 2015 and 2014, the carrying value of the loan amounted to ₱188.2 million and ₱178.9 million, respectively.

Loan 5 consists of a 5-year unsecured loan acquired on April 25, 2014 amounting to USD5.9 million (or ₱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, 2015 and 2014, the carrying value of the loan amounted to ₱277.7 million and ₱263.8 million, respectively.

The loan agreements above (Loans 4-5) provide 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, 2015 and 2014, the HBFPPPL is in compliance with the terms of its loan covenants.

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 6). 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 Parent Company incurred debt issue costs of ₱7.5 million, representing documentary stamp tax, in relation to this loan in 2013.



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, 2015 and 2014.

Loan 7 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 1.00%, and to an interest rate floor based on the BSP Special Deposit Account Rate plus spread of 1.00% 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.

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 and below and Debt Service Coverage ratio of at least 3.0 and 1.3, respectively. The Parent Company is in compliance with these debt covenants as at December 31, 2015 and 2014.

The Parent Company's PHP denominated long-term debt (Loans 6 and 7) amounts to ₱2,292.6 million and ₱2,290.4 million, net of unamortized debt issue cost of ₱7.4 million and ₱9.6 million as of December 31, 2015 and 2014, respectively. The current portion is payable in 2016 amounting to ₱15.0 million, net of debt issue costs of ₱0.05 million as of December 31, 2015.

PHP-denominated loan of PERF Restaurants, Inc. (PERF). Loan 8 is a 5-year unsecured USD3.4 million (or ₱149.2 million) bearing fixed interest rate of 5.32% per annum. The principal is payable on December 20, 2016.

The loan contains certain restrictive covenants and requirements with respect to the following:

- (a) Maintenance of the following ratios for the duration of the loan agreements: (1) minimum debt service coverage of 1.5:1; and (2) maximum debt to (EBITDA) of 4:1.
- (b) Restrictions on changes in ownership structure; incurrence of any additional loans with term of more than one year; repayment of intercompany borrowings from the Parent Company except those agreed upon signing of this Facility Agreement; investing or entering into any business substantially different from the business in which PERF is presently engaged; and enter into merger or consolidation, except where PERF is the surviving corporation, and the Parent Company remains as the majority beneficial owner of the surviving corporation.

As at December 31, 2015, PERF ratios of debt service coverage cost and debt to EBITDA is 0.43:1 and 2.43:1, respectively. The loan is part of the current portion of the long-term debt.

Interest expense recognized on long-term debt including amortization of debt issue cost, amounted to ₱153.2 million, ₱131.2 million and ₱133.8 million in 2015, 2014 and 2013, respectively (see Note 23).

The future expected principal settlements of the Jollibee Group's loans follow:

2016	₱927,964,000
2017	767,960,000
2018	320,890,000
2019 to 2025	7,709,254,000
	9,726,068,000
Less debt issue costs	(7,439,394)
	₱9,718,628,606



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 contract 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, 2015 and 2014.

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 a P34.9 million liability, which was presented as a derivative liability in the 2015 statement 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. An unrealized loss of P34.9 million was recognized in under other comprehensive income in 2015.

In 2012, Loan 7 was converted 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 P149.2 million and paid USD notional amount of USD3.4 million based on the PHP/USD spot reference rate of P43.87. At every interest payment date, PERF will receive variable interest based on 3-month US Dollar LIBOR plus spread and will pay fix interest rate. At maturity date, PERF will receive USD notional amount of USD3.4 million and pay PHP notional amount of P149.2 million. The USD receipts from the cross-currency swap correspond to the expected interest fixed principal amount due on the hedged loan. Similar to the hedged loan, the cross-currency swap is non-amortizing and will mature on December 21, 2016.

Effectively, the cross-currency swap transformed the floating rate USD loan into a fixed rate PHP loan.

The fair value of the cross-currency swap resulted to a derivative asset amounting to P9.9 million in 2015, and a derivative liability amounting to P1.5 million in 2014.

Since the critical terms of the hedged loan and cross-currency swap matched, the hedge was assessed to be highly effective. As such, there was no ineffectiveness recognized in the profit or loss for the years ended December 31, 2015, 2014 and 2013.



The movements in fair value of cash flow hedges relative to the cross-currency swap presented in equity under other comprehensive loss in 2015 and 2014 follow:

	2015	2014
Balance at beginning of year	P4,435,473	P6,317,600
Changes in fair value of the cash flow hedge	(13,351,855)	(4,998,710)
Transfer to profit or loss	9,894,141	3,116,583
Net movement on cash flow hedge	(3,457,714)	(1,882,127)
Balance at end of year	977,759	4,435,473
Non-controlling interests' share	(449,770)	(2,040,318)
	P527,989	P2,395,155

The foreign exchange revaluation of the hedged loan, amounting to P9.9 million and P3.1 million, was recognized in other comprehensive loss on derivative liability in 2015 and 2014, respectively.

19. Equity

a. Capital Stock

The movements in the number of shares are as follows:

	2015	2014
Authorized - P1 par value	P1,450,000,000	P1,450,000,000
Issued and subscribed:		
Balance at beginning of the year	P1,081,040,314	P1,068,608,675
Issuances during the year	5,109,096	12,431,639
Balance at end of year	1,086,149,410	1,081,040,314
Subscription receivable	(17,177,884)	(17,177,884)
	P1,068,971,526	P1,063,862,430

The total number of shareholders of the Parent Company is 3,118 and 3,173 as at December 31, 2015 and 2014, respectively.

b. Additional Paid-in-Capital

The movements in the Additional paid in capital pertain to the difference between the exercised prices of stock options exercised and the par value of Parent Company's shares. In 2015, 2014 and 2013, stock options totaling 5,109,096 shares, 12,431,639 shares and 4,749,116 shares, respectively, were exercised (see Note 26). These resulted to an additional paid in capital amounted to P429.9 million, P645.0 million and P206.2 million in 2015, 2014 and 2013, respectively.

Stock options expense, amounting to P173.2 million, P166.5 million and P150.4 million in 2015, 2014 and 2013 were also recognized as part of additional paid in capital (see Notes 22 and 26).

As at December 31, 2015 and 2014, total additional paid in capital amounted to P5,055.3 million and P4,452.2 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, 2015 and 2014.

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, 2015 and 2014, 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:

20% of Greenwich in 2006	₱168,257,659
15% of Belmont in 2007	375,720,914
40% of Adgraphix in 2010	(1,214,087)
	<u>₱542,764,486</u>

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 38.3%, 32.3% and 75.5% in 2015, 2014 and 2013, 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 ₱11,409.3 million and ₱9,423.8 million as at December 31, 2015 and 2014, respectively.

The Parent Company's cash dividend declarations for 2015, 2014 and 2013 follow:

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
2015				
April 7	May 7	May 29	₱0.80	₱851,349,864
November 9	November 25	December 9	0.97	1,035,509,750
				<u>₱1,886,859,614</u>
2014				
April 7	May 8	May 30	₱0.75	₱788,176,867
November 12	November 27	December 18	0.89	945,305,674
				<u>₱1,733,482,541</u>
2013				
April 11	May 7	May 30	₱0.65	₱680,017,923
August 6	September 19	October 14	2.00	2,099,932,206
November 12	November 29	December 16	0.71	745,597,226
				<u>₱3,525,547,355</u>

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 (P413.7 million), 100% of Hong Zhuang Yuan restaurant chain in PRC in 2008 (P2,600.0 million), 70% of Mang Inasal in 2010 (P2,976.2 million), 100% of Chowking US operations in 2011 (P693.3 million), 55% of San Pin Wang in 2012 (P195.9 million plus a contingent consideration), 48% of WJ Investments Limited (P98.0 million) in 2012 and 40% of SJBFL LLC, the parent company of the entities comprising the Smashburger business (P4,812.8 million), including transaction costs, in 2015.

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.

In support of the Jollibee Group's strategy, the BOD approved an additional appropriation of P5,200.0 million, P3,800.0 million and P1,200.0 million on April 11, 2013, February 15, 2012 and in 2009, respectively, for future acquisitions and capital expenditures. Details of the appropriated retained earnings as at December 31, 2015 and 2014 follow:

Projects	Timeline	Amount
Acquisition of Businesses	2013 - 2018	P7,600,000,000
Capital Expenditures	2013 - 2018	2,600,000,000
		P10,200,000,000

The unappropriated retained earnings of the Parent Company is also restricted to the extent of cost of common stock held in treasury amounting to P180.5 million in both years as well as the undistributed retained earnings of its subsidiaries which amounted to P2,718.1million and P2,841.3 million as at December 31, 2015 and 2014, 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	Issue/offer price	Date of approval	2015	2014
				Number of holders of securities as of December 31	Number of holders of securities as of December 31
Common shares	75,000,000	P9	June 21, 1993	3,118	3,173

20. Royalty, Franchise Fees and Others

This account consists of:

	2015	2014	2013
Royalty fees	P4,329,041,212	P3,914,101,302	P3,470,663,663
Franchise fees	189,082,523	152,531,503	104,671,216
Rent income (see Note 29)	92,423,615	90,642,833	97,500,225
Service fees	65,727,123	78,544,132	86,040,358
Scrap sales	146,660,284	101,579,151	89,323,594
Other revenues	146,094,210	124,061,569	121,080,558
	P4,969,028,967	P4,461,460,490	P3,969,279,614

The Jollibee Group has existing Royalty and Franchise 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" and "Hong Zhuang Yuan" concepts and trade names. In consideration thereof, the franchisees agree to pay franchise fees and monthly royalty fees equivalent to a certain percentage of the franchisees' net sales.



Other revenues pertain to delivery fees and other miscellaneous revenues earned by the Jollibee Group.

21. Cost of Sales

This account consists of:

	2015	2014	2013
Cost of inventories	P49,202,289,886	P43,228,221,857	P38,227,726,820
Personnel costs:			
Salaries, wages and other employee benefits	9,870,706,295	9,205,954,169	8,416,655,196
Pension expense (see Note 25)	153,311,191	119,911,904	102,196,339
Rent (see Note 29)	7,450,951,945	6,671,204,628	5,962,800,559
Electricity and other utilities	3,808,056,122	3,767,659,068	3,443,712,321
Contracted services and professional fees	3,219,562,920	2,445,048,396	1,733,982,204
Depreciation and amortization (see Notes 12 and 13)	3,084,155,170	2,859,700,438	2,811,677,195
Supplies	1,887,539,611	2,149,191,146	1,809,763,316
Repairs and maintenance	1,107,658,833	943,277,853	809,564,647
Security and janitorial	502,856,479	382,980,808	325,281,623
Communication	160,536,728	151,658,421	135,038,254
Entertainment, amusement and recreation	33,039,290	27,276,536	26,748,242
Others	2,411,036,785	1,775,706,917	1,479,616,348
	P82,891,701,255	P73,727,792,141	P65,284,763,064

22. General and Administrative Expenses

This account consists of:

	2015	2014	2013
Personnel costs:			
Salaries, wages and other employee benefits	P4,837,802,315	P4,675,596,092	P3,731,010,808
Stock options expense (see Note 26)	173,211,693	166,490,888	150,418,741
Pension expense (see Note 25)	159,324,553	125,671,823	104,094,429
Taxes and licenses	1,143,765,493	970,757,479	885,250,840
Contracted services	544,278,767	295,691,791	73,413,676
Transportation and travel	438,990,277	393,123,071	339,949,959
Professional fees	418,556,086	356,335,140	290,661,328
Rent (see Note 29)	390,934,123	401,539,745	324,481,811
Depreciation and amortization (see Notes 12, 13 and 14)	341,521,752	326,679,292	260,778,625
Provisions for impairment losses on:			
Receivables (see Note 7)	325,907,626	36,301,470	34,007,984
Inventories (see Note 8)	11,048,562	11,066,386	9,367,464
Property, plant and equipment (see Note 12)	—	2,000,000	—
Corporate events	163,136,175	167,816,029	102,935,319

(Forward)



	2015	2014	2013
Loss on retirement of assets	₱136,746,521	₱156,615,427	₱446,158,983
Repairs and maintenance	136,227,644	105,738,442	88,207,428
Communication	113,654,250	97,197,031	80,101,891
Donations	105,831,264	88,575,310	92,513,001
Training	101,565,353	47,586,227	59,429,198
Supplies	74,256,546	53,892,109	52,966,197
Entertainment, amusement and recreation	64,584,834	80,269,589	105,201,772
Electricity and other utilities	56,807,247	64,955,121	51,858,492
Association dues	52,509,182	30,468,480	24,571,302
Security and janitorial	19,605,607	14,613,774	18,596,895
Insurance	16,146,870	14,678,441	12,275,733
Reversals of provision for impairment losses on:			
Receivables (see Note 7)	(4,605,656)	(868,308)	—
Inventories (see Note 8)	(12,047,290)	(8,489,305)	—
Property, plant and equipment (see Note 12)	—	(16,200,000)	(13,300,000)
Investment properties (see Note 13)	—	(46,447,298)	—
Others	478,282,947	342,057,049	102,935,320
	₱10,288,042,741	₱8,953,711,295	₱7,427,887,196

23. Interest Income (Expense) and Other Income (Expense)

	2015	2014	2013
Interest income:			
Cash and cash equivalents and short-term investments (see Note 6)	₱118,031,881	₱111,812,888	₱145,624,891
Accretion of interest on security and other deposits and employee car plan receivables (see Note 15)	19,774,432	25,238,222	18,909,301
Loans and advances* (see Note 11)	119,977,272	104,994,231	81,039,616
	₱257,783,585	₱242,045,341	₱245,573,808

*Including interest income from other subsidiaries other than those mentioned in Note 11.

	2015	2014	2013
Interest expense:			
Long-term debt (see Note 18)	(₱153,205,938)	(₱131,178,351)	(₱133,771,329)
Short-term debt (see Note 18)	(52,444,070)	(3,155,167)	—
Accretion of interest on the liability and remeasurement of contingent consideration from acquisition of businesses and accretion of customers' deposits (see Notes 11 and 16)	(19,894,311)	(18,137,735)	(19,148,699)
	(₱225,544,319)	(₱152,471,253)	(₱152,920,028)

(Forward)



	2015	2014	2013
Other income (expense):			
Write-off of other liabilities and excess accruals	₱905,088,473	₱357,935,555	₱97,044,819
Rebates and suppliers' incentives	228,960,676	258,778,135	122,379,003
Penalties and charges	45,335,593	27,448,182	17,438,114
Foreign exchange gain (loss) - net	36,823,347	(1,143,310)	46,628,738
Charges to franchisees	18,264,553	13,826,878	24,360,500
Other rentals	13,821,195	13,607,060	6,820,323
Pre-termination of operating leases	3,460,645	25,797,871	13,058,342
Bank charges, insurance claims and others - net	(14,996,902)	(36,946,445)	9,595,192
	₱1,236,757,580	₱659,303,926	₱337,325,031

24. Income Taxes

The Jollibee Group's provision for current income tax consists of the following:

	2015	2014	2013
Final tax withheld on:			
Royalty and franchise fee income	₱965,199,097	₱868,377,737	₱755,140,320
Interest income	10,891,198	12,837,513	40,615,554
RCIT:			
With itemized deduction	552,757,433	467,843,856	414,800,104
With optional standard deduction	229,911,748	207,318,757	175,871,530
MCIT	167,318,508	138,390,687	135,539,174
	₱1,926,077,984	₱1,694,768,550	₱1,521,966,682

For the years ended December 31, 2015, 2014 and 2013, Zenith, Grandworth and RRBHI, wholly-owned subsidiaries, elected to use OSD in computing for their taxable income. The total tax benefits from the availment of OSD amounted to ₱40.4 million, ₱67.0 million and ₱60.0 million in 2015, 2014 and 2013, respectively.

The components of the Jollibee Group's recognized net deferred tax assets follow:

	2015	2014
Deferred tax assets:		
NOLCO:		
Philippine-based entities	₱596,843,454	₱128,403,747
PRC-based entities	185,766,984	158,529,557
Operating lease payables	434,947,435	223,282,139
Pension liability and other benefits	420,940,255	143,289,648
Excess of MCIT over RCIT	318,340,224	29,318,298
Accumulated impairment loss in value of receivables, property, plant and equipment, investment properties, and other nonfinancial assets	164,750,267	46,917,454

(Forward)



	2015	2014
Unrealized foreign exchange loss	₱106,324,834	₱87,101
Unamortized past service costs	25,459,340	22,234,208
Unaccreted discount on security deposits and employee car plan receivables	13,849,282	7,709,222
Others	7,966,614	7,776,928
Total	2,275,188,689	767,548,302
Deferred tax liabilities:		
Excess of fair value over book value of identifiable assets of acquired businesses	682,326,007	—
Unrealized foreign exchange gain	118,662,126	225,174
Prepaid rent	42,854,387	—
Unaccreted discount on employee car plan receivable, security and product security deposit	11,139,822	5,989,024
Deferred rent expense	10,645,399	1,954,470
Operating lease receivables	1,072,412	2,304,308
Others	—	5,110,008
	866,700,153	15,582,984
Deferred tax assets - net	₱1,408,488,536	₱751,965,318

The components of the Jollibee Group's recognized net deferred tax liabilities in 2014 follow:

	2014
Deferred tax assets:	
NOLCO - Philippine-based	₱258,019,288
Operating lease payables	188,905,938
Excess of MCIT over RCIT	131,039,374
Pension liability and other benefits	101,993,678
Unrealized foreign exchange loss	39,909,725
Unamortized past service costs	11,158,566
Accumulated impairment loss in value of property, plant and equipment, investment properties, and other nonfinancial assets	9,798,861
Unaccreted discount on security deposits and employee car plan receivables	9,633,569
Provisions for legal claims	9,150,192
Allowance for impairment loss on receivables	7,849,611
Others	2,310
	767,461,112
Deferred tax liabilities:	
Excess of fair value over book value of identifiable assets of acquired businesses	692,125,788
Unrealized foreign exchange gain	39,156,609
Prepaid rent	34,082,168
Deferred rent expense	9,531,966
Others	3,942,509
	778,839,040
Deferred tax liabilities - net	₱11,377,928

As at December 31, 2015, the Parent Company and all its subsidiaries are in the net deferred tax asset position resulting to a nil net deferred tax liability.



The rollforward analysis of the net deferred tax assets and liabilities follows:

	2015	2014
Balance at beginning of year	₱740,587,390	₱438,039,742
Additions	537,470,070	424,239,011
Income tax effect of other remeasurements of net defined benefit plan	104,824,523	(106,374,133)
Translation adjustments	25,606,553	(15,317,230)
	₱1,408,488,536	₱740,587,390

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:

	2015	2014
Deferred tax assets:		
Pension liability	₱9,696,538	₱11,271,916
Operating lease payables	9,562,295	12,037,179
Allowance for impairment losses on receivables	6,009,062	3,963,705
Unamortized past service cost	383,003	505,008
Unaccreted discount on financial instruments	279,918	261,468
Others	26,316	118,378
	25,957,132	28,157,654
Deferred tax liabilities:		
Operating lease receivables	4,772,417	6,518,762
Deferred rent expense	82,338	133,167
Others	200,959	249,331
	5,055,714	6,901,260
	₱20,901,418	₱21,256,394



As at December 31, 2015, 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	Carry Forward Benefit up to	NOLCO	Excess of MCIT over RCIT
2015	December 31, 2018	₱1,042,330,392	₱167,318,506
2014	December 31, 2017	1,269,523,632	138,387,628
2013	December 31, 2016	79,089,765	12,634,090
		₱2,390,943,789	₱318,340,224

The PRC enterprise income tax law provides that income tax rates are unified at 25%. As at December 31, 2015, NOLCO of the PRC-based entities that can be claimed as deductions from taxable income are as follows:

Year Incurred	Carry Forward Benefit Up to	Tax Losses	Deferred Tax at 25%
2015	December 31, 2020	₱234,392,612	₱58,598,153
2014	December 31, 2019	157,497,816	39,374,454
2013	December 31, 2018	145,788,888	36,447,222
2012	December 31, 2017	133,737,020	33,434,255
2011	December 31, 2016	71,651,599	17,912,900
		₱743,067,935	₱185,766,984

The following are the movements in deferred tax assets on NOLCO:

	2015	2014	2013
Balance at beginning of year	₱544,952,592	₱310,601,984	₱319,518,742
Additions	365,752,990	268,941,247	82,759,673
Utilized during the year	(126,173,592)	(25,648,675)	(20,017,365)
Write-offs and expirations	(4,221,281)	(8,363,448)	(85,576,892)
Translation adjustments	2,299,729	(578,516)	13,917,826
	₱782,610,438	₱544,952,592	₱310,601,984

The following are the movements in deferred tax assets on Excess of MCIT over RCIT:

	2015	2014	2013
Balance at beginning of year	₱160,357,672	₱22,820,958	₱12,127,543
Additions	167,318,506	137,536,714	16,383,798
Utilized during the year	—	—	(1,874,880)
Write-offs and expirations	(9,335,954)	—	(3,815,503)
Translation adjustments	—	—	—
	₱318,340,224	₱160,357,672	₱22,820,958



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:

	2015	2014	2013
Provision for income tax at various statutory income tax rates	P1,925,372,345	P2,027,841,314	P1,873,654,379
Income tax effects of:			
Effect of different tax rate for royalty and franchise fees and interest income	(485,654,945)	(437,765,322)	(395,069,768)
Intrinsic value of stock options exercised	(109,091,659)	(368,250,335)	(109,909,193)
Nondeductible expenses	60,270,557	52,200,315	52,598,260
Difference between OSD and itemized deductions	(40,391,546)	(66,824,198)	(54,787,415)
Expired/written off NOLCO and excess of MCIT over RCIT	13,557,235	8,363,448	89,392,395
Net movement in unrecognized DTA	6,882,429	(1,598,671)	7,401,902
Others	17,663,498	56,562,988	59,427,511
	P1,388,607,914	P1,270,529,539	P1,522,708,071

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 by the Jollibee Group in writing, the Jollibee Group directs 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 government securities and bonds, term loans, short-term fixed income securities and other loans and investments.

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 2015 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2015	₱2,329,211,722	₱1,496,821,472	₱832,390,250
Pension expense (see Notes 21 and 22):			
Current service cost	244,819,845	—	244,819,845
Net interest	136,917,250	69,101,351	67,815,899
	381,737,095	69,101,351	312,635,744
Benefits paid	(85,855,905)	(85,855,905)	—
Remeasurements in other comprehensive income:			
Return on plan assets (excluding amount included in net interest)	—	(47,445,163)	47,445,163
Actuarial changes arising from changes in financial assumptions	(367,215,450)	—	(367,215,450)
Actuarial changes due to experience adjustment	741,274,687	—	741,274,687
	374,059,237	(47,445,163)	421,504,400
Contributions	—	100,000,000	(100,000,000)
At December 31, 2015	₱2,999,152,149	₱1,532,621,755	₱1,466,530,394

Changes in pension liability of the Jollibee Group in 2014 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2014	₱2,405,920,441	₱1,473,079,332	₱932,841,109
Pension expense (see Notes 21 and 22):			
Current service cost	195,996,581	—	195,996,581
Net interest	125,947,807	76,360,661	49,587,146
	321,944,388	76,360,661	245,583,727
Benefits paid	(144,682,477)	(144,682,477)	—
Remeasurements in other comprehensive income:			
Return on plan assets (excluding amount included in net interest)	—	104,557,655	(104,557,655)
Actuarial changes arising from changes in financial assumptions	224,517,003	—	224,517,003
Actuarial changes due to experience adjustment	(478,487,633)	—	(478,487,633)
	(253,970,630)	104,557,655	(358,528,285)
Contributions	—	58,300,000	(58,300,000)
Other adjustments	—	(70,793,699)	70,793,699
At December 31, 2014	₱2,329,211,722	₱1,496,821,472	₱832,390,250



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:

	2015	2014
Cash and cash equivalents	₱202,421,524	₱122,140,365
Investments in government and corporate debt securities	1,097,109,433	1,116,827,875
Investments in quoted equity securities		
Holding firms	125,772,547	95,898,420
Food, beverage and tobacco	58,378,590	64,476,681
Property	55,849,704	65,193,429
Banks	37,093,701	43,416,176
Electricity, energy, power and water	19,903,050	29,694,338
Telecommunications	17,092,000	24,632,600
Others	13,941,890	26,584,565
Interest and dividends receivable	16,367,289	15,445,663
Fund liabilities	(111,307,973)	(107,488,640)
	₱1,532,621,755	₱1,496,821,472

The plan assets consist of the following:

- Investments in government securities which consist of retail treasury bonds that bear interest ranging from 2.35%-8.13% and have maturities from February 2015 to August 2037 and fixed-rate treasury notes that bear interest ranging from 2.88%-11.70% and have maturities from September 2016 to October 2037.
- 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).
- Investments in debt securities consist of long-term corporate bonds in the power sector, which bear interest ranging from 6.30%-7.75% maturing from April 2017 to April 2037.
- 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 are 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, 2015	December 31, 2014	January 1, 2014
Discount rate	5.00% - 5.10%	4.60% - 4.70%	5.00% - 6.00%
Salary increase rate	6.00%	7.00%	6.50% - 7.11%



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 of the end of the reporting period, assuming all other assumptions were held constant:

	December 31, 2015	
	Increase (Decrease)	Philippine Plan
Discount rates	+0.50 % -0.50 %	(P144,519,317) 156,998,632
Future salary increases	+0.50 % -0.50 %	P154,737,578 (143,898,307)
	December 31, 2014	
	Increase (Decrease)	Philippine Plan
Discount rates	+0.50 % -0.50 %	(P757,777,465) 1,029,419,507
Future salary increases	+0.50 % -0.50 %	P1,015,034,231 (778,272,017)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2015:

Less than 1 year	P424,284,936
More than 1 year to 5 years	904,330,471
More than 5 years to 10 years	1,687,578,041
More than 10 years to 15 years	2,066,460,644
More than 15 years to 20 years	2,136,735,329
More than 20 years	6,678,572,246

The Jollibee Group 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 banks, in compliance with the Bangko Sentral ng Pilipinas requirements. Nevertheless, the Jollibee Group ensures 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 plan assets are primarily exposed to financial risks such as liquidity risk and price risk. Liquidity risk pertains to the plan's ability to meet its 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 Jollibee Group expects to contribute P424.3 million to the defined benefit pension plans in 2016.

The average duration of the defined benefit obligation is 10 years as at December 31, 2015 and 2014.



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.

The contributions made to the scheme and recognized as part of other employee benefits amounted to ₱354.4 million in 2014.

26. Stock Option Plans

Senior Management Stock Option and Incentive Plan

On December 17, 2002, the SEC approved the exemption requested by the Jollibee Group on the registration requirements of the 101,500,000 options 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.

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.

For instance, on July 1, 2004, the Compensation Committee of the Jollibee Group granted 2,385,000 options under the 1st MSOP cycle to eligible participants. 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. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005 and expired on June 30, 2012. From July 1, 2005 to 2015, the Compensation Committee granted series of MSOP grants under the 2nd to 12th MSOP cycle to eligible participants.

On August 25, 2015, the Compensation Committee granted 3,142,600 options under the 12th MSOP cycle to eligible participants. These options are similar to the 1st MSOP cycle. The 2nd, 3rd and 4th MSOP cycles expired on June 30, 2013, 2014 and 2015, respectively.



The movements in the number of stock options outstanding and related weighted average exercise prices (WAEP) are as follows:

	2015		2014		2013	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options granted as at end of year	40,120,794	P82.22	36,863,194	P73.58	33,404,194	P62.69
Outstanding at beginning of year	13,609,275	P117.51	16,915,937	P83.77	16,788,056	P63.90
Options granted during the year	3,257,600	179.99	3,459,000	178.66	3,595,500	142.51
Options exercised during the year	(1,380,628)	100.42	(6,765,662)	63.57	(3,373,561)	46.34
Options forfeited during the year	(617,810)	104.73	-	-	(94,058)	74.45
Outstanding at end of year	14,868,437	P133.32	13,609,275	P117.51	16,915,937	P83.77
Exercisable at end of year	8,262,670	P100.95	6,865,265	P79.42	10,216,427	P57.83

The weighted average share price of the Parent Company common shares is P206.05, P181.34 and P143.27 in 2015, 2014 and 2013, respectively. The weighted average remaining contractual life for the stock options outstanding as of December 31, 2015, 2014 and 2013 is 5.19 years, 5.83 years and 4.83 years, respectively.

The weighted average fair value of stock options granted in 2015, 2014 and 2013 is P26.13, P32.39 and P30.55, 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
1 st	2004	1.72%	36.91%	6.20%	5-7 years	P24.00	P20.00
2 nd	2005	1.72%	36.91%	6.20%	5-7 years	29.00	27.50
3 rd	2006	1.72%	36.91%	6.20%	5-7 years	35.00	32.32
4 th	2007	1.70%	28.06%	6.41%	3-4 years	52.50	50.77
5 th	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
6 th	2009	2.00%	30.37%	5.28%	3-4 years	48.00	45.45
7 th	2010	2.00%	29.72%	5.25%	3-4 years	70.00	57.77
8 th	2011	2.00%	34.53%	4.18%	3-4 years	89.90	89.90
9 th	2012	2.00%	28.72%	3.50%	3-4 years	107.90	107.90
10 th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00
11 th	2014	2.00%	24.87%	2.64%	3-4 years	179.80	179.80
12 th	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.

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 minimum 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 upcoming 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 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 of the date of entitlement.

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. 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 were achieved. One-third of the options granted, or 7,583,333 options, vested and may be exercised starting July 1, 2007 and expired on June 30, 2012. On July 1, 2008, October 19, 2012 and August 25, 2015, entitlement to 20,399,999, 24,350,000 and 11,470,000 options were given to eligible participants under the 2nd, 3rd and 4th ELTIP cycles, 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, 2015, 2014 and 2013 follow:

	2015		2014		2013	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options given as at end of year	78,969,999	P74.58	67,499,999	P56.66	67,499,999	P56.66
Outstanding at beginning of year	31,270,560	P90.06	37,186,110	P82.51	37,811,665	P80.51
Options granted during the year	11,470,000	180.00	—	—	750,000	105.00
Options exercised during the year	(3,728,468)	79.46	(5,665,977)	39.85	(1,375,555)	39.85
Options forfeited during the year	(667,093)	105.00	(249,573)	105.00	—	—
Outstanding at end of year	38,344,999	P117.74	31,270,560	P90.06	37,186,110	P82.51
Exercisable at end of year	10,808,048	P70.59	7,170,133	P39.85	12,836,110	P39.85

The weighted average remaining contractual life for the stock options outstanding as of 2015, 2014 and 2013 is 4.85 years, 4.85 years and 5.30 years, respectively.

The fair value of stock options granted is P26.13 in 2015 and P22.96 in 2014. 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 stock options granted under the 2nd, 3rd and 4th ELTIP cycles will expire on April 30, 2017, 2020 and 2023, respectively.



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
1 st	2004	1.72%	36.91%	6.20%	5 years	P24.00	P20.00
2 nd	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
3 rd	2012	2.00%	28.74%	3.60%	3-4 years	105.00	105.00
4 th	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 P173.2 million, P166.5 million and P150.4 million in 2015, 2014 and 2013, respectively (see Note 22). Correspondingly, a credit was made to additional paid-in-capital.

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 2015, 2014 and 2013 are as follows:

	2015	2014	2013
Salaries and short-term benefits	P798,882,199	P687,549,458	P584,663,115
Stock options expense (see Note 26)	173,211,693	166,490,888	150,418,741
Net pension expense	47,583,693	59,134,502	46,292,773
Employee car plan and other long-term benefits	42,803,342	41,335,689	34,443,875
	P1,062,480,927	P954,510,537	P815,818,504

Transactions with the Retirement Plans

As at December 31, 2015 and 2014, certain retirement funds of the Jollibee Group include investment in equity securities of the Parent Company with details as follows:

	2015	2014
Number of shares	188,390	187,340
Market value	P41,257,410	P40,278,100
Cost	8,205,035	7,963,810
Unrealized gain	P33,052,375	P32,314,290



The Jollibee Group's receivable from retirement fund amounted to ₱109.6 million and ₱107.5 million as at December 31, 2015 and 2014, respectively.

Transactions with a Joint Venture

As at December 31, 2015 and 2014, the Jollibee Group has outstanding advances to SuperFoods Group. The terms of these advances are disclosed in Note 11.

Terms and Conditions of Transactions with Related Parties

Transactions with related parties are made at market prices and are normally settled in cash.

28. Earnings Per Share

Basic and diluted EPS are computed as follows:

	2015	2014	2013
(a) Net income attributable to the equity holders of the Parent Company	₱4,928,236,228	₱5,361,978,768	₱4,671,559,394
(b) Weighted average number of shares - basic	1,067,293,108	1,056,590,489	1,049,704,316
Weighted average number of shares outstanding under the stock option plan	42,717,799	51,249,701	54,309,458
Weighted average number of shares that would have been purchased at fair market value	(21,689,263)	(25,692,236)	(32,513,336)
(c) Adjusted weighted average shares - diluted	1,088,321,644	1,082,147,954	1,071,500,438
EPS:			
Basic (a/b)	₱4.618	₱5.075	₱4.450
Diluted (a/c)	4.528	4.955	4.360

There were no anti-dilutive options outstanding as at December 31, 2015 and 2014.

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 ₱1,428.2 million, ₱1,322.5 million and ₱1,447.0 million in 2015, 2014 and 2013, respectively.

The future minimum lease payments for the noncancellable periods of the operating leases follows:

	2015	2014	2013
Within one year	₱1,532,583,258	₱1,669,685,553	₱2,500,831,215
After one year but not more than five years	5,581,731,024	6,449,433,284	8,090,153,478
More than five years	6,443,630,529	4,897,338,004	3,911,301,278
	₱13,557,944,811	₱13,016,456,841	₱14,502,285,971



Rent expense recognized on a straight-line basis amounted to ₱7,841.9 million, ₱7,072.7 million and ₱6,287.3 million in 2015, 2014 and 2013, 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 ₱1,615.6 million and ₱1,544.8 million as at December 31, 2015 and 2014, 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:

	2015	2014	2013
Within one year	₱63,358,455	₱55,256,411	₱46,453,095
After one year but not more than five years	244,123,192	199,537,668	157,623,110
More than five years	598,950,095	432,616,032	359,274,585
	₱906,431,742	₱687,410,111	₱563,350,790

Rent income recognized on a straight-line basis amounted to ₱92.4 million, ₱90.6 million and ₱97.5 million in 2015, 2014 and 2013, 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 ₱12.5 million and ₱21.1 million as at December 31, 2015 and 2014, 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.

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 and receivables. 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 other noncurrent assets and trade payables and other current liabilities which arise directly from its operations.



The main risks arising from these financial instruments are equity price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Jollibee Group does not engage in any long-term debt and foreign currency-denominated transactions that may cause exposure to interest rate risk and foreign currency risk, respectively. The policies 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 a 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 debt 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 Company'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 debt, the Jollibee Group used a derivative instrument to fix the interest rate over the term of two of its long-term debts (see Note 18).

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 bank, short-term deposits, short-term investments refundable deposits and employees' car plan receivables.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's equity as at December 31, 2015 and 2014. The impact on the Company's equity is due to changes in the fair value of cross-currency swaps designated as cash flow hedges, floating rate investments and interest rate swaps.

Derivative Instrument

Derivative asset – put/call rights

	Increase/ Decrease in Basis Points	Effect in Profit or Loss Before Income Tax	Effect in Equity Before Income Tax
2015			
USD	+30	(P33)	P1,530
	-30	34	(1,598)
PHP	+100	(23,625)	(3,127,521)
	-100	22,113	2,916,423

Derivative asset – cross-currency swap

	Increase/ Decrease in Basis Points	Effect in Profit or Loss Before Income Tax	Effect in Equity Before Income Tax
2014			
USD	+100	(P203)	P110,192
	-100	215	(114,914)
PHP	+100	(26,800)	(4,927,786)
	-100	27,802	5,138,954



Long-term Debt with Floating Interest Rates

	Increase/ Decrease in Basis Points	Effect in Profit or Loss Before Income Tax
2015		
USD	+100	(72,660,640)
	-100	72,660,640
PHP	+100	(24,525,646)
	-100	24,525,646
2014		
USD	+100	(27,010,880)
	-100	27,010,880
PHP	+100	(22,903,970)
	-100	22,903,970

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 6.23% and 9.12% of the consolidated net assets of the Jollibee Group as at December 31, 2015 and 2014, 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, receivables and long-term debt 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, 2015 and 2014:

	2015			2014		
	USD	RMB	PHP Equivalent	USD	RMB	PHP Equivalent
Assets						
Cash and cash equivalents	569,392	8,076	26,854,314	814,608	8,074	36,487,269
Receivables	269,926	-	12,702,717	291,896	-	13,053,586
Liability						
Long-term debt	-	-	-	(3,400,000)	-	(152,048,000)
Net exposure	839,318	8,076	39,557,031	(2,293,496)	8,074	(102,507,145)



Foreign Currency Risk Sensitivity Analysis

The Jollibee Group has recognized in profit or loss, foreign currency exchange gains (losses) included under “Other income” account which amounted to a net foreign exchange gain of ₱36.8 million and ₱46.6 million in 2015 and 2013, respectively, and net foreign exchange loss of ₱1.1 million on its net foreign currency-denominated assets in 2014 (see Note 23). 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, 2015	47.06	7.27
December 31, 2014	44.72	7.18

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, 2015 and 2014:

		2015		2014	
		Effect on Income before Income Tax	Effect on Equity before Income Tax	Effect on Income before Income Tax	Effect on Equity before Income Tax
Appreciation (Depreciation) of ₱ against Foreign Currency					
<i>(In Thousands)</i>					
USD	₱1.50	(₱1,259)	(₱1,259)	₱3,440	(₱3,440)
	(1.50)	1,259	1,259	(3,440)	3,440
	1.00	(839)	(839)	2,293	(2,293)
	(1.00)	839	839	(2,293)	2,293
RMB	0.95	7.7	7.7	(7.7)	(7.7)
	(0.95)	(7.7)	(7.7)	7.7	(7.7)
	0.63	5.1	5.1	(5.1)	(7.7)
	(0.63)	(5.1)	(5.1)	5.1	5.1

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.

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 service 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 loans and receivables as at December 31, 2015 and 2014 are as follows:

2015							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired (Age in Days)				Impaired
			1-30	31-60	61-120	Over 120	
			(In Millions)				
Cash and cash equivalents*	₱11,204.8	₱11,204.8	₱-	₱-	₱-	₱-	₱-
Short-term investments	922.3	922.3	-	-	-	-	-
Receivables:							
Trade	5,575.2	2,646.5	711.8	183.0	416.7	1,097.1	520.1
Employee car plan receivables**	197.6	197.6	-	-	-	-	-
Advances to employees	154.7	154.7	-	-	-	-	-
Other receivables***	145.2	145.2	-	-	-	-	-
Other noncurrent assets:							
Security and other deposits	1,795.0	1,795.0	-	-	-	-	-
Operating lease receivables	12.5	12.5	-	-	-	-	-
	20,007.3	17,078.6	711.8	183.0	416.7	1,097.1	520.1
AFS Financial Assets	21.5	21.5	-	-	-	-	-
	₱20,028.8	₱17,100.1	₱711.8	₱183.0	₱416.7	₱1,097.1	₱520.1

2014							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired (Age in Days)				Impaired
			1-30	31-60	61-120	Over 120	
			(In Millions)				
Cash and cash equivalents*	₱7,214.8	₱7,214.8	₱-	₱-	₱-	₱-	₱-
Short-term investments	-	-	-	-	-	-	-
Receivables:							
Trade	7,795.4	3,231.1	1,771.6	808.0	940.2	835.6	208.9
Employee car plan receivables**	195.6	195.6	-	-	-	-	-
Advances to employees	157.1	157.1	-	-	-	-	-
Other receivables***	121.6	121.6	-	-	-	-	-
Other noncurrent assets:							
Security and other deposits	1,522.9	1,522.9	-	-	-	-	-
Operating lease receivables	21.1	21.1	-	-	-	-	-
	17,028.5	12,464.2	1,771.6	808.0	940.2	835.6	208.9
AFS Financial Assets	21.5	21.5	-	-	-	-	-
	₱17,050.0	₱12,485.7	₱1,771.6	₱808.0	₱940.2	₱835.6	₱208.9

*Excluding cash on hand amounting to P292.8 million and P403.7 million in 2015 and 2014, respectively.

**Including noncurrent portion of employee car plan receivables.

***Excluding receivables from government agencies amounting to P10.3 million and P6.9 million in 2015 and 2014, respectively.



Credit Risk Exposure. The tables below show the maximum exposure to credit risk of the Jollibee Group as at December 31, 2015 and 2014 without considering the effects of collaterals and other credit risk mitigation techniques:

2015			
	Gross Maximum Exposure	Fair Value and Financial Effect of Collateral or Credit Enhancement	Net Exposure
	(a)	(b)	(c) = (a) - (b)
<i>(In Millions)</i>			
Financial Assets			
Cash and cash equivalents*	₱11,204.8	₱223.3	₱10,981.5**
Short-term investments	922.3	—	922.3
Receivables:			
Trade	5,055.1	137.7	4,917.4***
Employee car plan receivables	197.6	—	197.6
Advances to employees	154.7	—	154.7
Other receivables****	145.2	—	145.2
Other noncurrent assets:			
Security and other deposits	1,795.0	—	1,795.0
Operating lease receivables	12.5	—	12.5
AFS financial asset	21.5	—	21.5
	₱19,508.7	₱361.0	₱19,147.7
2014			
	Gross Maximum Exposure	Fair Value and Financial Effect of Collateral or Credit Enhancement	Net Exposure
	(a)	(b)	(c) = (a) - (b)
<i>(In Millions)</i>			
Financial Assets			
Cash and cash equivalents*	₱7,214.8	₱149.6	₱7,065.2**
Receivables:			
Trade	7,586.5	197.6	7,388.9***
Employee car plan receivables	195.6	—	195.6
Advances to employees	157.1	—	157.1
Other receivables****	121.6	—	121.6
Other noncurrent assets:			
Security and other deposits	1,522.9	—	1,522.9
Operating lease receivables	21.1	—	21.1
AFS financial asset	21.5	—	21.5
	₱16,841.1	₱347.2	₱16,493.9

* Excluding cash on hand amounting to ₱292.8 million and ₱403.7 million in 2015 and 2014, 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 ₱10.3 million and ₱6.9 million in 2015 and 2014, 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. 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, 2015 and 2014.

	2015				
		Neither Past Due nor Impaired			Past Due or
	Total	A	B	C	Impaired
	(In Millions)				
Receivables					
Trade	₱5,575.2	₱1,684.0	₱422.4	₱540.1	₱2,928.7
Employee car plan receivables*	197.6	197.6	—	—	—
Advances to employees	154.7	154.7	—	—	—
Other receivables**	145.2	145.2	—	—	—
AFS financial asset	21.5	21.5			
	₱6,094.2	₱2,203.0	₱422.4	₱540.1	₱2,928.7

	2014				
		Neither Past Due nor Impaired			Past Due or
	Total	A	B	C	Impaired
	(In Millions)				
Receivables					
Trade	₱7,795.4	₱2,459.9	₱562.3	₱208.9	₱4,564.3
Employee car plan receivables*	195.6	195.6	—	—	—
Advances to employees	157.1	157.1	—	—	—
Other receivables**	121.6	121.6	—	—	—
AFS financial asset	21.5	21.5			
	₱8,291.2	₱2,955.7	₱562.3	₱208.9	₱4,564.3

*Including noncurrent portion of employee car plan receivables.

**Excluding receivables from government agencies amounting to P10.3 million and P6.9 million in 2015 and 2014, respectively.

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, 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 obligation, 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, 2015 and 2014.

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 ₱11,497.6 million, ₱922.3 million and ₱5,055.1 million, respectively, as at December 31, 2015 and cash and cash equivalents and trade receivables amounting to ₱7,618.5 million and ₱7,586.5 million, respectively, as at December 31, 2014.

The tables below summarize the maturity profile of the Jollibee Group's financial liabilities based on the contractual undiscounted cash flows as at December 31, 2015 and 2014:

	2015				
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
Financial Liabilities					
Trade payables and other current liabilities*	P=	₱16,543,465,961	P=	P=	₱16,543,465,961
Long-term debt (including current portion)	-	1,385,129,936	4,374,187,586	5,490,591,850	11,249,909,372
Liability for acquisition of businesses (including current portion)	-	94,852,231	-	-	94,852,231
Operating lease payables	-	205,976,178	486,815,789	922,847,531	1,615,639,498
Total Financial Liabilities	P=	₱18,229,424,306	₱4,861,003,375	₱6,413,439,381	₱29,503,867,062

	2014				
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
Financial Liabilities					
Trade payables and other current liabilities*	P=	₱12,742,389,003	P=	P=	₱12,742,389,003
Long-term debt (including current portion)	-	2,686,299,192	4,891,954,112	-	7,578,253,304
Liability for acquisition of businesses (including current portion)	-	32,906,018	101,064,311	-	133,970,329
Operating lease payables	-	142,438,494	486,815,789	915,591,908	1,544,846,191
Total Financial Liabilities	P=	₱15,604,032,707	₱5,479,834,212	₱915,591,908	₱21,999,458,827

*Excluding statutory obligations such as accrued local and other taxes, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates.

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, 2015 and 2014, the Jollibee Group's debt ratio and net debt ratio are as follows:

Debt Ratio

	2015	2014
Total debt (a)	P33,006,458,507	P26,040,658,079
Total equity attributable to equity holders of the Parent Company	30,623,224,057	27,190,326,655
Total debt and equity attributable to equity holders of the Parent Company (b)	P63,629,682,564	P53,230,984,734
Debt ratio (a/b)	52%	49%

Net Debt Ratio

	2015	2014
Total debt	P33,006,458,507	P26,040,658,079
Less cash and cash equivalents and short-term investment	12,419,876,641	7,618,473,267
Net debt (a)	20,586,581,866	18,422,184,812
Total equity attributable to equity holders of the Parent Company	30,623,224,057	27,190,326,655
Net debt and equity attributable to equity holders of the Parent Company (b)	P51,209,805,923	P45,612,511,467
Net debt ratio (a/b)	40%	40%

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, short-term debt, operating lease payables, current portion of liability for acquisition of businesses, 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.

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 Deposits, Employee Car Plan Receivables, Long-term Debt, Liability for acquisition of Business and Derivative Assets or Liabilities. Management has determined that the estimated fair value of security and other deposits, noncurrent portion of employee car plan receivables, long-term debt, liability for acquisition of business (contingent consideration) and derivative assets or liability are based on the discounted value of future cash flows using applicable rates as follows:

	2015	2014
Security and other deposits	2.37%-7.25%	0.48%-5.44%
Employee car plan receivables	2.14%-6.55%	0.35%-9.37%
Derivative assets	0.81%-2.78%	—
Long-term debt	3.43%-3.71%	1.48%-3.31%
Derivative liability	0.96%-1.00%	0.96%-1.00%

The following table provides 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, 2015:

	Carrying Value	Total	Fair Value Measurement Using		
			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	P21,462,462	P21,462,462	P—	P21,462,462	P—
Derivative asset – cross currency swap	9,868,242	9,868,242	—	9,868,242	—
Derivative asset – put/call rights	75,031,052	75,031,052	—	—	75,031,052
Assets for which fair values are disclosed:					
Investment properties:					
Land	998,113,494	1,414,303,072	—	1,414,303,072	—
Building	983,427,880	1,311,229,072	—	1,311,229,072	—
Other noncurrent assets:					
Security and other deposits	1,794,988,953	1,894,451,261	—	1,894,451,261	—
Employee car plan receivables	130,156,134	138,22,669	—	138,22,669	—

Quantitative fair value measurement hierarchy for assets as at December 31, 2014:

	Carrying Value	Total	Fair Value Measurement Using		
			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	P21,479,461	P21,479,461	P—	P21,479,461	P—
Assets for which fair values are disclosed:					
Investment properties:					
Land	1,025,645,035	1,414,303,072	—	1,414,303,072	—
Building	983,427,880	1,311,229,072	—	1,311,229,072	—
Other noncurrent assets:					
Security and other deposits	42,217,155	103,074,000	—	103,074,000	—
Employee car plan receivables	1,522,942,799	1,545,877,698	—	1,545,877,698	—
	130,234,889	139,690,838	—	139,690,838	—



Quantitative fair value measurement hierarchy for liabilities as at December 31, 2015:

	Date of Valuation	Total	Fair Value Measurement Using		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities measured at fair value:					
Derivative liability	December 31, 2015	₱34,921,275	₱-	₱34,921,275	₱-
Contingent consideration	December 31, 2015	23,635,513	-	-	23,635,513
Liabilities disclosed at fair value:					
Long-term debt	December 31, 2015	10,558,419,087	-	10,558,419,087	-

Quantitative disclosure fair value measurement hierarchy for liabilities as at December 31, 2014:

	Date of Valuation	Total	Fair Value Measurement Using		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities measured at fair value:					
Derivative liability	December 31, 2014	₱1,545,472	₱-	₱1,545,472	₱-
Contingent consideration	December 31, 2014	72,176,257	-	-	72,176,257
Liabilities disclosed at fair value:					
Long-term debt	December 31, 2014	8,194,850,283	-	8,194,850,283	-

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 contingent consideration as at December 31, 2015 is as follows:

	Valuation Technique	Significant Unobservable Input		Sensitivity of the Input to Fair Value
		Input	Range of Input	
Contingent consideration	Multiple-scenario weighted-probability approach	Revenue growth rate used to forecast EBITDA	7.8% to 25.0%	Increase (decrease) in the revenue growth rate would increase (decrease) the fair value.
Derivative asset – put/call rights	Binomial pricing option model	Long-term growth rate used to calculate equity value	7.0% to 8.0%	Increase (decrease) in the long-term rate would increase (decrease) the fair value.

32. Events after the Reporting Period

Dividend Declaration

Parent Company. On April 6, 2016, the BOD approved a regular cash dividend of ₱0.86 per share of common stock to all stockholders of record as of April 21, 2016. Consequently, the cash dividend is expected to be paid out by May 6, 2016. The cash dividend is 7.5 % higher than the ₱0.80 regular dividend a share declared in April 2015.

Appropriation of Retained Earnings

Parent Company. On April 6, 2016, the BOD approved an additional appropriation of ₱8,000.0 million for capital expenditures for the years 2016 to 2018. Consequently, the appropriated earnings of the Parent Company will increase from ₱10,200.0 million to ₱18,200.0 million.

Payment of Loans

JWPL. On February 5, 2016, JWPL settled its short-term loan amounting to USD6.0 million (₱286.0 million), and paid interest of ₱1.0 million.



Acquisition

JWPL. 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, HBFPPPL. With the acquisition, JWPL shall own 100% of HBFPPPL. Payment for the acquisition is approximately USD10.4 million (¥495.4 million).

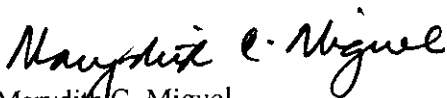


INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Jollibee Foods Corporation
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 and its subsidiaries as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, included in this Form 17-A, and have issued our report thereon dated April 6, 2016. 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 the purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not a 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.



Marydith C. Miguel
Partner

CPA Certificate No. 65556

SEC Accreditation No. 0087-AR-3 (Group A),
January 18, 2013, valid until April 30, 2016

Tax Identification No. 102-092-270

BIR Accreditation No. 08-001998-55-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5321664, January 4, 2016, Makati City

April 6, 2016



**JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2015**

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Consolidated Statements of Comprehensive Income
For the years ended December 31, 2015, 2014 and 2013
Consolidated Statements of Changes in Equity
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- A. Financial Assets (Temporary Investments, Time Deposits and Available-for-sale Investments)
- B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)*
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Reconciliation of Retained Earnings for Dividend Declaration

Tabular Schedule of Effective Standards and Interpretations under the PFRS

Conglomerate Map

** These schedules, which are required by SRC Rule 68.1, As Amended (2011), have been omitted because they are not applicable.*

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE A: FINANCIAL ASSETS - Temporary Investments, Time Deposits and Available-For-Sale Investments
FOR THE YEAR ENDED DECEMBER 31, 2015

	Name of Issuing Entity and Association of each use	Amount shown in the Balance Sheet <i>(Amounts in thousands)</i>	Income received and accrued
<i>Loans and Receivables</i>			
Cash in banks and cash equivalents and short-term investments	N/A	P12,419,877	P118,032
Trade receivables	N/A	5,055,139	-
Employee car plan receivables	N/A	197,618	-
Advances to employees	N/A	154,670	-
Other receivables	N/A	155,505	-
Security and other deposits	N/A	1,794,989	-
Operating lease receivables	N/A	12,517	-
		19,790,315	118,032
<i>AFS Financial Assets:</i>			
Equity investments	Manila Polo Club	10,000	-
Equity investments	Tagaytay Highlands	5,160	-
Equity investments	The Rockwell Club	730	-
Equity investments	Tagaytay Midlands	400	-
Equity investments	The Palms Country Club	330	-
Equity investments	Valle Verde Country Club, Inc.	300	-
Equity investments	Club Filipino	100	-
Equity investments	Others	4,442	-
		21,462	-
<i>Derivative Assets</i>			
		84,899	-
Total Financial Assets		P19,896,676	P118,032

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE C: RECEIVABLE FROM RELATED PARTIES ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Name of Debtor	Balance at beginning of year	Additions	Amount collected	Amounts written off	(Amounts in thousands)		Balance at end of year
					Current	Noncurrent	
Jollibee Foods Corporation	₱2,188,282	₱10,535,574	(₱10,985,248)	₱-	₱1,738,608	₱-	₱1,738,608
Freemont Foods Corporation	764,982	5,495,004	(5,283,456)	-	976,530	-	976,530
PERF Restaurants, Inc.	334,268	346,302	-	-	680,570	-	680,570
Jollibee Worldwide Pte. Ltd.	517,569	58,200	-	-	575,769	-	575,769
Honeybee Foods Corporation	240,662	188,657	-	-	429,319	-	429,319
Jollibee Vietnam Corporation Ltd.	210,391	25,252	-	-	235,643	-	235,643
Fresh N' Famous Foods, Inc.	203,513	1,869,047	(1,865,892)	-	206,668	-	206,668
Zenith Foods Corporation	287,994	194,102	(403,877)	-	78,219	-	78,219
Red Ribbon Bakeshop, Inc.	141,358	376,045	(442,712)	-	74,691	-	74,691
Jollibee (China) Food & Beverage Management Co. Ltd.	48,783	12,754	-	-	61,537	-	61,537
Red Ribbon Bakeshop, Inc. (USA)	30,959	22,787	-	-	53,746	-	53,746
Tokyo Teriyaki Corporation	36,497	14,252	-	-	50,749	-	50,749
Mang Inasal Philippines Inc.	467,399	506,216	(935,992)	-	37,623	-	37,623
Golden Beeworks Pte. Ltd.	4,261	18,269	-	-	22,530	-	22,530
Guangxi San Pin Wang Food and Beverage Management Company Limited	5,690	-	(2,881)	-	2,809	-	2,809
Grandworth Resources Corporation	5,795	2,011	(7,389)	-	417	-	417
Shanghai Yong He King Food and Beverage Co., Ltd.	24,297	-	(24,297)	-	-	-	-
Others	3,677	-	(1,803)	-	1,874	-	1,874
	₱5,516,377	₱19,664,472	(₱19,953,547)	₱-	₱5,227,302	₱-	₱5,227,302

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE D: INTANGIBLE ASSETS - OTHER ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Other changes	
				additions (deductions)	Ending balance
Goodwill	P6,822,526,341	P-	P-	P-	P6,822,526,341
Trademark	2,004,255,942	-	-	-	2,004,255,942
Computer software	536,291,694	88,426,801	(65,476,594)	-	559,241,901
Other intangible assets, net of accumulated amortization	22,036,316	11,553,620	(7,479,921)	-	26,110,015
Total	P9,385,110,293	P99,980,421	P(72,956,515)	P-	P9,412,134,199

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE E: LONG - TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2015

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under	
		Caption "Current Portion of Long-term Debt" in Related Balance Sheet	Caption "Noncurrent Portion of Long-term Debt" in Related Balance Sheet
US dollar-denominated:			
Ten-year unsecured loan	P5,176,600,000	P-	P5,176,600,000
Five-year unsecured loan	1,058,850,000	470,600,000	588,250,000
Four-year unsecured loan	564,720,000	282,360,000	282,360,000
Five-year unsecured loan	188,240,000	-	188,240,000
Five-year unsecured loan	277,654,000	-	277,654,000
Philippine peso-denominated:			
Five-year and six months unsecured loan	1,500,000,000	15,000,000	1,485,000,000
Five-year unsecured loan	800,000,000	-	800,000,000
Four-year unsecured loan	160,004,000	160,004,000	-
Unamortized debt issue costs	(7,439,394)	(47,727)	(7,391,667)
Total	P9,718,628,606	P927,916,273	P8,790,712,333

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE H: CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2015

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	1,068,971,526	2,151,892	190,011,297	21,447,668	855,360,669

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
FINANCIAL RATIOS: KEY PERFORMANCE INDICATORS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 and 2013

		<u>2015</u>	<u>2014</u>	<u>2013</u>
i.	Current ratio	1.29:1	1.26:1	1.18:1
		$\frac{\text{Current assets}}{\text{Current liabilities}}$		
ii.	Solvency ratio, debt-to-equity ratio	51:49	48:52	49:51
		$\frac{\text{Total liabilities}}{\text{Total equity}}$		
iii.	Asset to equity ratio	2.04	1.93	1.97
		$\frac{\text{Total assets}}{\text{Total equity}}$		
iv.	Interest rate coverage ratio	29.53	45.33	41.84
		$\frac{\text{Earnings before interest expense and taxes}}{\text{Interest expense}}$		
v.	Profitability ratio	4.89%	5.91%	5.82%
		$\frac{\text{Net income attributable to equity holders of the Parent Company}}{\text{Total revenues}}$		

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

As at December 31, 2015

JOLLIBEE FOODS CORPORATION

10/F Jollibee Plaza Building

10 F. Ortigas Jr. Ave.,

Ortigas Center, Pasig City

Unappropriated retained earnings, beginning	P10,165,710,046
Adjustments:	
Deferred tax assets – net, beginning	(705,430,500)
Accretion of interest on financial assets, beginning	(13,753,254)
Unappropriated retained earnings, as adjusted, beginning	<u>P9,446,526,292</u>
Add: Net income actually earned/realized during the period	
Net income of the Parent Company closed to Retained Earnings	4,490,055,055
Add(Less): Non-actual/unrealized income (loss)	
Benefit from deferred income tax	(448,785,791)
Accretion of interest on financial assets	(11,138,406)
Net income actually earned / realized during the year	<u>4,030,130,858</u>
Add (Less):	
Dividend declarations during the year	(1,886,859,614)
Treasury shares	(180,511,491)
Unappropriated Retained Earnings Available for Dividend Declaration, Ending	<u>P11,409,286,045</u>

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE OF ALL THE EFFECTIVE STANDARDS
AND INTERPRETATIONS
DECEMBER 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary			✓	
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	✓		✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	✓		✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters	✓		✓
	Amendments to PFRS 1: Government Loans	✓		✓
	Amendments to PFRS 1: First-time Adoption of Philippine Financial Reporting Standards - Meaning of Effective PFRSs	✓		✓
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2: Vesting Conditions and Cancellations	✓		
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
	Amendments to PFRS 2: Definition of Vesting Condition	✓		
PFRS 3 (Revised)	Business Combinations	✓		
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination	✓		
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements	✓		
PFRS 4	Insurance Contracts	✓		✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓		✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendments to PFRS 5: Changes in Method of Disposal*	Not Early Adopted		
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
	Financial Assets			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		✓
	Amendments to PFRS 7: Servicing Contracts*	Not Early Adopted		
	Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*	Not Early Adopted		
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to Condensed Interim Financial Statements	✓		
PFRS 9	Financial Instruments*	Not Early Adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*	Not Early Adopted		
	Financial Instruments - New hedge accounting requirements*	Not Early Adopted		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities	✓		✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception*	Not Early Adopted		
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*	Not Early Adopted		
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendment to PFRS 12: Investment Entities	✓		✓
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception*	Not Early Adopted		
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception	✓		✓
PFRS 14	Regulatory Deferral Accounts*	Not Early Adopted		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiative*	Not Early Adopted		
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	✓		
PAS 11	Construction Contracts	✓		✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing and Equipment	✓		
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation	✓		✓
	Amendment to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization*	Not Early Adopted		
	Amendment to PAS 16: Bearer Plants*	Not Early Adopted		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		✓
	Amendments to PAS 19: Employee Benefits - Defined Benefit Plans: Employee Contributions	✓		✓
	Amendments to PAS 19: Regional Market Issue Regarding Discount Rate*	Not Early Adopted		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	✓		
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		✓
PAS 23 (Revised)	Borrowing Costs	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		✓
PAS 27 (Amended)	Separate Financial Statements	✓		✓
	Amendments to PAS 27: Investment Entities	✓		✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements*	Not Early Adopted		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception*	Not Early Adopted		
	Amendments to PAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture*	Not Early Adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies	✓		✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendment to PAS 32: Classification of Rights Issues	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendments to PAS 34: Disclosure of Information Elsewhere in the Interim Financial Report*	Not Early Adopted		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization	✓		✓
	Amendments to PAS 38: Clarification of Acceptable Methods of Amortization*	Not Early Adopted		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		✓
	Amendments to PAS 39: The Fair Value Option	✓		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee	✓		✓

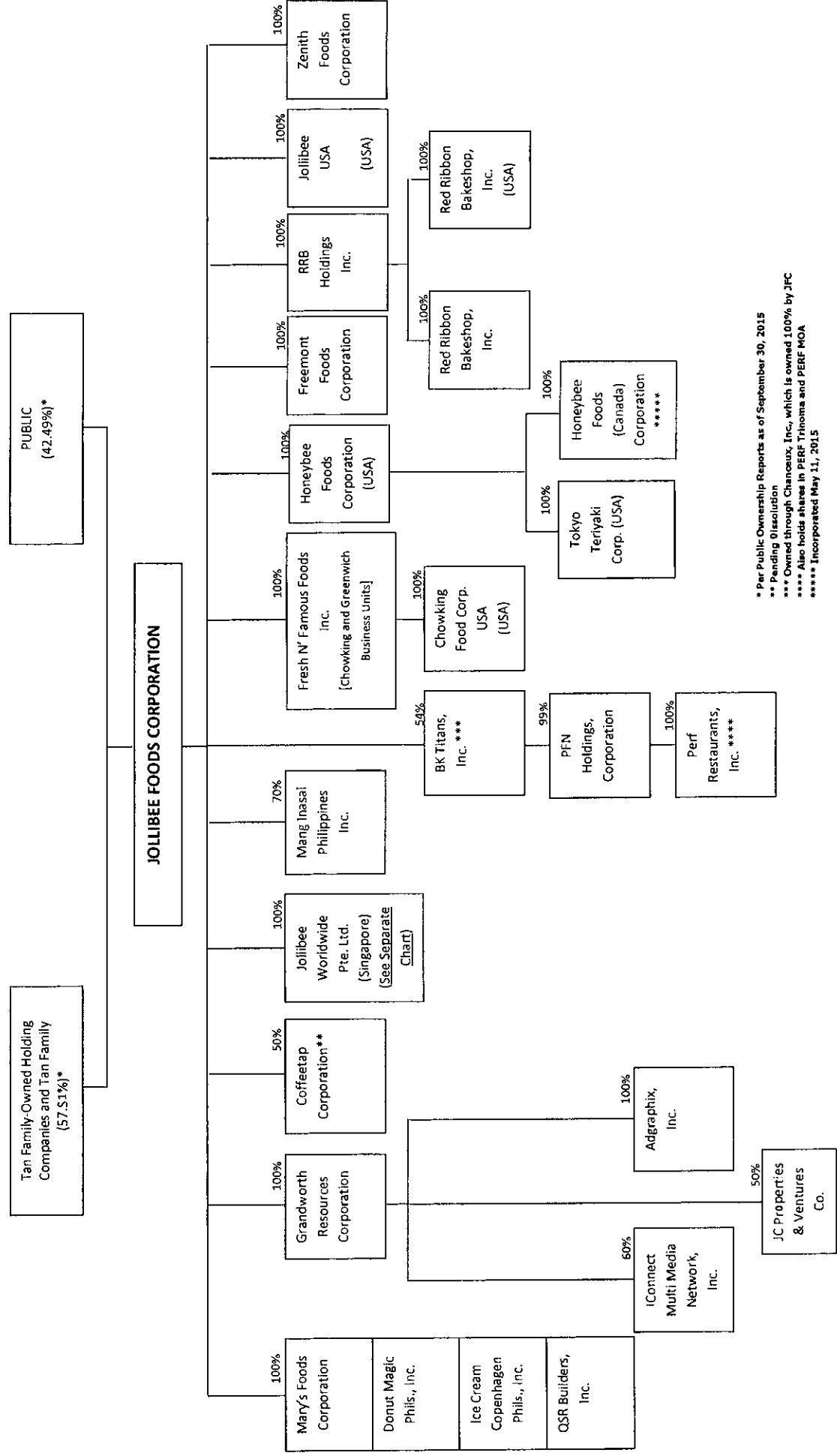
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
	Contracts			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives	✓		
	Amendment to PAS 39: Eligible Hedged Items	✓		
	Amendments to PAS 39: Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	✓		
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner Occupied Property	✓		
PAS 41	Agriculture	✓		✓
	Amendments to PAS 41: Bearer Plants*	Not Early Adopted		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments	✓		✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓		✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	✓		✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies	✓		✓
IFRIC 8	Scope of PFRS 2	✓		
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	✓		
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions	✓		
IFRIC 12	Service Concession Arrangements	✓		✓
IFRIC 13	Customer Loyalty Programmes	✓		
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	✓		✓
IFRIC 17	Distributions of Non-cash Assets to Owners	✓		✓
IFRIC 18	Transfers of Assets from Customers	✓		✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	✓		✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	✓		✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro	✓		✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities	✓		✓
SIC-12	Consolidation - Special Purpose Entities	✓		✓
	Amendment to SIC - 12: Scope of SIC 12	✓		✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	✓		✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	✓		✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures	✓		✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services	✓		✓
SIC-32	Intangible Assets - Web Site Costs	✓		✓
With Deferred Effective date: Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate*		Not Early Adopted		
The following new standards issued by the IASB has not yet been adopted by the FSRC:				
IFRS 15, Revenue from Contracts with Customers*		Not Early Adopted		
IFRS 16, Leases*		Not Early Adopted		

*Standards and interpretations which will become effective subsequent to December 31, 2015.

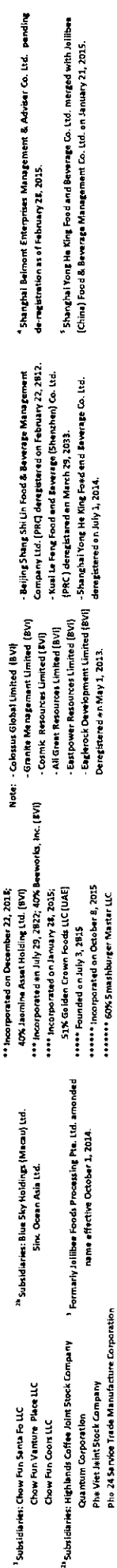
JOLLIBEE GROUP OF COMPANIES

Legal Structure as of October 31, 2015



* Per Public Ownership Reports as of September 30, 2015
 ** Pending Dissolution
 *** Owned through Chancoux, Inc., which is owned 100% by JFC
 **** Also holds shares in PERF Trinita and PERF MOA
 ***** Incorporated May 11, 2015

Jollibee Worldwide
Services ROHQ-Philippines



COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

7 7 4 8 7

COMPANY NAME

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

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

1 0 / F J o l l i b e e P l a z a B u i l d i n g ,
1 0 F . O r t i g a s J r . A v e . , O r t i g a
s C e n t e r , P a s i g C i t y

Form Type

A A F S

Department requiring the report

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

president@jollibee.com.ph

Company's Telephone Number

(02) 634 - 1111

Mobile Number

No. of Stockholders

3,118

Annual Meeting (Month / Day)

Any day in the month of
June

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Ysmael V. Baysa

Email Address

yvb@jollibee.com.ph

Telephone Number/s

688-7104

Mobile Number

-

CONTACT PERSON'S ADDRESS

10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Ave., 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.



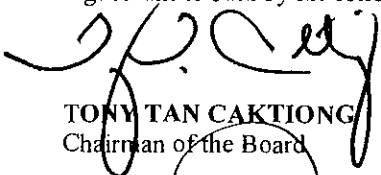
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **JOLLIBEE FOODS CORPORATION** (the Company) is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2015 and 2014, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

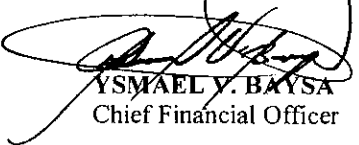
The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

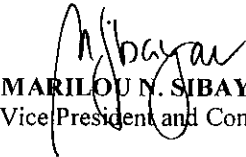
SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders for the years ended December 31, 2015 and 2014, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

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 06 APR 2016.

Doc. No. 469
Page No. 94
Book No. 1
Series of 2016


VALERIE F. AMANTE
Notary Public Pasig City

Notarial Commission No. 189 expiring on December 31, 2016
14/Jollibee Plaza, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City
PTR No. 0397564 issued on January 13, 2015/Pasig City
IBP No. 702167 / Lifetime Member / Pasig City
Roll of Attorney's No. 46166

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Jollibee Foods Corporation
10/F Jollibee Plaza Building
10 F. Ortigas Jr. Ave., Ortigas Center
Pasig City

Report on the Parent Company Financial Statements

We have audited the accompanying parent company financial statements of Jollibee Foods Corporation, which comprise the parent company statements of financial position as at December 31, 2015 and 2014, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Parent Company Financial Statements

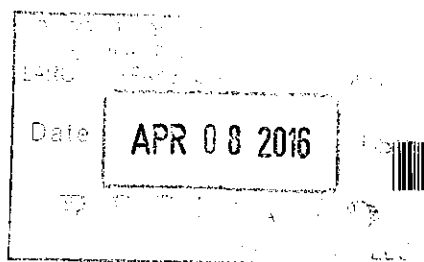
Management is responsible for the preparation and fair presentation of these parent company financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these parent company financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the parent company financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the parent company financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the parent company financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the parent company financial statements present fairly, in all material respects, the financial position of Jollibee Foods Corporation as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Jollibee Foods Corporation in a separate schedule. Revenue Regulations No. 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.

SYCIP GORRES VELAYO & CO.

Marydith C. Miguel

Marydith C. Miguel

Partner

CPA Certificate No. 65556

SEC Accreditation No. 0087-AR-3 (Group A),

January 18, 2013, valid until April 30, 2016

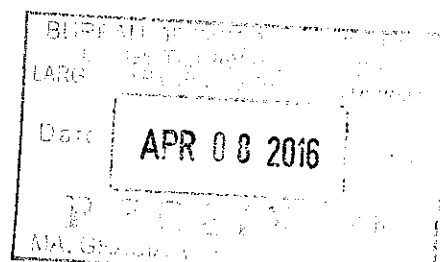
Tax Identification No. 102-092-270

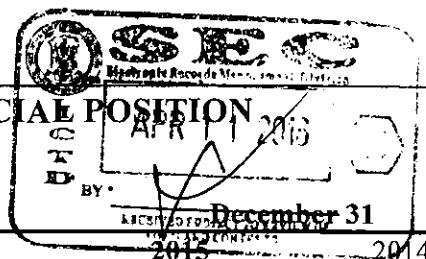
BIR Accreditation No. 08-001998-55-2015,

February 27, 2015, valid until February 26, 2018

PTR No. 5321664, January 4, 2016, Makati City

April 6, 2016



JOLLIBEE FOODS CORPORATION**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION****ASSETS****Current Assets**

Cash and cash equivalents (Notes 5, 30 and 31)	₱1,400,486,972	₱1,631,144,879
Receivables (Notes 6, 28, 30 and 31)	4,595,919,166	5,880,941,822
Inventories (Note 7)	1,790,579,343	2,059,544,086
Current portion of operating lease receivables (Notes 28, 29, 30 and 31)	12,590,821	7,465,489
Other current assets (Note 8)	1,470,700,588	565,378,764
Total Current Assets	9,270,276,890	10,144,475,040

Noncurrent Assets

Advances to related parties (Notes 28, 30 and 31)	1,044,215,200	715,181,206
Available-for-sale financial assets (Notes 9, 30 and 31)	19,668,040	19,668,040
Investments in and advances to subsidiaries (Note 10)	23,491,407,528	22,435,500,992
Property, plant and equipment (Note 11)	3,394,064,728	3,196,041,662
Intangible assets (Note 12)	585,351,912	558,328,009
Investment properties (Note 13)	1,490,999,710	1,522,366,701
Operating lease receivables - net of current portion (Notes 28, 29, 30 and 31)	8,322,095	17,366,429
Deferred tax assets - net (Note 25)	1,288,122,026	682,444,011
Other noncurrent assets (Notes 14, 30 and 31)	792,044,714	740,904,785
Total Noncurrent Assets	32,114,195,953	29,887,801,835
Total Assets	₱41,384,472,843	₱40,032,276,875

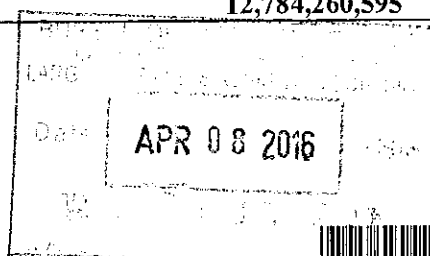
LIABILITIES AND EQUITY**Current Liabilities**

Trade payables and other current liabilities (Notes 15, 28, 30 and 31)	₱7,835,135,048	₱8,166,846,201
Short-term debt (Notes 17, 30 and 31)	—	1,865,000,000
Current portion of:		
Long-term debt (Notes 17, 30 and 31)	14,952,273	—
Due to related parties (Notes 28, 30 and 31)	52,685,528	73,030,194
Operating lease payables (Notes 28, 29, 30 and 31)	64,616,021	65,114,747
Total Current Liabilities	7,967,388,870	10,169,991,142

Noncurrent Liabilities

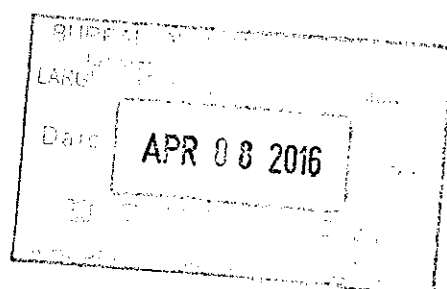
Provisions (Note 16)	30,500,639	30,500,639
Net of current portion:		
Long-term debt (Notes 17, 30 and 31)	2,277,608,333	2,290,396,970
Due to related parties (Notes 28, 30 and 31)	899,000,000	899,000,000
Operating lease payables (Notes 28, 29, 30 and 31)	614,308,085	588,550,746
Pension liability (Note 26)	995,454,668	298,978,928
Total Noncurrent Liabilities	4,816,871,725	4,107,427,283
Total Liabilities	12,784,260,595	14,277,418,425

(Forward)



	December 31	
	2015	2014
Equity		
Capital stock (Notes 18 and 27)	₱1,068,971,526	₱1,063,862,430
Additional paid-in capital (Note 27)	5,055,293,439	4,452,162,323
Remeasurement gain (loss) on pension - net of tax	(312,446,713)	53,635,142
Retained earnings (Note 19):		
Appropriated	10,200,000,000	10,200,000,000
Unappropriated	12,768,905,487	10,165,710,046
	28,780,723,739	25,935,369,941
Less cost of common stock held in treasury (Notes 18 and 19)	180,511,491	180,511,491
Total Equity	28,600,212,248	25,754,858,450
	₱41,384,472,843	₱40,032,276,875

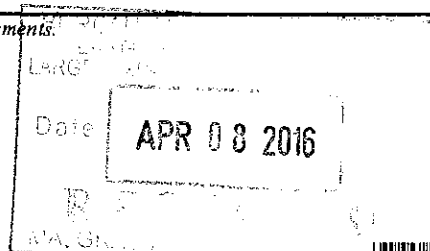
See accompanying Notes to Parent Company Financial Statements.



JOLLIBEE FOODS CORPORATION**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2015	2014
REVENUES		
Net sales (Note 28)	₱39,459,539,254	₱36,210,242,446
Royalty and franchise fees (Notes 20 and 28)	3,670,844,440	3,319,483,911
Rent income (Notes 13, 28 and 29)	239,249,950	212,283,552
Others (Note 28)	417,728,455	356,823,015
	43,787,362,099	40,098,832,924
COST OF SALES AND SERVICES (Notes 21 and 28)		
Cost of sales	35,175,289,014	31,330,613,648
Cost of services	573,773,539	570,466,984
	35,749,062,553	31,901,080,632
GROSS PROFIT	8,038,299,546	8,197,752,292
EXPENSES		
General and administrative expenses (Notes 22 and 28)	5,722,181,142	5,158,227,368
Advertising and promotions	665,467,614	498,399,608
	6,387,648,756	5,656,626,976
INTEREST INCOME (EXPENSE) (Note 23)		
Interest income	38,450,249	39,634,080
Interest expense	(159,783,406)	(103,018,377)
	(121,333,157)	(63,384,297)
OTHER INCOME - NET (Note 24)	3,370,704,669	1,483,445,320
INCOME BEFORE INCOME TAX	4,900,022,302	3,961,186,339
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 25)		
Current	858,753,038	779,902,674
Deferred	(448,785,791)	(415,551,185)
	409,967,247	364,351,489
NET INCOME	4,490,055,055	3,596,834,850
OTHER COMPREHENSIVE GAIN (LOSS)		
Item not to be reclassified to profit or loss in subsequent periods -		
Remeasurement gain (loss) on pension (Note 26)	(522,974,079)	407,669,713
Income tax effect	156,892,224	(122,300,914)
	(366,081,855)	285,368,799
TOTAL COMPREHENSIVE INCOME	₱4,123,973,200	₱3,882,203,649
Earnings Per Share for Net Income (Note 32)		
Basic	₱4.618	₱5.075
Diluted	4.528	4.955

See accompanying Notes to Parent Company Financial Statements.



JOLLIBEE FOODS CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Notes 18 and 27)	Subscriptions Receivable (Note 18)	Additional Paid-in Capital (Note 27)	Remeasurement Gain (Loss) on Pension (Note 26)	Retained Earnings Appropriated for Future Expansion	Cost of Common Stock Held in Treasury (Notes 18 and 19)	Total Equity
Balance at January 1, 2015	₱1,081,040,314	(₱17,177,884)	₱4,452,162,323	₱53,635,142	₱10,200,000,000	(₱180,511,491)	₱25,754,858,450
Net income during the year	-	-	-	-	-	-	4,490,055,055
Other comprehensive loss	-	-	-	(366,081,855)	-	-	(366,081,855)
Total comprehensive income (loss)	-	-	-	(366,081,855)	-	-	4,123,973,200
Movements in other equity accounts:							
Issuances of capital stock	5,109,096	-	429,919,423	-	-	-	435,028,519
Cost of stock options granted to own employees	-	-	161,198,902	-	-	-	161,198,902
Cost of stock options granted to employees of subsidiaries	-	-	12,012,791	-	-	-	12,012,791
Cash dividends (Note 19)	-	-	-	-	(1,886,859,614)	-	(1,886,859,614)
Balance at December 31, 2015	₱1,086,149,410	(₱17,177,884)	₱5,055,293,439	(₱312,446,713)	₱10,200,000,000	(₱180,511,491)	₱28,600,212,248
Balance at January 1, 2014	₱1,068,608,675	(₱17,177,884)	₱3,640,716,729	(₱231,733,657)	₱10,200,000,000	(₱180,511,491)	₱22,782,260,109
Net income during the year	-	-	-	-	-	-	3,596,834,850
Other comprehensive income	-	-	-	285,368,799	-	-	285,368,799
Total comprehensive income	-	-	-	285,368,799	-	-	3,882,203,649
Movements in other equity accounts:							
Issuances of capital stock	12,431,639	-	644,954,706	-	-	-	657,386,345
Cost of stock options granted to own employees	-	-	146,421,852	-	-	-	146,421,852
Cost of stock options granted to employees of subsidiaries (Note 10)	-	-	20,069,036	-	-	-	20,069,036
Cash dividends (Note 19)	-	-	-	-	(1,733,482,541)	-	(1,733,482,541)
Balance at December 31, 2014	₱1,081,040,314	(₱17,177,884)	₱4,452,162,323	₱53,635,142	₱10,200,000,000	(₱180,511,491)	₱25,754,858,450

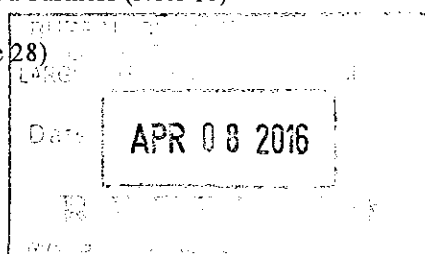
See accompanying Notes to Parent Company Financial Statements.



JOLLIBEE FOODS CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS

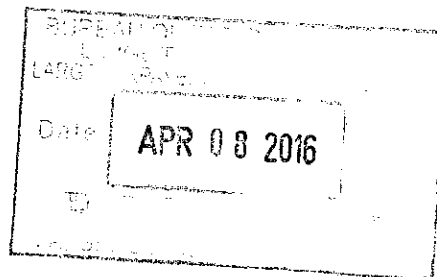
	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱4,900,022,302	₱3,961,186,339
Adjustments for:		
Dividend income (Note 24)	(2,221,500,000)	(765,000,000)
Depreciation and amortization (Notes 11, 12, 13, 21 and 22)	1,029,263,450	905,165,588
Write-off of long outstanding liabilities (Note 24)	(479,642,996)	(116,594,511)
Movements in pension liability (Note 26)	173,501,661	174,984,740
Stock options expense (Notes 22 and 27)	161,198,902	146,421,852
Interest expense (Note 23)	159,783,406	103,018,377
Interest income (Note 23)	(38,450,249)	(39,634,080)
Net loss on retirement of property, plant and equipment (Note 13)	15,027,599	34,007,861
Net unrealized foreign exchange loss (gain)	(41,637,336)	2,510,385
Net gain on disposal of property, plant and equipment and investment properties (Notes 11, 13 and 24)	(6,234,631)	(70,910,110)
Amortization of debt issue costs (Note 17)	2,163,636	1,896,970
Provision (Reversal) of impairment on:		
Receivables (Note 22)	171,490,794	1,071,541
Inventories (Note 22)	(595,212)	189,230
Property, plant and equipment and investment properties (Notes 11, 13 and 22)	—	(20,500,000)
Write-off of interest in a joint venture (Notes 10 and 22)	—	2,666,420
Income before working capital changes	3,824,391,326	4,320,480,602
Decrease (Increase) in:		
Receivables	1,135,150,420	(3,149,759,089)
Operating lease receivables (Note 29)	3,919,002	3,168,578
Inventories	269,559,955	(766,066,701)
Other current assets	(905,321,824)	(55,248,445)
Increase (Decrease) in:		
Trade payables and other current liabilities	161,934,532	918,210,183
Due to related parties	(20,344,666)	15,081,752
Operating lease payables (Note 29)	25,258,613	5,737,664
Net cash generated from operations	4,494,547,358	1,291,604,544
Income taxes paid	(858,753,038)	(779,902,674)
Interest received	48,524,750	45,273,686
Net cash provided by operating activities	3,684,319,070	556,975,556
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from subsidiaries (Notes 24 and 28)	2,221,500,000	765,000,000
Acquisitions of:		
Property, plant and equipment (Note 11)	(1,166,528,201)	(1,444,583,475)
Intangible assets (Note 12)	(99,975,497)	(317,451,179)
Investment properties (Note 13)	(293,628)	—
Additional investments in and advances to subsidiaries (Note 10)	(1,043,893,745)	(1,727,208,906)
Payment of liability for acquisition of a business (Note 10)	—	(75,000,000)
Increase in:		
Advances to related parties (Note 28)	(329,033,994)	(278,551,892)
Other noncurrent assets	(40,001,523)	(98,208,069)

(Forward)



	Years Ended December 31	
	2015	2014
Proceeds from:		
Disposal of property, plant and equipment (Note 11)	₱35,060,927	₱87,356,255
Disposal of investment properties (Note 13)	—	28,685,300
Net cash used in investing activities	(423,165,661)	(3,059,961,966)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Dividends (Note 19)	(1,899,665,609)	(1,560,657,861)
Short-term debt (Note 17)	(1,865,000,000)	—
Interest on short-term and long-term debt (Note 17)	(160,980,095)	(95,871,630)
Debt issue cost (Note 17)	—	(4,000,000)
Proceeds from:		
Issuances of capital stock	435,028,519	657,386,345
Availment of short-term debt (Note 17)	—	1,865,000,000
Availment of long-term debt (Note 17)	—	800,000,000
Net cash provided by (used in) financing activities	(3,490,617,185)	1,661,856,854
NET DECREASE IN CASH AND CASH EQUIVALENTS	(229,463,776)	(841,129,556)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,194,131)	(6,738,805)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,631,144,879	2,479,013,240
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱1,400,486,972	₱1,631,144,879

See accompanying Notes to Financial Statements.



JOLLIBEE FOODS CORPORATION

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Jollibee Foods Corporation (the Company) is a Philippine company primarily involved in the development, operation and franchising of Quick Service Restaurants (QSR) under the “Jollibee” trade name mainly in the Philippines. The operation and franchising of Jollibee QSR outside the Philippines are handled through the Company’s subsidiaries. The Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 1978.

The Company has subsidiaries and investees also engaged in the development, operation and franchising of restaurants under the trade names “Greenwich”, “Chowking”, “Yonghe King”, “Red Ribbon”, “Hong Zhuang Yuan”, “Mang Inasal”, “Burger King”, “San Pin Wang”, “Highlands Coffee”, “Pho 24”, “12 Hotpot”, “Dunkin Donuts”, and “Smashburger”. 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 and investees 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. Ave., 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 Board of Directors (BOD) on April 6, 2016.

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 certain available-for-sale (AFS) financial assets, 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.

Statement of Compliance

The accompanying parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (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 amendments to existing PFRSs which became effective on January 1, 2015:

- Amendments to PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions*

PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an



entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is not applicable to the Company since its defined benefit plan does not require contributions from employees or third parties.

- Annual Improvements to PFRSs (2010-2012 Cycle)

The following Annual Improvements to PFRSs (2010-2012 cycle) are effective for annual periods beginning on or after July 1, 2014 and are not expected to have a material impact on the parent company financial statements. They include:

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition.
- A performance target must be met while the counterparty is rendering service.
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group.
- A performance condition may be a market or non-market condition.
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

While the Company has stock option plans, the clarifications mentioned above will not change the recognition and measurement of these stock options plans.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of PAS 39, *Financial Instruments: Recognition and Measurement* (or PFRS 9, *Financial Instruments*, if early adopted). This amendment will be applied for any future business combination with a contingent consideration.

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Company discloses information about business segments in its consolidated financial statements filed with the SEC.



- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*

The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. This is not applicable to the Company since it has not adopted the revaluation model to subsequently measure items of property, plant and equipment and intangible assets after initial recognition.

- PAS 24, *Related Party Disclosures - Key Management Personnel*

The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The Company is already compliant with the requirements of this amendment even before it became effective.

- Annual Improvements to PFRSs (2011-2013 Cycle)

The Annual Improvements to PFRSs (2011-2013 cycle) are effective for annual periods beginning on or after July 1, 2014 and are not expected to have a material impact on the parent company financial statements. They include:

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*

The amendment is applied prospectively and clarifies for the scope exceptions within PFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of PFRS 3; and
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

This has no material impact on the parent company financial statements as the Company has no material direct investment in any joint arrangement nor it is a joint arrangement.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*

The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39. This is not applicable to the Company as it has not invoked the portfolio exception.

- PAS 40, *Investment Property - Ancillary Services*

The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). This amendment will be applied to any future acquisition of an asset with ancillary services.



New Accounting Standards, Interpretations and Amendments to Existing Standards
Effective Subsequent to December 31, 2015

The Company will adopt the following revised standards, interpretations and amendments when these become effective.

Effective January 1, 2016

- PAS 1, *Presentation of Financial Statements - Disclosure Initiative*
The amendments to PAS 1 clarify, rather than significantly change, existing PAS 1 requirements. The amendments clarify:
 - The materiality requirements in PAS 1;
 - That specific line items in the statements of comprehensive income and the statements of financial position may be disaggregated;
 - That entities have flexibility as to the order in which they present the notes to financial statements; and
 - That the share of Other Comprehensive Income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statements of financial position and the statements of comprehensive income. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company is currently assessing the impact of the amendments on the parent company financial statements but does not currently expect significant changes as a result the amendments.

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarifications of Acceptable Methods of Depreciation and Amortization*

The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company does not use a revenue-based method to depreciate its property, plant and equipment and intangible assets.

- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants*

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or



after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company as the Company does not have bearer plants.

- *PAS 27, Separate Financial Statements - Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company is still assessing whether it will elect to use the equity method to account for its investments in subsidiaries and interest in a joint venture in the parent company financial statements.

- *PFRS 10, Consolidated Financial Statements, PFRS 12, Disclosure of Interests in Other Entities and PAS 28, Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*

The amendments address issues that have arisen in applying the investment entities exception under PFRS 10. The amendments to PFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments of PFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to PAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. These amendments are not expected to have any impact on the parent company financial statements as it is not an investment entity nor it has any interest in an investment entity.

- *PFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests*

The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the parent company financial statements since it has not acquired any interest in a joint operation.



- PFRS 14, *Regulatory Deferral Accounts*

PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Company is an existing PFRS preparer, this standard would not apply.

- Annual Improvements to PFRSs (2012-2014 Cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. This amendment must be applied prospectively. This amendment is currently not applicable to the Company since it has no non-current asset held for sale or discontinued operations.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*

PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in PFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments. This amendment is not applicable to the Company, having no servicing contracts for its financial assets.

- PFRS 7, *Financial Instruments: Disclosures - Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively. This amendment is not applicable to the parent company financial statements, which is only issued annually.



- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied retrospectively. The Company already complies with the requirements of this amendment since government bond rates are currently used to calculate the present value of the Company's defined benefit obligation due to the absence of a deep local market for high quality corporate bonds.

- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. This amendment is not applicable to the parent company financial statements, which is only issued annually.

Effective January 1, 2018

- PFRS 9, *Financial Instruments (2014 or Final Version)*

In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015. The Company plans to adopt the new standard on the required effective date, which is subject to changes arising from a more detailed ongoing analysis.

Other than the potential changes on the accounting for the Company's AFS financial assets, the Company does not expect any material change on its accounting for financial assets and financial liabilities. The Company, however, expects potential changes in its impairment model as a 'expected credit loss' model replaces the 'incurred credit losses' model under PAS 39. The changes in hedge accounting are not applicable to the parent company financial statements since the Company has not designated any transaction as a hedge.

The following new standard issued by the International Accounting Standards Board (IASB) has not yet been adopted by the FRSC.

- IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is 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. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Company plans to adopt the new standard on the required effective date. The Company is currently assessing the impact of the standard to the parent Company financial statements. Furthermore, the Company is considering the clarifications issued by the IASB in an exposure draft in July 2015 and will monitor any further developments.

▪ IFRS 16, *Leases*

In January 2016, the IASB issued IFRS 16, *Leases*, which requires lessees to recognize assets and liabilities for most leases. Lessees will have a single accounting model for all leases, with certain exemptions. For lessors, there is little change to the existing accounting in PAS 17, *Leases*.

The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 has been applied, or is applied at the same date as IFRS 16. The Company is currently assessing the potential impact on its parent company financial statements resulting from the application of IFRS 16. The Company does not expect material changes in accounting for leases wherein it is the lessor. For most leases though wherein it is the lessee, the Company will be required to recognize both a right to use asset and a lease liability at gross amounts.

With Deferred Effective Date

▪ Philippine Interpretation IFRIC 15, *Agreements of Construction of Real Estate*

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the IASB and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have any impact on the financial statements of the parent company as it is not into the business of construction of real estate.

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 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.

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.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss (FVPL), 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 FVPL, 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into the following categories:

- Financial assets at FVPL
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Financial Asset at FVPL. Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition at FVPL. 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. Financial assets at FVPL are carried in the 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 FVPL. 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 FVPL.

The Company has no financial assets held for trading nor has it designated financial assets at FVPL upon initial recognition. Derivatives embedded in loan contracts did not also qualify to be accounted for as separate derivatives since their economic characteristics and risks are closely related to that of the host contracts.

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 Effective Interest Rate (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 cash and cash equivalents, receivables, operating lease receivables, advances to related parties and refundable deposits.

AFS Financial Assets. AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as neither held for trading nor designated at FVPL. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

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 and interest earned while holding AFS financial assets is recognized in profit or loss.

Derecognition

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 statement of financial position) when:

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



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

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

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, 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, 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.

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.

In the case of debt instruments classified as AFS financial assets, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest is recognized in profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, 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, short-term and long-term debt, due to related parties and operating lease payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL. Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

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 Company 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 FVPL are designated at the initial date of recognition, and only if the criteria in PAS 39 are satisfied. The Company has not designated any financial liability as at FVPL nor does it have a financial liability held for trading.

Loans and borrowings. This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings 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 that are an integral part of the EIR. The EIR amortization is included as interest expense in the parent company statement of comprehensive income.

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

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.

Debt Issue Costs

Debt issue costs are deducted against long-term debt and are amortized over the terms of the related borrowings.

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs are accounted for as follows:

Processed inventories	- Standard costing, 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 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; and creditable withholding taxes, which will be applied in the following year against the Company's corporate income tax due.

Property, Plant and Equipment

Property, plant and equipment, except land, 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. 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:

Plant and 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

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.

The residual values, if any, useful lives and depreciation and amortization method of the assets are reviewed and adjusted, if appropriate, at the end of each financial period.

Fully depreciated assets are retained in the accounts until they are disposed or retired.

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. 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.

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.

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.



Impairment of Nonfinancial Assets

The carrying values of investments in and advances to subsidiaries and a joint venture, property, plant and equipment, investment properties and 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 asset 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.

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 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 and the distribution is no longer at the discretion of the 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.

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.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value-added taxes. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has assessed that it is acting as principal in all of its revenue arrangements. The Company considers both the legal form and the substance of its agreement to determine each party's respective roles in the agreement.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the customers, which is normally upon delivery. Sales returns and sales 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.

Franchise Fees. Revenue from franchise fees is recognized when all services or conditions relating to a transaction have been substantially performed.

Service Fees. Revenue is recognized in the period in which the service has been rendered.

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. The amount of expenses incurred by the Company is reduced by the network advertising and promotional costs reimbursed by the Company's franchisees and subsidiaries.



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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Pension Benefits

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, 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.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the pension liability or asset
- Remeasurements of pension 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 costs 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 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 net defined benefit liability or asset. Net interest on the pension liability or asset is recognized under "Cost of Sales" and "General and Administrative expenses" in the parent company statement of comprehensive income as part of pension costs.

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 pension liability) 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.



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.

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. Contingent 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 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 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 exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange 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 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 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 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 interest in a joint venture, 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 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 interest in a joint venture, 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 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 tax, except:

- where the tax incurred on a purchase of an asset or service is not recoverable from the taxation authority, the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Other current assets" or "Trade payables and other current liabilities" accounts 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.



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:

Functional Currency. The Company has determined that its functional and presentation currency is the Philippine peso, being the currency of the primary economic environment in which the Company operates.

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 ₱239.2 million and ₱212.3 million in 2015 and 2014, 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 ₱1,406.5 million and ₱1,306.2 million in 2015 and 2014, respectively (see Note 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. 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 collectibility 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.

Provision for impairment loss on receivables amounted to ₱171.5 million and ₱1.1 million in 2015 and 2014, respectively, resulting from specific and collective assessments (see Notes 6 and 22). The carrying value of receivables amounted to ₱4,595.9 million and ₱5,880.9 million as at December 31, 2015 and 2014, respectively (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.

Reversals of provision for inventory obsolescence amounted to ₱0.6 million and provision for inventory obsolescence amounted to ₱0.2 million in 2015 and 2014, respectively (see Notes 7 and 22). The carrying value of inventories amounted to ₱1,790.6 and ₱2,059.5 million as at December 31, 2015 and 2014, respectively (see Note 7).

Impairment of Property, Plant and Equipment, Intangible Assets with Finite Useful Lives and Investment Properties. The Company performs annual impairment review of property, plant and equipment, intangible assets with finite useful lives 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 Company recognized a reversal of impairment loss on property, plant and equipment amounting to ₱8.5 million in 2014 (see Notes 11 and 22). In addition, the Company recognized a reversal of impairment loss on investment properties amounting to ₱12.0 million in 2014 (see Notes 13 and 22). The aggregate carrying amounts of property, plant and equipment, intangible assets and investment properties amounted to ₱5,470.4 million and ₱5,276.7 million as at December 31, 2015 and 2014, respectively (see Notes 11, 12 and 13).

Estimating Useful Lives of Depreciable Property, Plant and Equipment, Intangible Assets with Finite Useful Lives and Depreciable Investment Properties. The Company estimates the useful lives of depreciable property, plant and equipment, intangible assets with finite useful lives 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 and depreciable investment properties in 2015 and 2014. There was a change, however, in the useful life used to amortize intangible assets with finite useful life as disclosed in Note 12.

Impairment of Investments in Subsidiaries and Interest in a Joint Venture. Impairment review of investments in subsidiaries and interest in a joint venture 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 future cash flows from investments in subsidiaries and interest in a joint venture and to choose a suitable discount rate in order to calculate the present value of those cash flows.

There were no provisions for impairment losses on investments in subsidiaries in 2015 and 2014. In 2014, the Company has directly charged to profit or loss the remaining cost of its investment in Coffeetap, a joint venture, amounting to ₱2.7 million (see Note 22). The carrying values of investments in and advances to subsidiaries amounted to ₱23,491.4 million and ₱22,435.5 million as at December 31, 2015 and 2014, respectively (see Note 10).

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 the Company's past results and future expectations on revenues and expenses.

The carrying amount of deferred tax assets amounted to ₱1,466.7 million and ₱775.4 million as at December 31, 2015 and 2014, respectively. There were no unrecognized deferred tax assets as at December 31, 2015 and 2014 (see Note 25).

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 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 ₱995.5 million and ₱299.0 million as at December 31, 2015 and 2014, respectively (see Note 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 ₱161.2 million and ₱146.4 million in 2015 and 2014, respectively (see Notes 22 and 27).

Fair Value of Financial Assets and Liabilities. When the fair values of financial assets and financial liabilities recorded or disclosed in the parent company 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 where 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. See Note 31 for further disclosures.

Provisions. The Company recognizes a provision for an obligation resulting from a past event when it has assessed that it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These assessments are made based on available evidence, including the opinion of experts. Future events and developments may



result in changes in these assessments which may impact the Company's financial position and performance (see Note 16).

Contingencies. The Company is currently 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 Company's legal counsels and based upon an analysis of potential results. Management believes that the ultimate liability, if any, with respect to the other 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 each as at December 31, 2015 and 2014.

5. Cash and Cash Equivalents

This account consists of:

	2015	2014
Cash on hand	₱118,709,746	₱101,662,377
Cash in banks	696,080,971	706,518,150
Short-term deposits	585,696,255	822,964,352
	₱1,400,486,972	₱1,631,144,879

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 ₱11.6 million and ₱19.1 million in 2015 and 2014, respectively (see Note 23).

6. Receivables

This account consists of:

	2015	2014
Trade receivables from:		
Franchisees and customers	₱2,619,536,142	₱4,220,222,240
Related parties (see Note 28)	1,905,215,386	1,409,824,442
	4,524,751,528	5,630,046,682
Less allowance for impairment loss	197,656,163	26,165,369
	4,327,095,365	5,603,881,313
Employee advances	72,912,142	72,277,900
Current portion of employees' car plan receivables (see Note 14)	28,034,673	44,916,794
Interest receivable	5,874,226	4,200,275
Others (see Note 28)	162,002,760	155,665,540
	₱4,595,919,166	₱5,880,941,822



The terms and conditions of the receivables are as follows:

- Trade receivables are noninterest-bearing and are generally collectible on a 15-day term.
- 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 and the Social Security System (SSS) and insurance claims.

The movements in allowance for impairment loss on trade receivables as at December 31 follow:

	2015	2014
Balance at beginning of year	P26,165,369	P75,627,937
Provisions (see Note 22)	171,490,794	1,071,541
Write-offs	—	(50,534,109)
Balance at end of year	P197,656,163	P26,165,369

The provisions in 2015 and 2014 resulted from the specific impairment assessment performed by the Company.

Certain other current assets and advances to related parties in 2014 totaling P227.4 million were reclassified to receivables to conform to the 2015 presentation. The reclassification did not change the total assets as at December 31, 2014.

7. Inventories

This account consists of:

	2015	2014
At cost:		
Food supplies and processed inventories	P1,646,703,193	P1,848,216,625
Packaging, store and other supplies	98,689,901	163,503,332
At net realizable value -		
Novelty items	45,186,249	47,824,129
	P1,790,579,343	P2,059,544,086

The cost of novelty items carried at net realizable value amounted to P51.3 million and P54.6 million as at December 31, 2015 and 2014, respectively.

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 booked a reversal of allowance for inventory obsolescence amounting to P0.6 million in 2015 and a provision for inventory obsolescence amounting to P0.2 million in 2014 (see Note 22).



8. Other Current Assets

This account consists of:

	2015	2014
Deposits to suppliers and others (see Note 6)	₱615,686,706	₱171,625,275
Prepaid taxes	449,245,259	294,759,248
Prepaid expenses	361,809,041	59,311,882
Current portion of prepaid car plan	43,959,582	39,682,359
	₱1,470,700,588	₱565,378,764

Deposits to suppliers are generally applied to purchases of inventories and services within the next financial year.

Prepaid taxes represent creditable withholding taxes that the Company can apply against its corporate income tax in the following year.

Prepaid expenses consist of unused office and operating supplies and the unexpired portion of advertising, insurance and other expenses paid in advance.

9. Available-for-Sale Financial Assets

This account consists mainly of shares in golf and leisure clubs amounting to ₱19.7 million each as at December 31, 2015 and 2014.

10. Investments in and Advances to Subsidiaries

The carrying values of investments are as follows:

	2015	2014
Subsidiaries:		
Jollibee Worldwide Pte. Ltd. (JWPL)	₱12,407,848,636	₱11,617,851,075
Mang Inasal Philippines Inc.	2,980,233,926	2,979,976,588
RRB Holdings, Inc.	2,524,189,307	2,522,538,817
Fresh N' Famous Foods, Inc.	2,328,581,713	2,322,299,618
Honeybee Foods Corporation	1,633,522,377	1,597,778,377
Zenith Foods Corporation	996,173,239	996,057,105
Grandworth Resources Corporation	270,000,000	270,000,000
BKTitans, Inc.*	66,347,389	66,268,854
Freemont Foods Corporation	59,930,558	59,930,558
Jollibee USA	2,800,000	2,800,000
	23,269,627,145	22,435,500,992
Advances to JWPL	221,780,383	—
	₱23,491,407,528	₱22,435,500,992

* Owned through Chancoux, Inc., which is wholly owned by the Company.



The movements in this account are as follows:

	2015	2014
Investments in subsidiaries		
Balance at beginning of year	₱22,448,615,992	₱20,701,338,050
Additional investments	822,113,362	1,727,208,906
Share-based payments to employees of subsidiaries (see Note 27)	12,012,791	20,069,036
Balance at end of year	23,282,742,145	22,448,615,992
Less allowance for impairment loss	13,115,000	13,115,000
	23,269,627,145	22,435,500,992
Advances to JWPL	221,780,383	—
Interest in a joint venture		
Balance at beginning of year	₱—	₱2,666,420
Write-off (see Note 22)	—	(2,666,420)
Balance at end of year	—	—
	₱23,491,407,528	₱22,435,500,992

The Company's subsidiaries as at December 31, 2015 and 2014 include the following:

	Country of Incorporation	Principal Activities	2015		2014	
			Direct Ownership	Indirect Ownership	Direct Ownership	Indirect Ownership
Fresh N' Famous Foods, Inc. (Fresh N' Famous):	Philippines	Food service	100	—	100	—
Chawking 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	70	—	70	—
Grandworth Resources Corporation (Grandworth):	Philippines	Leasing	100	—	100	—
Adgraphix, Inc. (Adgraphix)	Philippines	Digital printing	—	100	—	100
ICannect Multi Media Network, Inc. (ICannect)	Philippines	Advertising	—	60	—	60
JC Properties & Ventures Co.	Philippines	Inactive	—	50	—	50
Honeybee Foods Corporation (Honeybee)	USA	Food service	100	—	100	—
Tokyo Teriyaki Corporation (TTC)	USA	Food service	—	100	—	100
Honeybee Foods (Canada) Corporation (HFCC) ^(a)	Canada	Food service	—	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 Cup Pte.Ltd. ^(b)	Singapore	Holding company	—	60	—	60
Beijing Golden Coffee Cup Food & Beverage Management Co., Ltd. ^(b)	PRC	Food Service	—	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
Guangxi San Pin Wang Food and Beverage Management Company Limited (San Pin Wang)	PRC	Food service	—	55	—	55
Happy Bee Foods Processing Pte. Ltd. (HBFPPL)	Singapore	Holding company	—	70	—	70
Happy Bee Foods Processing (Anhui) Co. Ltd.	PRC	Food service	—	100	—	100
JSF Investments Pte. Ltd. (JSF)	Singapore	Holding company	—	99	—	99
Chow Fun Holdings LLC (Chow Fun)	USA	Food service	—	81	—	81
Jollibee (China) Food & Beverage Management Co. Ltd. (JFCC and formerly Shanghai Chunlv Co. Ltd) ^(c)	PRC	Management company	—	100	—	100
Jollibee International (BVI) Ltd. (JIBL):	BVI	Holding company	—	100	—	100
Jollibee Vietnam Corporation Ltd.	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



	Country of Incorporation	Principal Activities	2015		2014	
			Direct Ownership	Indirect Ownership	Direct Ownership	Indirect Ownership
Centenary Ventures Ltd.	BVI	Holding company	—	100	—	100
Bee Good! Inc. (BGI)	USA	Holding company	—	100	—	—
Chanceux, Inc.	Philippines	Holding company	100	—	100	—
BKTitans, Inc. (BKTitans)	Philippines	Holding company	—	54	—	54
- PFN Holdings Corporation	Philippines	Holding company	—	53	—	53
- Perf Restaurants, Inc. ^(a)	Philippines	Food service	—	53	—	53
Donut Magic Phils., Inc. (Donut Magic) ^(a)	Philippines	Dormant	100	—	100	—
Ice Cream Copenhagen Phils., Inc. (ICCP) ^(a)	Philippines	Dormant	100	—	100	—
Mary's Foods Corporation (Mary's) ^(a)	Philippines	Dormant	100	—	100	—
QSR Builders, Inc.	Philippines	Inactive	100	—	100	—
Jollibee USA	USA	Dormant	100	—	100	—

(a) On May 7, 2015, the Jollibee Group, through HFC, incorporated HFCC to own and operate Jollibee restaurants in Canada.

(b) On December 19, 2014, the Jollibee Group, through JWPL, entered into a joint agreement to form Golden Cup together with Jasmine Asset Holding Ltd. (Jasmine), to own and operate Dunkin' Donuts restaurants in the PRC through Beijing Golden Coffee Cup, which was also incorporated in the same year.

(c) Merged with Shanghai Yong He King Food and Beverage Co., Ltd. in 2014 with JFCC as the surviving entity.

(d) Perf Restaurants, Inc. also holds shares in Perf Trinoma and Perf MOA.

(e) On June 18, 2004, the stockholders of the Jollibee Group approved the Plan of Merger of the three dormant companies. The application is pending approval from the SEC as at December 31, 2015.

Investments in JWPL

The Company made additional cash investments of ₱786.4 million and ₱1,692.3 million in 2015 and 2014, respectively. These additional investments were used to finance JWPL's financing and investing activities in 2015 and 2014.

Investments in Honeybee

In 2015 and 2014, the Company made an additional cash investment of ₱35.7 million and ₱34.9 million, respectively, which in turn was used to finance TTC's installment payment for the purchase of Chowking US. The Chowking US operations were acquired by TTC from Fortune Capital Corporation on May 27, 2011.

Investment in Coffeetap

In 2014, the Company has directly charged to profit or loss the remaining cost of its investment in Coffeetap amounting to ₱2.7 million as management has determined that the recoverable amount of the investment based on value in use is nil. The write-off was recognized in "General and administrative expenses" account in the 2014 parent company statement of comprehensive income.

Investment in Mang Inasal

On November 22, 2010, the Company acquired 70% of the issued and outstanding shares of Mang Inasal, owner and operator of Mang Inasal QSR in the Philippines, for a total consideration of ₱3,000.0 million. The Company paid ₱2,700.0 million as at December 31, 2010. The remaining 10% of the purchase price is payable over a 3-year period as follows:

50%	12 months from November 22, 2010 (closing date)
25%	24 months from closing date
25%	36 months from closing date

On November 14 and 19, 2014, the Company paid the last 25% installment of the unpaid purchase price for the acquisition of Mang Inasal amounting to ₱28.2 million and ₱46.9 million, respectively. Total amount paid is inclusive of interest amounting to ₱0.1 million.

Advances to JWPL

Advances to JWPL pertain to advances made by the Company for the transaction costs of Bee Good! Inc.'s (BGI) investment in SJBF LLC. BGI is a wholly-owned subsidiary of the Company through JWPL.



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 options for the years ended December 31, 2015 and 2014 were charged to the investment in the relevant subsidiary as follows:

	2015	2014
Fresh N' Famous Foods, Inc.	₱6,282,095	₱10,902,448
Jollibee Worldwide Pte. Ltd.	3,628,199	2,304,438
RRB Holdings, Inc.	1,650,490	3,889,502
Mang Inasal Philippines Inc.	257,338	2,435,899
Zenith Foods Corporation	116,134	—
BKTitans, Inc.	78,535	536,749
	₱12,012,791	₱20,069,036

11. Property, Plant and Equipment

The rollforward analysis of this account follows:

	2015							
	Land	Plant and 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
	<i>(In Thousands)</i>							
Cost:								
Balance at beginning of year	₱28,586	₱453,815	₱2,987,226	₱3,218,692	₱356,308	₱354,330	₱229,027	₱7,627,984
Additions	—	—	187,126	317,547	33,294	30,769	597,792	1,166,528
Retirements and disposals	—	—	(69,513)	(116,832)	(15,195)	(14,474)	(6,663)	(222,677)
Transfers	—	—	4,703	(4,004)	84	—	(783)	—
Reclassifications	—	—	307,710	185,182	29,307	5,714	(527,913)	—
Balance at end of year	28,586	453,815	3,417,252	3,600,585	403,798	376,339	291,460	8,571,835
Accumulated depreciation and amortization:								
Balance at beginning of year	—	393,959	1,557,226	2,051,084	262,455	167,218	—	4,431,942
Additions (see Notes 21 and 22)	—	9,791	381,148	438,600	40,908	54,204	—	924,651
Retirements and disposals	—	—	(44,235)	(109,140)	(14,781)	(10,667)	—	(178,823)
Transfers	—	—	2,259	(2,228)	(31)	—	—	—
Reclassifications	—	—	(3,604)	3,561	43	—	—	—
Balance at end of year	—	403,750	1,892,794	2,381,877	288,594	210,755	—	5,177,770
Net Book Value	₱28,586	₱50,065	₱1,524,458	₱1,218,708	₱115,204	₱165,584	₱291,460	₱3,394,065

	2014							
	Land	Plant and 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
	<i>(In Thousands)</i>							
Cost:								
Balance at beginning of year	₱28,586	₱458,469	₱2,848,340	₱3,234,436	₱321,464	₱212,804	₱89,475	₱7,193,574
Additions	—	—	249,901	625,225	34,608	19,238	515,611	1,444,583
Retirements and disposals	—	(5,567)	(345,861)	(520,811)	(37,584)	(9,094)	(14,012)	(932,929)
Transfers	—	—	(222)	174	48	—	—	—
Reclassifications	—	913	235,068	(120,332)	37,772	131,382	(362,047)	(77,244)
Balance at end of year	28,586	453,815	2,987,226	3,218,692	356,308	354,330	229,027	7,627,984
Accumulated depreciation and amortization:								
Balance at beginning of year	—	388,780	1,519,388	2,164,653	262,919	140,168	—	4,475,908
Additions (see Notes 21 and 22)	—	9,832	350,331	412,121	37,438	30,620	—	840,342
Retirements and disposals	—	(5,568)	(316,516)	(505,804)	(36,446)	(9,093)	—	(873,427)

(Forward)



2014								
	Land	Plant and 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
Transfers	P-	P-	(P148)	(In Thousands) P100	P48	P-	P-	P-
Reclassifications	-	915	4,171	(19,986)	(1,504)	5,523	-	(10,881)
Balance at end of year	-	393,959	1,557,226	2,051,084	262,455	167,218	-	4,431,942
Accumulated impairment loss:								
Balance at beginning of year	-	-	-	8,500	-	-	-	8,500
Reversal of impairment loss (see Note 22)	-	-	-	(8,500)	-	-	-	(8,500)
Balance at end of year	-	-	-	-	-	-	-	-
Net Book Value	P28,586	P59,856	P1,430,000	P1,167,608	P93,853	P187,112	P229,027	P3,196,042

Construction in progress account as at December 31, 2015 and 2014 mainly pertains to costs incurred for ongoing construction of soon-to-open stores.

Net gain or loss on disposals and retirements of property, plant, and equipment amounted to ₱8.8 million and ₱52.6 million in 2015 and 2014, respectively. The Company sold items of property, plant and equipment for a total consideration of ₱35.1 million and ₱87.4 million, in 2015 and 2014, respectively.

No impairment was recognized by the Company in 2015. In 2014, management reassessed the recoverable amount of the Company's office, store and food processing equipment based on actual inspection of the Company's existing assets and recognized a reversal of provision amounting to ₱8.5 million in 2014, based on fair value less cost to sell and presented under the "General and administrative expenses" account in the 2014 parent company statement of comprehensive income (see Note 22). The recoverable amount of the impaired office, store and food processing equipment amounted to ₱10.0 million as at December 31, 2014. The recoverable amount is based on fair value less cost to dispose. Management expects minimal costs to dispose the items.

The cost of fully depreciated assets retained in the books by the Company amounted to ₱2,748.2 million and ₱2,250.8 million as at December 31, 2015 and 2014, respectively.

No property, plant and equipment as at December 31, 2015 and 2014 have been pledged as security or collateral.

12. Intangible Assets

This account consists of:

	2015	2014
Cost:		
Balance at beginning of year	₱602,774,261	₱285,323,082
Additions	99,975,497	317,451,179
Balance at end of year	₱702,749,758	₱602,774,261
Accumulated amortization:		
Balance at beginning of year	₱44,446,252	₱8,468,517
Amortization (see Note 22)	72,951,594	35,977,735
Balance at end of year	₱117,397,846	₱44,446,252
Net book value:		
At end of year	₱585,351,912	₱558,328,009
At beginning of year	558,328,009	276,854,565



Intangible assets mainly pertain to computer software relating to the Company's Enterprise Resource Planning (ERP) application which was utilized by the Company starting August 1, 2014. In 2015, the Company continued to capitalize further costs used to fully utilize the system.

During 2015, the Company conducted a reassessment of the useful life of its ERP application, which resulted in a change in its expected usage. Considering the substantial amount of investment made by the Company to implement the new application, the alternative applications currently available in the market and the Company's historical experience with its previous ERP application, management now expects and intends to use the new ERP application for ten (10) years from commissioning date. Management has previously estimated the expected useful life of the new ERP application at five (5) years. This change will result to annual amortization expense to be lower by ₱58.0 million in 2015, by ₱64.0 million in 2016 to 2018, and by ₱33.0 million in 2019; and amortization expense which is higher by ₱58.0 million in 2020 thereafter. The Company's ERP application has a net book value of ₱559.2 million and ₱536.3 million as at December 31, 2015 and 2014, respectively.

The Company's intangible assets also include trademarks and patents amortized over its useful life of five years with net book value of ₱26.1 million and ₱22.0 million as at December 31, 2015 and 2014, respectively.

13. Investment Properties

The rollforward analysis of this account follows:

	2015		
	Land	Buildings and Building Improvements	Total
Cost:			
Balance at beginning of year	₱759,181,799	₱985,445,237	₱1,744,627,036
Additions	—	293,628	293,628
Balance at end of year	759,181,799	985,738,865	1,744,920,664
Accumulated depreciation and amortization:			
Balance at beginning of year	₱—	₱222,260,335	₱222,260,335
Additions (see Notes 21 and 22)	—	31,660,619	31,660,619
Balance at end of year	—	253,920,954	253,920,954
Net book value	₱759,181,799	₱731,817,911	₱1,490,999,710

	2014		
	Land	Buildings and Building Improvements	Total
Cost:			
Balance at beginning of year	₱766,461,538	₱913,052,933	₱1,679,514,471
Additions	—	—	—
Retirements and disposals	(7,279,739)	(4,851,197)	(12,130,936)
Reclassifications	—	77,243,501	77,243,501
Balance at end of year	759,181,799	985,445,237	1,744,627,036

(Forward)



	2014		
	Land	Buildings and Building Improvements	Total
Accumulated depreciation and amortization:			
Balance at beginning of year	₱—	₱187,384,289	₱187,384,289
Additions (see Notes 21 and 22)	—	28,846,278	28,846,278
Retirements and disposals	—	(4,851,197)	(4,851,197)
Reclassifications	—	10,880,965	10,880,965
Balance at end of year	—	222,260,335	222,260,335
Accumulated impairment loss:			
Balance at beginning and end of year	12,000,000	—	12,000,000
Reversal (see Note 22)	(12,000,000)	—	(12,000,000)
Balance at end of year	—	—	—
Net book value	₱759,181,799	₱763,184,902	₱1,522,366,701

The cost of fully depreciated investment properties still being leased out by the Company under operating leases amounted to ₱107.5 million as at December 31, 2015 and 2014.

The Company's investment properties have an aggregate fair value of ₱2,482.6 million as at December 31, 2014 as determined by independent qualified appraisers. Management does not expect a significant change in the aggregate fair value of the Company's investment properties in 2015. 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. Fair value hierarchy disclosures for investment properties have been provided in Note 31.

Rent income derived from income-generating properties amounted to ₱125.5 million and ₱103.7 million in 2015 and 2014, respectively, recorded under "Rent income" account.

Direct operating costs relating to the investment properties, which include depreciation and maintenance expenses, totaled ₱31.7 million and ₱28.4 million in 2015 and 2014, respectively.

The Company sold items of investment properties for a total consideration of ₱28.7 million in 2014. As a result of the sale, the Company recognized a gain on disposal amounting to ₱18.3 million.

In 2014, the Company reassessed the recoverable amount of land with acquisition cost of ₱400.1 million and an allowance for impairment loss of ₱12.0 million. The reassessment resulted to the reversal of the allowance for impairment loss and the recoverable amount of the land amounted to ₱414.3 million which is based on its fair value less cost to dispose as determined by an independent appraiser. Management expects minimal costs to dispose the land.



No investment properties as at December 31, 2015 and 2014 have been pledged as security or collateral.

14. Other Noncurrent Assets

This account consists of:

	2015	2014
Refundable deposits	₱438,695,873	₱390,186,386
Noncurrent portion of:		
Prepaid car plan	112,635,521	84,182,629
Employees' car plan receivables	92,811,553	89,845,027
Prepaid rent	83,030,474	103,506,142
Deferred rent and compensation	36,537,693	40,749,204
Returnable containers	20,226,096	20,587,500
Others	8,107,504	11,847,897
	₱792,044,714	₱740,904,785

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 2015 and 2014. 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 ₱5.8 million and ₱6.3 million in 2015 and 2014, respectively (see Note 23).

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 ₱5.3 million and ₱7.5 million in 2015 and 2014 (see Note 23).

15. Trade Payables and Other Current Liabilities

This account consists of:

	2015	2014
Trade payables:		
Suppliers	₱3,361,728,342	₱2,455,355,316
Related parties (see Note 28)	515,540,289	1,226,541,290
Accruals for:		
Advertising and promotions	517,095,640	634,975,150
Salaries, wages and employee benefits	409,438,832	415,971,724
Professional fees	301,729,549	85,567,639
Rent	229,688,116	192,113,890
Store operations	127,716,150	302,672,208
Delivery expenses	105,263,035	79,540,573
Repairs, maintenance and security	91,737,474	96,336,042

(Forward)



	2015	2014
Supplies	₱90,204,549	₱80,524,220
Electricity, other utilities and communication	82,936,709	95,676,914
Gift certificates	79,520,495	45,746,758
Corporate events	77,793,283	17,999,560
Novelties	63,775,094	78,333,426
Trainings and seminars	61,482,230	48,913,991
Retention	23,491,242	24,686,932
Transportation and travel	15,212,516	7,711,641
Interest (see Note 17)	8,107,592	9,304,281
Insurance	4,385,552	4,594,813
Others	816,488,912	667,192,468
Local and other taxes payable	600,447,207	1,239,691,955
Customers' deposits	207,807,365	301,044,540
Dividends payable	43,544,875	56,350,870
	₱7,835,135,048	₱8,166,846,201

Trade payables are noninterest-bearing and are 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, customers' deposits and dividends payable are noninterest-bearing and are normally settled within the next financial year.

Other accruals generally consist of amounts payable for conventions, trainings, seminars and various activities of the Company's Human Resources Team.

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 amounted to ₱1.0 million and ₱0.9 million in 2015 and 2014 (see Note 23).

16. Provisions

This mainly represents provisions for legal claims, which 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. Short-term and Long-term Debts

Short-term Debt

Short-term debt consists of unsecured short-term bank loans of the Company. These loans were availed in 2014 with maturities of one year or less with interest rates ranging from 1.8% to 1.9%. Short-term debt amounted to ₱1,865.0 million as at December 31, 2014, which was subsequently settled in 2015.

Interest expense recognized on the short term debt amounted to ₱40.9 million and ₱3.2 million in 2015 and 2014, respectively. (see Note 23).



Long-term Debt

₱1,500.0 Million Metrobank 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 based on the PDST-F rate for the remaining term of the loan and the spread of 1.00% on any interest payment date. 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 on maturity upon 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 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.

The balance of the Company's long-term debt as at December 31, 2015 and 2014 is as follows:

	2015	2014
Principal	₱2,300,000,000	₱2,300,000,000
Unamortized debt issue cost	(7,439,394)	(9,603,030)
	2,292,560,606	2,290,396,970
Current portion - net of debt issue cost of ₱47,727	(14,952,273)	—
Noncurrent portion - net of debt issue cost	₱2,277,608,333	₱2,290,396,970

Debt Issue Cost

The movements in unamortized debt issue cost in 2015 and 2014 are as follows:

	2015	2014
Balance at beginning of year	₱9,603,030	₱7,500,000
Additions	—	4,000,000
Amortization	(2,163,636)	(1,896,970)
Balance at end of year	₱7,439,394	₱9,603,030



The future expected principal settlements of the long-term debt follow:

2016	₱15,000,000
2017	15,000,000
2018	15,000,000
2019	2,255,000,000
	<u>₱2,300,000,000</u>

Interest expense incurred related to long-term debt amounted to ₱89.8 million and ₱73.4 million in 2015 and 2014, respectively (see Note 23), which include amortization of debt issue cost amounting to ₱2.2 million and ₱1.9 million, respectively. Accrued interest expense included in "Trade payables and other current liabilities" account amounted to ₱8.1 million and ₱9.3 million as at December 31, 2015 and 2014, respectively (see Note 15).

Debt Covenants

The Company's ₱1,500.0 million loan with MBTC is subject to affirmative debt covenants, including maintaining business, maintaining insurance, paying taxes, notifying MBTC 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 its 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 loan. 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, 2015 and 2014.

The Company's ₱800.0 million loan with BPI is 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. It is also subject to negative covenants, including not making material changes in its 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, 2015 and 2014.

18. Capital Stock

The movements in the number of shares are as follows:

	2015	2014
Authorized - ₱1 par value	₱1,450,000,000	₱1,450,000,000
Issued and subscribed:		
Balance at beginning of the year	1,081,040,314	1,068,608,675
Issuances during the year	5,109,096	12,431,639
Balance at end of year	1,086,149,410	1,081,040,314
Subscriptions receivable	(17,177,884)	(17,177,884)
	₱1,068,971,526	₱1,063,862,430



The Company's common stock held in treasury amounted to ₱180.5 million which is equivalent to 16.4 million shares as at December 31, 2015 and 2014.

In relation with the 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 of December 31	
				2015	2014
Common shares	75,000,000	₱9	June 21, 1993	3,118	3,173

19. Retained Earnings

Cash dividend declarations for 2015 and 2014 follow:

2015				
Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
April 7	May 7	May 29	₱0.80	₱851,349,864
November 9	November 26	December 9	0.97	1,035,509,750
			₱1.77	₱1,886,859,614
2014				
Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
April 7	May 8	May 30	₱0.75	₱788,176,867
November 12	November 27	December 18	0.89	945,305,674
			₱1.64	₱1,733,482,541

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 percent of the consolidated basic earnings per share of the Jollibee Group are 38.3% and 32.3% in 2015 and 2014, respectively.

An important part of the Company's growth strategy is the acquisition of 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 (₱2,979.8 million), 100% of Chowking US operations in 2011 (₱659.9 million), 55% of San Pin Wang (₱195.9 million) in 2012, 48% of WJ Investments Limited (₱98.0 million) in 2012 and 40% of Smashburger in the USA in 2015 (₱4,629.5 million).

The Company plans to continue to make substantial acquisitions in the next few 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 it can declare and pay making the level of retained earnings higher than the paid-in capital stock.



On February 15, 2012, the BOD of the Company approved the additional appropriation of ₱3,800.0 million retained earnings to be used for future expansion and to support the Company's growth strategy, increasing the existing appropriation to ₱5,000.0 million as at December 31, 2012. On April 11, 2013, the BOD of the Company approved the appropriation of another ₱5,200.0 million. The appropriated retained earnings of the Company amounted to ₱10,200.0 million as at December 31, 2015 and December 31, 2014, details of which are as follows:

Project	Timeline	Amount
Acquisition of businesses	2013-2018	₱7,600,000,000
Capital expenditures	2013-2018	2,600,000,000
		<u>₱10,200,000,000</u>

The unappropriated retained earnings 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, 2015 and 2014.

20. Royalty and Franchise Fees

The Company has existing Royalty and Franchise 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 franchise fees and monthly royalty fees equivalent to a certain percentage of the subsidiaries' and independent franchisees' net sales. Royalty and franchise fee revenues amounted to ₱3,670.8 million and ₱3,319.5 million in 2015 and 2014, respectively (see Note 28).

21. Cost of Sales and Services

This account consists of:

	2015	2014
Cost of Sales		
Cost of inventories (see Note 28)	₱25,843,664,391	₱22,838,315,098
Personnel expenses:		
Salaries, wages and employee benefits	2,184,574,150	2,122,704,585
Pension expense (see Note 26)	60,848,403	50,782,088
Rent (see Notes 28 and 29)	1,120,994,581	1,011,084,415
Freight (see Note 28)	1,110,781,681	972,372,070
Electricity and other utilities	993,361,898	1,064,335,371
Contracted services	810,192,690	680,490,030
Depreciation and amortization (see Notes 11 and 13)	720,875,422	669,888,814
Service fees (see Note 28)	619,534,592	464,084,170
Supplies	480,500,617	536,190,450
Repairs and maintenance	243,075,586	168,273,467
Security and janitorial	154,681,645	137,237,520
Transportation and travel	86,837,470	71,122,326
(Forward)		



	2015	2014
Taxes and licenses	₱50,954,844	₱48,735,296
Communication	31,996,252	26,367,060
Entertainment, amusement and recreation	13,978,409	12,216,801
Professional fees	1,330,933	1,683,499
Others	647,105,450	454,730,588
	35,175,289,014	31,330,613,648
Cost of Services		
Cost of labor and materials	364,603,084	332,477,458
Rent (see Note 29)	85,880,362	81,850,399
Service fees (see Note 28)	48,584,101	85,637,810
Depreciation and amortization (see Notes 11 and 13)	36,478,786	36,990,385
Taxes and licenses	24,197,209	23,350,904
Supplies	7,500,000	6,249,000
Security and janitorial	1,499,299	1,172,479
Others	5,030,698	2,738,549
	573,773,539	570,466,984
	₱35,749,062,553	₱31,901,080,632

Others consist of delivery costs, Company's share in common usage area and insurance.

22. General and Administrative Expenses

This account consists of:

	2015	2014
Personnel expenses:		
Salaries, wages and employee benefits	₱2,234,232,115	₱2,395,443,911
Stock options expense (see Note 27)	161,198,902	146,421,852
Pension expense (see Note 26)	112,653,258	94,275,406
Service and management fees (see Note 28)	679,947,654	482,532,511
Taxes and licenses	465,027,766	407,155,258
Professional fees	301,401,772	249,025,977
Depreciation and amortization (see Notes 11, 12 and 13)	271,909,242	198,286,389
Corporate events and research	200,092,404	250,896,592
Rent (see Notes 28 and 29)	199,651,900	213,276,729
Transportation and travel	188,861,746	168,412,582
Provisions (reversals) for impairment losses/ write-down of:		
Receivables (see Note 6)	171,490,794	1,071,541
Inventories (see Note 7)	(595,212)	189,230
Investment properties (see Note 13)	—	(12,000,000)
Property, plant, and equipment (see Note 11)	—	(8,500,000)
Other noncurrent assets	—	54,838
Donations	101,906,043	72,190,862
Repairs and maintenance	101,318,315	60,704,939
Trainings and seminars	69,388,417	27,248,931
Communication	65,885,012	52,575,038

(Forward)



	2015	2014
Contracted services	₱54,416,625	₱40,152,680
Association dues	49,899,367	28,879,634
Supplies	36,559,076	23,909,748
Entertainment, amusement and recreation	32,307,888	44,757,334
Electricity and other utilities	21,037,310	29,616,337
Freight charges	20,356,696	27,871,873
Insurance	8,364,540	10,495,550
Security and janitorial	7,748,482	3,666,936
Write-off of investment in a joint venture (see Note 10)	—	2,666,420
Others	167,121,030	146,948,270
	₱5,722,181,142	₱5,158,227,368

23. Interest Income (Expense)

The Company's interest income and expenses consist of the following:

	2015	2014
Interest income:		
Advances to related parties (see Note 28)	₱15,728,767	₱6,827,945
Cash and cash equivalents (see Note 5)	11,583,076	19,052,881
Accretion of interest on refundable deposits and employees' car plan receivables (see Note 14)	11,138,406	13,753,254
	38,450,249	39,634,080
Interest expense:		
Short-term and long-term debt (see Note 17)	(130,686,766)	(76,611,471)
Due to related parties (see Note 28)	(28,114,976)	(25,467,921)
Accretion of interest on customers' deposits (see Note 15)	(981,664)	(938,985)
	(159,783,406)	(103,018,377)
	(₱121,333,157)	(₱63,384,297)

24. Other Income - Net

This account consists of:

	2015	2014
Dividend income (see Note 28)	₱2,221,500,000	₱765,000,000
Management fees (see Note 28)	496,974,689	424,814,762
Write-off of long-outstanding liabilities	479,642,996	116,594,511
Net foreign exchange gain (loss) (see Note 30)	41,056,264	(3,185,095)
Net gain on disposals of property, plant and equipment and investment properties	6,234,631	70,910,110
Pre-termination of operating leases	2,158,378	3,828,857
Rebates	2,150,205	55,738,947
Others	120,987,506	49,743,228
	₱3,370,704,669	₱1,483,445,320



Others consist mainly of rent income from lease of minor equipment, scrap sales and containers and cash overages.

25. Income Taxes

The provision for current income tax consists of the following:

	2015	2014
Final taxes on:		
Royalty and franchise fees	P713,131,008	P647,262,621
Interest income	2,316,223	3,804,849
MCIT	143,305,807	128,835,204
	P858,753,038	P779,902,674

As at December 31, 2015, 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 Date	NOLCO	MCIT
2013	2016	P-	P2,204,170
2014	2017	860,064,294	128,835,204
2015	2018	778,074,446	143,305,807
		P1,638,138,740	P274,345,181

The details of the Company's deferred tax assets and liabilities are as follows:

	2015	2014
Deferred tax assets:		
Pension liability	P298,636,400	P89,693,678
Operating lease payables	203,677,232	196,099,648
Net unrealized foreign exchange loss	105,983,051	39,909,725
Allowance for impairment losses on:		
Receivables	59,296,849	7,849,611
Prepaid leases	6,500,460	7,773,981
Inventories	1,846,316	2,024,880
Provisions	9,150,192	9,150,192
Unamortized past service cost	8,368,926	11,158,566
Unaccreted discount on:		
Refundable deposits	3,599,252	6,940,774
Employees' car plan receivables	2,841,255	2,692,795
Unamortized discount on customer's liability	996,802	702,303
Deferred rent revenue	2,310	2,310
Accrued employee benefits	-	12,300,000
NOLCO	491,441,622	258,019,288
Excess of MCIT over RCIT	274,345,181	131,039,374
	1,466,685,848	775,357,125

(Forward)



	2015	2014
Deferred tax liabilities:		
Net unrealized foreign exchange gain	₱118,474,252	₱39,156,609
Prepaid rent	42,854,387	34,082,169
Deferred rent expense	8,120,053	9,531,966
Operating lease receivables	6,273,875	7,449,575
Deferred compensation expense	2,841,255	2,692,795
	178,563,822	92,913,114
	₱1,288,122,026	₱682,444,011

The reconciliation between provision for income tax computed at the statutory tax rate of 30% with the provision for income tax as shown in the parent company statements of comprehensive income are as follows:

	2015	2014
Provision for income tax at statutory tax rate of 30%	₱1,470,006,691	₱1,188,355,902
Tax effects of:		
Dividend income	(666,450,000)	(229,500,000)
Effect of different tax rates for royalty and interest income	(357,723,611)	(325,533,735)
Nondeductible expenses	49,696,074	45,809,956
Intrinsic value of stock options exercised	(85,561,907)	(314,780,634)
	₱409,967,247	₱364,351,489

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 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 in, but not limited to, certain government securities and bonds, term loans, short-term fixed income securities and other loans and investments.

Under 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", included under "Cost of sales and services" and "General and administrative expenses" accounts in the parent company statements 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 2015 are as follows:

	Present Value of Defined Benefit Plan	Fair Value of Plan Assets	Pension Liability
At January 1, 2015	₱1,327,494,180	₱1,028,515,252	₱298,978,928
Pension expense (see Notes 21 and 22):			
Current service cost	150,401,428	–	150,401,428
Net interest	90,122,812	47,311,702	42,811,110
Transferred out	(19,710,877)	–	(19,710,877)
	220,813,363	47,311,702	173,501,661
Benefits paid	(54,751,145)	(54,751,145)	–
Remeasurements in other comprehensive income:			
Actuarial changes due to experience adjustment	724,748,178	–	724,748,178
Actuarial changes arising from changes in financial assumptions	(239,577,056)	–	(239,577,056)
Actuarial changes arising from changes in demographic assumptions	8,906,085	–	8,906,085
Interest income on plan assets (excluding amount included in net interest)	–	(28,896,872)	28,896,872
	494,077,207	(28,896,872)	522,974,079
At December 31, 2015	₱1,987,633,605	₱992,178,937	₱995,454,668

Changes in pension liability of the Company in 2014 are as follows:

	Present Value of Defined Benefit Plan	Fair Value of Plan Assets	Pension Liability
At January 1, 2014	₱1,571,708,187	₱1,040,044,286	₱531,663,901
Pension expense (see Notes 21 and 22):			
Current service cost	117,942,635	–	117,942,635
Net interest	80,157,118	53,042,259	27,114,859
Curtailment cost	–	–	–
	198,099,753	53,042,259	145,057,494
Benefits paid	(95,117,181)	(95,117,181)	–
Remeasurements in other comprehensive income:			
Actuarial changes due to experience adjustment	(461,199,280)	–	(461,199,280)
Actuarial changes arising from changes in financial assumptions	102,215,864	–	102,215,864
Actuarial changes arising from changes in demographic assumptions	11,786,837	–	11,786,837
Interest income on plan assets (excluding amount included in net interest)	–	60,473,134	(60,473,134)
	(347,196,579)	60,473,134	(407,669,713)
Other adjustments	–	(29,927,246)	29,927,246
At December 31, 2014	₱1,327,494,180	₱1,028,515,252	₱298,978,928

The actual return on plan assets amounted to ₱18.4 million and ₱113.5 million in 2015 and 2014, respectively.



The following table presents the estimated fair values of the plan assets:

	2015	2014
Cash and cash equivalents:		
Short-term deposits	₱61,240,068	₱55,518,271
Cash in banks	100,308	224,349
Investment in debt securities	164,000,594	165,590,395
Investments in Philippine government securities:		
Fixed-rate treasury notes	450,661,938	469,606,459
Retail treasury bonds	143,388,985	148,169,946
Interest and dividends receivable	12,899,449	12,684,312
Investments in quoted equity securities:		
Holding firms	84,027,000	73,487,555
Food and beverage	54,810,090	56,268,650
Property	51,241,354	48,780,200
Banks	32,810,051	32,773,400
Electricity, energy, power & water	17,884,950	22,794,750
Telecommunications	15,300,400	19,201,000
Others	11,160,350	23,968,500
Fund liabilities	(107,346,600)	(100,552,535)
	₱992,178,937	₱1,028,515,252

The plan's assets and investments consist of the following:

- Investments in debt securities consist of long-term corporate bonds in the power sector, which bear interest ranging from 6.30%-7.75% maturing on April 2017.
- Investments in government securities which consist of retail treasury bonds that bear interest ranging from 5.85%-7.38% and have maturities from August 2020 to October 2037 and fixed-rate treasury notes that bear interest ranging from 3.38%-9.91% and have maturities from January 2016 to August 2037.
- Investments in shares of stocks listed in the Philippine Stock Exchange.
- Other financial assets held by the retirement plan are primarily accrued interest income on cash and cash equivalents, debt instruments and other securities.

The principal assumptions used to determine pension liability are as follows:

	December 31, 2015	December 31, 2014
Discount rate	5.00%	4.70%
Salary increase rate	6.00%	7.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2015, assuming all other assumptions were held constant:



Increase (decrease) in the present value of defined benefit obligation based on changes in principal assumptions are as follows:

	Increase (Decrease) in Basis Points	2015	2014
Discount rate	50	(P86,690,481)	(P77,445,806)
	(50)	93,756,530	84,583,975
Salary increase rate	50	92,383,603	82,283,711
	(50)	(86,295,211)	(76,192,074)

The Company does not perform any asset-liability matching study. 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 not, 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 Company expects to contribute P352.7 million to the retirement fund in 2016.

The average duration of the defined benefit obligation is 10 years as at December 31, 2015 and 2014.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2015	2014
Less than 1 year	P352,664,445	P71,228,119
More than 1 year to 5 years	632,681,442	320,928,285
More than 5 years to 10 years	1,107,588,486	689,138,061
More than 10 years to 15 years	1,309,919,358	1,099,197,042
More than 15 years to 20 years	1,201,773,212	1,119,131,934
More than 20 years	3,327,547,073	3,399,829,199

27. Stock Option Plans

On December 17, 2002, the SEC approved the exemption requested by the Company on the registration requirements of the 101,500,000 options 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 corporate management committee of the Company and members of the management, 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.

On July 1, 2004, the Compensation Committee of the Jollibee Group granted 2,385,000 options under the 1st MSOP cycle to eligible participants. 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. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005 and expired on June 30, 2012. From July 1, 2005 to 2015, the Compensation Committee granted series of MSOP grants under the 2nd to 12th MSOP cycle to eligible participants.

On August 25, 2015, the Compensation Committee granted 3,142,600 options under the 12th MSOP cycle to eligible participants. These options are similar to the 1st MSOP cycle. The 2nd, 3rd and 4th MSOP cycles expired on June 30, 2013, 2014 and 2015, respectively.

The stock options under MSOP expire eight years after grant date. 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, 2015 and 2014 follow:

	2015		2014	
	Number of options	WAEP	Number of options	WAEP
Total options granted as at end of year	40,120,794	₱82.22	36,863,194	₱73.58
Outstanding at beginning of year	13,609,275	₱117.51	16,915,937	₱83.77
Options granted during the year	3,257,600	179.99	3,459,000	178.66
Options exercised during the year	(1,380,628)	100.42	(6,765,662)	63.57
Options forfeited during the year	(617,810)	104.73	—	—
Outstanding at end of year	14,868,437	₱133.32	13,609,275	₱117.51
Exercisable at end of year	8,262,670	₱100.95	6,865,265	₱79.42

The weighted average share price was ₱206.05 and ₱181.34 in 2015 and 2014, respectively. The weighted average remaining contractual life for the stock options outstanding as at December 31, 2015 and 2014 is 5.19 years and 5.83 years, respectively.

The weighted average fair value of stock options granted in 2015 and 2014 is ₱26.13 and ₱32.39, 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 for each MSOP cycle are as follows:

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
1 st	2004	1.72%	36.91%	6.20%	5-7 years	₱24.00	₱20.00
2 nd	2005	1.72%	36.91%	6.20%	5-7 years	29.00	27.50
3 rd	2006	1.72%	36.91%	6.20%	5-7 years	35.00	32.32
4 th	2007	1.70%	28.06%	6.41%	3-4 years	52.50	50.77
5 th	2008	1.80%	26.79%	8.38%	3-4 years	34.00	39.85
6 th	2009	2.00%	30.37%	5.28%	3-4 years	48.00	45.45
7 th	2010	2.00%	29.72%	5.25%	3-4 years	70.00	57.77
8 th	2011	2.00%	34.53%	4.18%	3-4 years	89.90	89.90
9 th	2012	2.00%	28.72%	3.50%	3-4 years	107.90	107.90
10 th	2013	2.00%	29.38%	2.68%	3-4 years	145.00	145.00
11 th	2014	2.00%	24.87%	2.64%	3-4 years	179.80	179.80
12 th	2015	2.00%	18.94%	2.98%	3-4 years	180.00	180.00

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 minimum 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. Starting with 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 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 for the 1st and 2nd ELTIP cycles is determined by the Company with reference to the prevailing market prices over the three months immediately preceding the date of entitlement. 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 grant.

The Company does not pay cash as a form of settlement.

On July 1, 2004, the Compensation Committee gave an entitlement of 22,750,000 options under the 1st ELTIP cycle to eligible participants. 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 were achieved. One-third of the options granted, or 7,583,333 options, vested and may be exercised starting July 1, 2007 and expired on June 30, 2012. On July 1, 2008, October 19, 2012 and August 25, 2015, entitlement to 20,399,999, 24,350,000 and 11,470,000 options were given to eligible participants under the 2nd, 3rd and 4th ELTIP cycles, respectively.



The movements in the number of stock options outstanding under ELTIP and related WAEP for the years ended December 31, 2015 and 2014 follow:

	2015		2014	
	Number of options	WAEP	Number of options	WAEP
Total options given as at the end of year	78,969,999	₱74.58	67,499,999	₱55.66
Outstanding at beginning of year	31,270,560	₱90.06	37,186,110	₱82.51
Options granted during the year	11,470,000	180.00	—	—
Options exercised during the year	(3,728,468)	79.46	(5,665,977)	39.85
Options forfeited during the year	(667,093)	105.00	(249,573)	105.00
Outstanding at end of year	38,344,999	₱117.74	31,270,560	₱90.06
Exercisable at end of year	10,808,048	₱70.59	7,170,133	₱39.85

The weighted average remaining contractual life for the stock options outstanding is 4.85 years as at December 31, 2015 and 2014.

The fair value of stock options granted is ₱26.13 in 2015. There were no additional stock option grants under ELTIP in 2014. 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 stock options granted under the 2nd, 3rd and 4th ELTIP cycles will expire on April 30, 2017, 2020 and 2023, respectively.

The inputs to the model used for the options granted for each ELTIP cycle are as follows:

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 amounted to ₱161.2 million and ₱146.4 million in 2015 and 2014, respectively (see Note 22). The cost of share options for employees of the subsidiaries amounted to ₱12.0 million and ₱20.1 million in 2015 and 2014, 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 entities 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 entities.

In the normal course of business, the Company engages in transactions with its subsidiaries and other related parties.



Category	Volume of Transactions			Outstanding Receivable (Payable)		Terms	Conditions
	2015	2014	2015	2014	2015		
Grandworth							
Dividend Income	₹ 95,000,000	₹ -	₹ -				
Rent Expense	46,814,716	50,106,112	(17,572,497)	(21,254,925)	On demand; Noninterest-bearing	Unsecured	
Rent Revenue	10,539	4,466	-	-			
Service Fee Revenue	-	1,232,451	-	-			
Pass-on Charges – Receivables	-	-	6,161	3,422,244	On demand; Noninterest-bearing	Unsecured; No impairment	
Pass-on Charges – Payables	-	-	(2,041,136)	-	On demand; Noninterest-bearing	Unsecured	
Freemont							
Sales	4,107,975,359	3,480,565,381	690,082,709	581,519,895	On demand; Noninterest-bearing	Unsecured; No impairment	
Royalty Income	793,092,354	686,017,131	140,636,912	67,355,194	On demand; Noninterest-bearing	Unsecured; No impairment	
Advertising	264,364,118	228,672,377	56,739,963	26,602,158	On demand; Noninterest-bearing	Unsecured; No impairment	
Service Fee Revenue	32,414,200	62,720,067	4,863,671	17,976,027	On demand; Noninterest-bearing	Unsecured; No impairment	
Rent Revenue	31,159	26,597	-	-			
Management Fee Revenue	264,371,522	228,672,377	48,252,867	49,472,325	On demand; Noninterest-bearing	Unsecured; No impairment	
Dividend Income	-	100,000,000	-	-			
Pass-on Charges – Receivables	-	-	35,439,591	11,942,834	On demand; Noninterest-bearing	Unsecured; No impairment	
Pass-on Charges – Payables	-	-	(17,580,904)	(7,522,586)	On demand; Noninterest-bearing	Unsecured	
JWS							
Sales	656,147	3,562,564	18,817	21,731	On demand; Noninterest-bearing	Unsecured; No impairment	
Rent Revenue	131,766,835	126,054,899	17,384,104	24,831,918	On demand; Noninterest-bearing	Unsecured; No impairment	
Management Fee Revenue	3,172,535	1,144,832	-	-			
Service Fee Revenue	780,065	511,074	-	42,495	On demand; Noninterest-bearing	Unsecured; No impairment	
Service Fee and Freight Expense	1,893,485,987	1,645,508,897	(140,013,545)	(639,747,907)	On demand; Noninterest-bearing	Unsecured	
Management Fee Expense	96,100,989	128,816,076	(4,706,372)	(107,452,463)	On demand; Noninterest-bearing	Unsecured	
Interest Expense	4,691,042	4,249,375	(434,000)	(1,863,958)	Monthly; Floating interest rate	Unsecured	
Due to JWS	-	-	(150,000,000)	(150,000,000)	5-years term; Floating interest rate	Unsecured	
Pass-on Charges – Receivables	-	-	7,483,143	2,097,021	On demand; Noninterest-bearing	Unsecured; No impairment	
Pass-on Charges – Payables	-	-	(426,201)	-	On demand; Noninterest-bearing	Unsecured	
Mang Inasal							
Sales	11,125,323	-	52,357	181,517	On demand; Noninterest-bearing	Unsecured; No impairment	
Rent Revenue	3,552,002	834,497	29,152	-	On demand; Noninterest-bearing	Unsecured; No impairment	
Management Fee Revenue	45,060,365	42,468,106	4,249,693	4,000,261	On demand; Noninterest-bearing	Unsecured; No impairment	
Service Fee Revenue	11,688,409	9,834,637	78,224	2,616	On demand; Noninterest-bearing	Unsecured; No impairment	
Dividend Income	136,500,000	84,000,000	-	-			
Service Fee Expense	32,843	28,685	-	-			
Pass-on Charges – Receivables	-	-	7,353,072	-	On demand; Noninterest-bearing	Unsecured; No impairment	
Pass-on Charges – Payables	-	-	-	(5,209)	On demand; Noninterest-bearing	Unsecured	



Category	Volume of Transactions		Outstanding Receivable (Payable)		Terms	Conditions
	2015	2014	2015	2014		
Burger King						
Sales	₱473,451	₱44,699	₱574,877	₱159,231	On demand; Noninterest-bearing	Unsecured; No impairment
Service Fee Revenue	3,743,425	3,672,685	13,565,505	8,957,013	On demand; Noninterest-bearing	Unsecured; No impairment
Rent Revenue	277,857	3,656	211,337	92,411	On demand; Noninterest-bearing	Unsecured; No impairment
Management Fee Revenue	17,592,822	8,269,290	34,063,791	14,282,120	On demand; Noninterest-bearing	Unsecured; No impairment
Interest Income	15,728,767	6,827,945	-	-		
Due from BK	300,000,000	308,000,000	608,000,000	308,000,000	On demand; Interest-bearing	Unsecured; No impairment
Pass-on Charges – Receivables	-	-	6,061,765	971,043	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on Charges – Payables	-	-	(199,290)	(593,108)	On demand; Noninterest-bearing	Unsecured
Adgraphix						
Marketing collaterals	-	-	(28,133,233)	(34,543,268)	On demand; Noninterest-bearing	Unsecured
Honeybee						
Sales	156,300,387	54,022,837	301,901,226	144,599,198	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on Charges – Receivables	-	-	105,135,243	84,474,703	On demand; Noninterest-bearing	Unsecured; No impairment
JWPL						
Royalty Income	63,780,015	55,576,965	-	-		
Due from JWPL	29,033,994	-	436,215,200	407,181,206	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on Charges – Receivables	-	-	13,702,853	-	On demand; Noninterest-bearing	Unsecured; No impairment
Jollibee Vietnam Corporation Ltd.						
Sales	6,074,447	7,781,202	59,195,887	50,505,285	On demand; Noninterest-bearing	Unsecured; No impairment
Service Fee Revenue	-	52,125	6,475,036	6,475,036	On demand; Noninterest-bearing	Unsecured; No impairment
Rent Revenue	-	688	48,221	48,221	On demand; Noninterest-bearing	Unsecured; No impairment
Management Fee Revenue	-	250,320	58,380,392	58,291,354	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on Charges – Receivables	-	-	111,543,856	95,071,279	On demand; Noninterest-bearing	Unsecured; No impairment
PT Chowking Indonesia						
Pass-on Charges – Receivables	-	-	23,533,882	24,918,228	On demand; Noninterest-bearing	Unsecured; No impairment
RRB1 USA						
Pass-on Charges – Receivables	-	-	759,970	721,483	On demand; Noninterest-bearing	Unsecured; No impairment
TTC						
Sales	6,441	3,711,866	5,100,586	5,100,586	On demand; Noninterest-bearing	Unsecured; No impairment
Pass-on Charges – Receivables	-	-	13,587,964	12,689,335	On demand; Noninterest-bearing	Unsecured; No impairment



Category	Volume of Transactions		Outstanding Receivable (Payable)		Terms	Conditions
	2015	2014	2015	2014		
Golden Beeworks Pte. Ltd.						
Sales	¥14,227,792	¥8,023,269	¥18,685,770	¥2,204,902	On demand; Noninterest-bearing	Unsecured; No impairment
Service Fee Revenue	881	168,009	-	13,047	On demand; Noninterest-bearing	Unsecured; No impairment
Rent Revenue	-	18,730	-	-		
Pass-on Charges – Receivables	-	-	3,844,127	2,042,909	On demand; Noninterest-bearing	Unsecured; No impairment
Hong Zhuang Yuan						
Due to HZY	-	-	(7,759,610)	(6,388,293)	On demand; Noninterest-bearing	Unsecured
Pass-on Charges – Receivables	-	-	1,469,103	1,437,079	On demand; Noninterest-bearing	Unsecured; No impairment
Shanghai Yong He King						
Pass-on Charges – Receivables	-	-	21,994,583	24,297,679	On demand; Noninterest-bearing	Unsecured; No impairment
Beijing Yong He King						
Pass-on Charges – Receivables	-	-	3,601,424	3,258,923	On demand; Noninterest-bearing	Unsecured; No impairment
Shenzhen Yong He King						
Pass-on Charges – Receivables	-	-	2,580,266	2,322,612	On demand; Noninterest-bearing	Unsecured; No impairment
Hangzhou Yongtong						
Pass-on Charges – Receivables	-	-	1,175,119	1,048,772	On demand; Noninterest-bearing	Unsecured; No impairment
Hangzhou Yong He King						
Pass-on Charges – Receivables	-	-	1,344,213	1,049,270	On demand; Noninterest-bearing	Unsecured; No impairment
Wuhan Yong He King						
Pass-on Charges – Receivables	-	-	3,589,817	2,049,622	On demand; Noninterest-bearing	Unsecured; No impairment
Jollibee (China) Food & Beverage Management Co. Ltd.						
Due to Jollibee China	-	-	(44,925,918)	(66,641,901)	On demand; Noninterest-bearing	Unsecured
Pass-on Charges – Receivables	-	-	39,541,902	48,783,739	On demand; Noninterest-bearing	Unsecured; No impairment
San Pin Wang						
Pass-on Charges – Receivables	-	-	2,809,282	5,689,720	On demand; Noninterest-bearing	Unsecured; No impairment
Hong Kong						
Pass-on Charges – Receivables	-	-	415,467	394,808	On demand; Noninterest-bearing	Unsecured; No impairment
SBEMAC						
Pass-on Charges – Receivables	-	-	1,550,629	1,531,773	On demand; Noninterest-bearing	Unsecured; No impairment



Category	Volume of Transactions		Outstanding Receivable (Payable)		Terms	Conditions
	2015	2014	2015	2014		
Golden Plate						
Pass-on Charges – Receivables						
	₱–	₱–	₱128,908	₱–	On demand; Noninterest-bearing	Unsecured; No impairment
Affiliate - Jollibee Group Foundation, Inc.						
Sales	242,860	–	23,160	–	On demand; Noninterest-bearing	Unsecured; No impairment
Service Fee Revenue	58,379	3,604	–	–	–	–
Rent Revenue	178,294	5,172	–	–	–	–
Pass-on Charges – Receivables	–	–	1,106,738	1,642,977	On demand; Noninterest-bearing	Unsecured; No impairment
CK USA						
Service Fee Revenue	–	3,604	–	–	–	–
Total related party transactions:						
Sales	₱4,425,376,010	₱3,621,901,712				
Service Fee Revenue	154,815,110	198,008,036				
Rent Revenue	207,183,640	176,148,236				
Management Fee Revenue	496,974,689	424,814,762				
Royalty Income (see Note 20)	856,872,369	741,594,096				
Interest Income (see Note 23)	15,728,767	6,827,945				
Advertising	264,364,118	228,672,377				
Dividend Income (see Note 24)	2,221,500,000	765,000,000				
Purchases (see Note 21)	8,375,600,003	6,918,760,958				
Service Fee and Freight Expense (see Notes 21 and 22)	1,922,413,864	1,678,308,622				
Royalty Expense	58,698	304,597				
Interest Expense (see Note 23)	28,114,977	25,467,921				
Management Fee Expense	98,228,281	128,816,076				
Rent Expense (see Notes 21, 22 and 29)	46,814,716	50,106,112				
Advances to related parties	329,033,994	308,000,000				
Total related party outstanding balances:						
Trade receivables from related parties (see Notes 6, 30 and 31)			₱1,905,215,386	₱1,409,824,442		
Advances to related parties (see Notes 6, 30 and 31)			1,044,215,200	715,181,206		
Operating lease receivables (see Notes 29, 30 and 31)			20,912,916	24,831,918		
Trade payables to related parties (see Note 15)			(515,540,289)	(1,226,541,290)		
Due to related parties (see Notes 30 and 31)			(951,685,528)	(972,030,194)		
Operating lease payables (see Notes 29, 30 and 31)			(12,994,770)	(19,014,664)		



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 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.

Fresh N' Famous

- a. Fresh N' Famous avails the services of the Company for the plan, design and installation of equipment in Fresh N' Famous' stores.
- b. Fresh N' Famous leases its office space and some store locations from the Company. The agreements are for a period of 5 to 20 years subject to renewal upon mutual agreement of both parties.
- 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 29, 2015, November 10, 2015 and December 8, 2015, the Company received cash dividends from Fresh N' Famous declared on May 27, 2015, November 2, 2015 and December 3, 2015, respectively, amounting to ₱120.0 million, ₱250.0 million and ₱300.0 million or ₱0.40, ₱0.83 and ₱1.00 dividends per share, respectively.

On May 2, 2014 and November 24, 2014, the Company received cash dividends from Fresh N' Famous declared on April 1, 2014 and November 12, 2014, respectively, amounting to ₱231.0 million and ₱200.0 million or ₱0.77 and ₱0.67 dividends per share, respectively.

- e. The Company pays management fees to Fresh N' Famous for trainings rendered by their employees.
- f. The Company pays royalties to Fresh N' Famous for the right to operate multi-brand stores.
- g. On April 16, 2012, the Company received advances from Fresh N' Famous amounting to ₱749.0 million. The advances is 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.

Zenith

- a. The Company leases out the land where Zenith's manufacturing plant was built. The lease is for a period of 5 years with fixed annual rental rates commencing on January 1, 2004. On January 1, 2010, Zenith renewed the lease contract for another 5 years. 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 lessor within the prescribed period as indicated in the agreement.



The future minimum lease receivables on the lease as at December 31, 2015 are as follows:

Within one year	₱16,537,500
After one year but not more than five years	74,842,627
More than five years	66,538,261
	<u>₱157,918,388</u>

- b. Zenith pays service fees to the Company for procurement services rendered by the Company's Purchasing Department.
- c. Zenith pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.
- d. On November 10, 2015 and December 9, 2015, the Company received cash dividends from Zenith, declared on November 2, 2015 and December 3, 2015, amounting to ₱370.0 million and ₱400.00 million, respectively.

On November 21, 2014, the Company received cash dividends declared on November 12, 2014 amounting to ₱150.0 million or ₱34.88 dividends per share.

- e. 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.

Red Ribbon

- a. The Company's Service Engineering Division renders services to Red Ribbon for the repairs and maintenance of Red Ribbon's store equipment and facilities.
- b. Red Ribbon leases its office space and warehouse from the Company on an annual basis.
- c. Red Ribbon pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.
- d. The Company pays management fees to Red Ribbon for trainings rendered by their employees.

RRB Holdings

- a. On May 29, 2015, November 10, 2015 and December 8, 2015, the Company received cash dividends from RRB Holdings declared on May 27, 2015, November 2, 2015 and December 3, 2015 amounting to ₱250.0 million, ₱160.0 million and ₱140.0 million or ₱1.58, ₱1.01 and ₱0.88 dividends per share, respectively.

Grandworth

- a. On May 29, 2015, the Company received cash dividends amounting to ₱95.0 million.
- b. Grandworth pays service fees to the Company for various services, including repairs and maintenance services, rendered by the Company's personnel.



- c. 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, 2015 and 2014 are as follows:

	2015	2014
Within one year	₱7,789,718	₱20,635,145
After one year but not more than five years	24,603,872	25,711,926
More than five years	49,598,260	56,279,924
	₱81,991,850	₱102,626,995

Freemont

- Freemont operates "Jollibee" stores in certain parts of Luzon, Visayas and Mindanao under a Franchise Agreement with the Company. As a franchisee, 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 a certain percentage of Freemont's net sales as provided in the Franchise Agreement. These transactions are made on similar terms with transactions to unrelated franchisees.
- Freemont pays service fees to the Company for various services, including repairs and maintenance services, rendered by the Company's personnel.
- Freemont leases office spaces in properties owned by the Company.
- 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 specified percentage of Freemont's net sales as provided for in the Contract.
- On November 24, 2014, the Company received cash dividends amounting to ₱100.0 million from Freemont declared on November 12, 2014.

Jollibee Worldwide Services

- Jollibee Worldwide Services leases its office space from the Company on an annual basis.
- On March 20, 2012, the Company entered into a sub-lease agreement with Jollibee Worldwide Services 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. The land and building are used by Jollibee Worldwide Services 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 under the lease arrangement as at December 31, 2015 and 2014 are as follows:

	2015	2014
Within one year	₱107,632,000	₱102,506,668
After one year but not more than five years	36,456,000	144,088,000
	₱144,088,000	₱246,594,668

- c. Jollibee Worldwide Services pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.
- d. The Company has existing one-year contracts with Jollibee Worldwide Services 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.
- e. On April 16, 2012, the Company received advances from Jollibee Worldwide Services amounting to ₱150.0 million. The advances is 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.

Mang Inasal

- a. Mang Inasal leases some 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.
- b. Mang Inasal pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.
- c. Mang Inasal avails the services of the Company for the plan, design and installation of equipment for Mang Inasal stores.
- d. On December 9, 2015, the Company received cash dividends amounting to ₱136.5 million declared on December 3, 2015.

On May 2, 2014, the Company received cash dividends amounting to ₱84.0 million declared on April 7, 2014.

Burger King

- a. Burger King pays management fees to the Company for services rendered under an existing Management Services Agreement, which is renewable annually.



- b. The Company's Service Engineering Division renders services to Burger King for the repairs and maintenance of Burger King's store equipment and facilities.
- c. Burger King pays rental fees to the Company for the use of function rooms and parking spaces.
- d. During the year, the Company extended a four-year loan to Burger King amounting to P300.00 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 Burger King. The Company has extended the first loan in the principal amount of P54.0 million on February 14, 2014, the second loan in the principal amount of P54.0 million on May 30, 2014, the third loan in the principal amount of P100.0 million on September 2, 2014, and the fourth loan in the principal amount of P100.0 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.

Honeybee and JWPL

The Company made advances to Honeybee and JWPL which are intended for future capital subscription. In 2012, the Company entered into a Royalty Agreement with JWPL. The terms and conditions are similar in nature with those discussed in Note 20.

Others

Related party transactions and balances for other subsidiaries of the Company are similar in nature with those discussed above.

Guarantees Provided by the Company to JWPL

In 2013, the Company provided a guarantee on JWPL's US\$40.0 million loan with Bank of the Philippine Islands.

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 2015 and 2014. An assessment is undertaken at each financial year by evaluating the financial position of the related party and the market in which 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, 2015 and 2014 are as follows:

	2015	2014
Short-term employee benefits	P430,180,747	P373,458,466
Stock options expense (see Notes 22 and 27)	161,198,902	146,421,852
Employee car plan benefits	20,073,541	19,464,113
Pension expense	16,640,077	40,200,514
	P628,093,267	P579,544,945

Transactions with the Retirement Plan

As at December 31, 2015 and 2014, the retirement plan assets of the Company include investments in 175,110 common shares of the Company with aggregate fair values of P38.35 million and P37.65 million, respectively.



The Company usually advances the retirement benefits of its retiring employees which are reimbursable from the retirement fund. The Company's receivable from its retirement plan from these advances amounted to ₱106.3 million and ₱99.5 million as at December 31, 2015 and 2014, respectively (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. Noncancellable 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 ₱20.9 million and ₱24.8 million as at December 31, 2015 and 2014, respectively, are presented as "Operating lease receivables" in the parent company statement of financial position. Rent income recognized on a straight-line basis amounted to ₱239.2 million and ₱212.3 million in 2015 and 2014, respectively.

The future minimum rent receivables for the noncancellable periods of the operating leases follow:

	2015	2014
Within one year	₱124,169,500	₱102,506,668
After one year but not more than five years	111,298,627	144,088,000
More than five years	66,538,261	—
	₱302,006,388	₱246,594,668

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 noncancellable 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 ₱678.9 million and ₱653.7 million as at December 31, 2015 and 2014, respectively, are presented as "Operating lease payables" in the parent company statement of financial position. Rent expense recognized on a straight-line basis amounted to ₱849.6 million and ₱753.6 million in 2015 and 2014, respectively (see Notes 21 and 22). Total contingent rent recognized as expense amounted to ₱556.9 million and ₱552.6 million in 2015 and 2014, respectively (see Notes 21 and 22).

The future minimum rental payables for the noncancellable periods of the operating leases follow:

	2015	2014
Within one year	₱501,810,793	₱478,264,227
After one year but not more than five years	1,929,319,098	1,828,543,714
More than five years	3,304,774,074	2,731,403,041
	₱5,735,903,965	₱5,038,210,982

The rental agreements with third party contractors are short-term in nature.



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.

30. Financial Risk Management Objectives and Policies

The Company is exposed to a variety of financial risks which result from both its operating and investing 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, trade payables and other current liabilities (excluding local and other taxes payable, liabilities to government agencies and accrual for gift certificates) and short-term and long-term debts. The Company has also other financial assets and liabilities such as receivables, advances to related parties, refundable deposits, employees' car plan receivables, AFS financial assets and due to related parties.

The Company does not engage in trading financial assets for speculative purposes.

Foreign Currency Risk

The Company has transactional foreign currency exposures. Such exposure arises 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:

	2015			2014		
	US\$	RMB	PhP	US\$	RMB	PhP
Cash and cash equivalents	\$68,833	RMB8,075	₱3,297,986	\$274,577	RMB8,074	₱12,337,055
Trade receivables	3,092,270	16,414,287	264,854,093	10,306,393	12,001,624	547,073,555
Foreign Currency-Denominated Assets	\$3,161,103	RMB16,422,362	₱268,152,079	\$10,580,970	RMB12,009,698	₱559,410,610

The Company recognized in the parent company statement of comprehensive income included under "Other income" account, net foreign exchange gain amounting to ₱41.1 million and a net foreign exchange loss amounting to ₱3.2 million for the years ended December 31, 2015 and 2014, 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, 2015	₱47.06	₱7.27
December 31, 2014	44.72	7.18



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, 2015 and 2014 (due to the changes in the fair value of monetary assets).

	Appreciation (Depreciation) of PhP	Effect on Income Before Income Tax	
		PhP to US\$ Rate	PhP to RMB Rate
<i>(In millions)</i>			
2015	P1.50	(P4.7)	(P24.6)
	1.00	(3.2)	(16.4)
	(1.50)	4.7	24.6
	(1.00)	3.2	16.4
2014	1.50	(15.9)	(18.0)
	1.00	(10.6)	(12.0)
	(1.50)	15.9	18.0
	(1.00)	10.6	12.0

Interest Rate Risk

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 Jollibee Worldwide Services amounting to PhP899.0 million as at December 31, 2015 and 2014, as discussed in Note 28 and long-term debt amounting to PhP2,300.0 million as at December 31, 2015 and 2014, with a current portion PhP15.0 million and nil as at December 31, 2015 and 2014, 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, employees' car plan receivables and short-term debt.

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
2015	100	(PhP31,840,000)
	50	(15,920,000)
	(100)	31,840,000
	(50)	15,920,000
2014	100	(31,990,000)
	50	(19,995,000)
	(100)	31,990,000
	(50)	19,995,000

Fixed rate debts, although subject to fair value interest rate risk, are not included in the sensitivity analysis as these are carried at amortized costs. 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 counterparty 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, 2015 and 2014 are as follows:

2015							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired (Age in Days)				Impaired
			1-30	31-60	61-120	Over 120	
Loans and Receivables							
Cash and cash equivalents*	P1,281,777,226	P1,281,777,226	P-	P-	P-	P-	P-
Receivables:							
Franchisees and customers	2,619,536,142	975,590,134	353,500,087	66,924,398	230,761,536	795,103,824	197,656,163
Related parties	1,905,215,386	1,082,451,107	15,978,670	21,149,805	12,850,183	772,785,621	-
Employee advances	72,912,142	72,912,142	-	-	-	-	-
Employees' car plan receivables	120,846,226	120,846,226	-	-	-	-	-
Interest receivable	5,874,226	5,874,226	-	-	-	-	-
Others**	158,826,907	158,826,907	-	-	-	-	-
Operating lease receivables	20,912,916	20,912,916	-	-	-	-	-
Advances to related parties	1,044,215,200	1,044,215,200	-	-	-	-	-
Refundable deposits	438,695,873	438,695,873	-	-	-	-	-
	7,668,812,244	5,202,101,957	369,478,757	88,074,203	243,611,719	1,567,889,445	197,656,163
AFS Financial Assets	19,668,040	19,668,040	-	-	-	-	-
	P7,688,480,284	P5,221,769,997	P369,478,757	P88,074,203	P243,611,719	P1,567,889,445	P197,656,163

2014							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired (Age in Days)				Impaired
			1-30	31-60	61-120	Over 120	
Loans and Receivables							
Cash and cash equivalents*	P1,529,482,502	P1,529,482,502	P-	P-	P-	P-	P-
Receivables:							
Franchisees and customers	4,220,222,240	2,074,568,185	1,055,767,877	415,101,544	335,139,826	313,479,439	26,165,369
Related parties	1,409,824,442	805,269,044	14,111,040	21,996,806	20,464,169	547,983,383	-
Employee advances	72,277,900	72,277,900	-	-	-	-	-
Employees' car plan receivables	134,761,821	134,761,821	-	-	-	-	-
Interest receivable	4,200,275	4,200,275	-	-	-	-	-
Others**	153,018,443	153,018,443	-	-	-	-	-
Operating lease receivables	24,831,918	24,831,918	-	-	-	-	-
Advances to related parties	715,181,206	715,181,206	-	-	-	-	-
Refundable deposits	390,186,386	390,186,386	-	-	-	-	-
	8,653,987,133	5,903,777,680	1,069,878,917	437,098,350	355,603,995	861,462,822	26,165,369
AFS Financial Assets	19,668,040	19,668,040	-	-	-	-	-
	P8,673,655,173	P5,923,445,720	P1,069,878,917	P437,098,350	P355,603,995	P861,462,822	P26,165,369

*Excluding cash on hand amounting to P118.7 million and P101.7 million in 2015 and 2014, respectively.

**Excluding receivables from SSS amounting to P3.2 million and P2.6 million in 2015 and 2014, respectively.



Credit Quality. The tables below show the credit quality by class of financial assets, based on the Company's credit rating system as at December 31, 2015 and 2014.

	2015				
	Total	Neither Past Due nor Impaired			Past Due or Impaired
		A	B	C	
Loans and Receivables					
Cash and cash equivalents*	₱1,281,777,226	₱1,281,777,226	₱–	₱–	₱–
Receivables:					
Franchisees and customers	2,619,536,142	236,615,000	731,168,684	7,806,450	1,643,946,008
Related parties	1,905,215,386	1,082,451,107	–	–	822,764,279
Employee advances	72,912,142	72,912,142	–	–	–
Employees' car plan receivables	120,846,226	120,846,226	–	–	–
Interest receivable	5,874,226	5,874,226	–	–	–
Others**	158,826,907	158,826,907	–	–	–
Operating lease receivables	20,912,916	20,912,916	–	–	–
Advances to related parties	1,044,215,200	1,044,215,200	–	–	–
Refundable deposits	438,695,873	438,695,873	–	–	–
	7,668,812,244	4,463,126,823	731,168,684	7,806,450	2,466,710,287
AFS Financial Assets	19,668,040	19,668,040	–	–	–
	₱7,688,480,284	₱4,482,794,863	₱731,168,684	₱7,806,450	₱2,466,710,287

	2014				
	Total	Neither Past Due nor Impaired			Past Due or Impaired
		A	B	C	
Loans and Receivables					
Cash and cash equivalents*	₱1,529,482,502	₱1,529,482,502	₱–	₱–	₱–
Receivables:					
Franchisees and customers	4,220,222,240	1,675,846,598	222,200,741	176,520,846	2,145,654,055
Related parties	1,409,824,442	805,269,044	–	–	604,555,398
Employee advances	72,277,900	72,277,900	–	–	–
Employees' car plan receivables	134,761,821	134,761,821	–	–	–
Interest receivable	4,200,275	4,200,275	–	–	–
Others**	153,018,443	153,018,443	–	–	–
Operating lease receivables	24,831,918	24,831,918	–	–	–
Advances to related parties	715,181,206	715,181,206	–	–	–
Refundable deposits	390,186,386	390,186,386	–	–	–
	8,653,987,133	5,505,056,093	222,200,741	176,520,846	2,750,209,453
AFS Financial Assets	19,668,040	19,668,040	–	–	–
	₱8,673,655,173	₱5,524,724,133	₱222,200,741	₱176,520,846	₱2,750,209,453

*Excluding cash on hand amounting to P118.7 million and P101.7 million in 2015 and 2014, respectively.

**Excluding receivables from SSS amounting to P3.2 million and P2.6 million in 2015 and 2014, respectively.

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:

	2015		
	Gross Maximum Exposure	Fair Value and Financial Effect of Collateral or Credit Enhancement	Net Exposure*
	(a)	(b)	(a - b)
Financial Assets			
Loans and receivables:			
Cash and cash equivalents**	P1,281,777,226	P5,811,598	P1,275,965,628
Receivables:			
Trade receivables	4,327,095,365	53,107,932	4,273,987,433
Employee advances	72,912,142	—	72,912,142
Employees' car plan receivables	120,846,226	—	120,846,226
Interest receivable	5,874,226	—	5,874,226
Others***	158,826,907	—	158,826,907
Operating lease receivables	20,912,916	—	20,912,916
Advances to related parties	1,044,215,200	—	1,044,215,200
Refundable deposits	438,695,873	—	438,695,873
AFS Financial assets	19,668,040	—	19,668,040
	P7,490,824,121	P58,919,530	P7,431,904,591

	2014		
	Gross Maximum Exposure	Fair Value and Financial Effect of Collateral or Credit Enhancement	Net Exposure*
	(a)	(b)	(a - b)
Financial Assets			
Loans and receivables:			
Cash and cash equivalents**	P1,529,482,502	P6,884,909	P1,522,597,593
Receivables:			
Trade receivables	5,603,881,313	22,482,067	5,581,399,246
Employee advances	72,277,900	—	72,277,900
Employees' car plan receivables	134,761,821	—	134,761,821
Interest receivable	4,200,275	—	4,200,275
Others***	153,018,443	—	153,018,443
Operating lease receivables	24,831,918	—	24,831,918
Advances to related parties	715,181,206	—	715,181,206
Refundable deposits	390,186,386	—	390,186,386
AFS Financial assets	19,668,040	—	19,668,040
	P8,647,489,804	P29,366,976	P8,618,122,828

* 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 P118.7 million and P101.7 million in 2015 and 2014, respectively.

***Excluding receivables from SSS amounting to P3.2 million and P2.6 million in 2015 and 2014, respectively.



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 money market placements if deemed necessary. In addition, the Company has short-term deposits and 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 2015 and 2014. The tables below summarize the maturity profile of the Company's financial assets and liabilities as at December 31, 2015 and 2014 based on undiscounted contractual payments:

	2015				Total
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	
Financial Assets					
Cash and cash equivalents	P814,790,717	P585,696,255	P-	P-	P 1,400,486,972
Receivables:					
Franchisees and customers	1,446,289,845	975,590,134	-	-	2,421,879,979
Due from related parties*	822,764,279	1,082,489,665	-	-	1,905,253,944
Employee advances	-	72,912,142	-	-	72,912,142
Interest receivable	-	5,874,226	-	-	5,874,226
Operating lease receivables	-	12,590,821	3,546,488	4,775,607	20,912,916
Employees' car plan receivables*	-	28,034,673	102,282,402	-	130,317,075
Other receivables**	-	158,826,907	-	-	158,826,907
Advances to related parties*	-	30,400,000	1,107,673,507	-	1,138,073,507
Refundable deposits*	-	11,740,362	107,405,291	357,905,526	477,051,179
AFS financial assets	-	-	-	19,668,040	19,668,040
	3,083,844,841	2,964,155,185	1,320,907,688	382,349,173	7,751,256,887
Other Financial Liabilities					
Trade payables and other current liabilities***	-	7,092,742,223	-	-	7,092,742,223
Due to related parties*	-	80,800,504	908,371,659	-	989,172,163
Long-term debt*	-	124,334,226	2,581,727,341	-	2,706,061,567
Operating lease payables	-	64,616,021	227,104,669	387,203,416	678,924,106
	-	7,362,492,974	3,717,203,669	387,203,416	11,466,900,059
Net Financial Assets (Liabilities)	P3,083,844,841	(P4,398,337,789)	(P2,396,295,981)	(P4,854,243)	(P3,715,643,172)

	2014				Total
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	
Financial Assets					
Cash and cash equivalents	P808,180,527	P822,964,352	P-	P-	P1,631,144,879
Receivables:					
Franchisees and customers	2,119,488,686	2,074,568,185	-	-	4,194,056,871
Due from related parties*	604,555,398	805,269,044	-	-	1,409,824,442
Employee advances	-	72,277,900	-	-	72,277,900
Interest receivable	-	4,200,275	-	-	4,200,275
Operating lease receivables	-	7,465,489	17,366,429	-	24,831,918
Employees' car plan receivables*	-	44,916,794	98,821,011	-	143,737,805
Other receivables**	-	153,018,443	-	-	153,018,443
Advances to related parties*	-	15,400,000	718,781,066	-	734,181,066
Refundable deposits*	-	-	117,774,878	304,184,728	421,959,606
AFS financial assets	-	-	-	19,668,040	19,668,040
	3,532,224,611	4,000,080,482	952,743,384	323,852,768	8,808,901,245

(Forward)



	2014				Total
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	
Other Financial Liabilities					
Trade payables and other current liabilities***	P=	P6,830,487,571	P=	P=	P6,830,487,571
Due to related parties*	-	94,498,115	932,957,228	-	1,027,455,343
Short-term debt*	-	1,867,080,932	-	-	1,867,080,932
Long-term debt*	-	90,332,225	2,783,466,419	-	2,873,798,644
Operating lease payables	-	65,114,747	463,628,197	124,922,549	653,665,493
	-	8,947,513,590	4,180,051,844	124,922,549	13,252,487,983
Net Financial Assets (Liabilities)	P3,532,224,611	(P4,947,433,108)	(P3,227,308,460)	P198,930,219	(P4,443,586,738)

*Gross of unamortized discount and including future interest payments.

**Excluding receivables from SSS amounting to P3.2 million and P2.6 million in 2015 and 2014, respectively.

***Excluding statutory obligations such as accrued local and other taxes, PHIC, SSS, HDMF and NHMFC payables amounting to P742.4 million and P1,336.8 million as at December 31, 2015 and 2014, respectively.

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, 2015 and 2014, the Company's ratio of liabilities to total equity and ratio of net liabilities to total equity are as follows:

Debt Ratio

	2015	2014
Total debt (a)	P12,784,260,595	P14,277,418,425
Total equity	28,600,212,248	25,754,858,450
Total debt and equity (b)	P41,384,472,843	P40,032,276,875
Debt ratio (a/b)	30.89%	35.66%

Net Debt Ratio

	2015	2014
Total debt	P12,784,260,595	P14,277,418,425
Less cash and cash equivalents	1,400,486,972	1,631,144,879
Net debt (a)	11,383,773,623	12,646,273,546
Total equity	28,600,212,248	25,754,858,450
Net debt and equity (b)	P39,983,985,871	P38,401,131,996
Net debt ratio (a/b)	28.47%	32.93%

31. Fair Value

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, operating lease receivables, trade payables and other current liabilities, short-term debt 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.

AFS Financial Assets. The fair value of investments in quoted shares of stock is based on quoted prices.

Advances to Related Parties, Refundable Deposits, Employees' Car Plan Receivables, Long-term Debt and Due to Related Parties. Management has determined that the estimated fair value of advances to related parties, refundable deposits, employees' car plan receivables, long-term debt and due to related parties are based on the discounted value of future cash flows using the following applicable rates:

	2015	2014
Advances to related parties	3.92%-4.76%	2.75%-3.32%
Refundable deposits	2.44%-5.46%	2.43%-4.98%
Employees' car plan receivables	2.37%-3.93%	2.75%-3.33%
Long-term debt	3.69%	3.31%
Due to related parties	2.37%-3.98%	2.43%-3.08%

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, 2015 and 2014:

	Date of Valuation	Total	2015 Fair Value Measurement Using		
			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	December 31, 2015	P19,668,040	P=	P19,668,040	P=
Assets for which fair values are disclosed					
Refundable deposits	December 31, 2015	460,841,385	-	460,841,385	-
Employees' car plan receivables	December 31, 2015	126,576,526	-	126,576,526	-
Investment properties	December 31, 2014	2,482,644,600	-	2,482,644,600	-
Advances to related parties	December 31, 2015	974,994,031	-	974,994,031	-
Liabilities for which fair values are disclosed					
Long-term debt	December 31, 2015	2,299,560,820	-	2,299,560,820	-
Due to related parties	December 31, 2015	934,618,112	-	936,141,164	-
	Date of Valuation	Total	2014 Fair Value Measurement Using		
			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	December 31, 2014	P19,668,040	P=	P19,668,040	P=
Assets for which fair values are disclosed					
Refundable deposits	December 31, 2014	388,998,686	-	388,998,686	-
Employees' car plan receivables	December 31, 2014	125,882,243	-	125,882,243	-
Investment properties	December 31, 2014	2,482,644,600	-	2,482,644,600	-
Advances to related parties	December 31, 2014	715,444,253	-	715,444,253	-
Liabilities for which fair values are disclosed					
Long-term debt	December 31, 2014	2,319,577,102	-	2,319,577,102	-
Due to related parties	December 31, 2014	967,874,952	-	967,874,952	-



32. Earnings Per Share

Basic and diluted EPS are computed as follows:

	2015	2014
Net income in parent company financial statements	₱4,490,055,055	₱3,596,834,850
Effects of consolidation	438,181,173	1,765,143,918
(a) Consolidated net income attributable to the equity holders of the Company	₱4,928,236,228	₱5,361,978,768
(b) Weighted average number of shares – basic	1,067,293,108	1,056,590,489
Weighted average number of shares outstanding under the stock option plan	42,717,799	51,249,701
Weighted average number of shares that would have been purchased at fair market value	(21,689,263)	(25,692,236)
(c) Adjusted weighted average shares – diluted	1,088,321,644	1,082,147,954
EPS:		
Basic (a/b)	₱4.618	₱5.075
Diluted (a/c)	4.528	4.955

33. Events after the Reporting Period

Dividend Declaration

On April 6, 2016, the BOD approved a regular cash dividend of ₱0.86 per share of common stock to all stockholders of record as of April 21, 2016. Consequently, the cash dividend is expected to be paid out by May 6, 2016. The cash dividend is 7.5% higher than the ₱0.80 regular dividend a share declared on April 7, 2015.

Appropriation of Retained Earnings

On April 6, 2016, the BOD of the Company approved the appropriation of additional ₱8,000.0 million of retained earnings for capital expenditures for the years 2016 to 2018 to support the Company's growth strategy. Consequently, the appropriated retained earnings of the Company will increase from ₱10,200.0 million to ₱18,200.0 million.

34. 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.

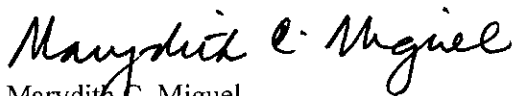


INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Jollibee Foods Corporation
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 parent company financial statements of Jollibee Foods Corporation as at and for the years ended December 31, 2015 and 2014 and have issued our report thereon dated April 6, 2016. 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, 2015 is the responsibility of the management of Jollibee Foods Corporation. 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 states, 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.



Marydith C. Miguel
Partner

CPA Certificate No. 65556

SEC Accreditation No. 0087-AR-3 (Group A),

January 18, 2013, valid until April 30, 2016

Tax Identification No. 102-092-270

BIR Accreditation No. 08-001998-55-2015,

February 27, 2015, valid until February 26, 2018

PTR No. 5321664, January 4, 2016, Makati City

April 6, 2016



JOLLIBEE FOODS CORPORATION
SCHEDULE OF ALL THE EFFECTIVE STANDARDS
AND INTERPRETATIONS
DECEMBER 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary			✓	
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	✓		✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	✓		✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters	✓		✓
	Amendments to PFRS 1: Government Loans	✓		✓
	Amendments to PFRS 1: First-time Adoption of Philippine Financial Reporting Standards - Meaning of Effective PFRSs	✓		✓
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2: Vesting Conditions and Cancellations	✓		
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
	Amendments to PFRS 2: Definition of Vesting Condition	✓		
PFRS 3 (Revised)	Business Combinations	✓		✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination	✓		✓
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements	✓		✓
PFRS 4	Insurance Contracts	✓		✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓		✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		✓
	Amendments to PFRS 5: Changes in Method of Disposal*	Not Early Adopted		
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
	Financial Assets			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		✓
	Amendments to PFRS 7: Servicing Contracts*	Not Early Adopted		
	Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*	Not Early Adopted		
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to Condensed Interim Financial Statements	✓		✓
PFRS 9	Financial Instruments*	Not Early Adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*	Not Early Adopted		
	Financial Instruments - New hedge accounting requirements*	Not Early Adopted		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities	✓		✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception*	Not Early Adopted		
PFRS 11	Joint Arrangements	✓		✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*	Not Early Adopted		
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendment to PFRS 12: Investment Entities	✓		✓
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception*	Not Early Adopted		
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception	✓		✓
PFRS 14	Regulatory Deferral Accounts*	Not Early Adopted		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiative*	Not Early Adopted		
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	✓		
PAS 11	Construction Contracts	✓		✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		✓
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing and Equipment	✓		
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation	✓		✓
	Amendment to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization*	Not Early Adopted		
	Amendment to PAS 16: Bearer Plants*	Not Early Adopted		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		✓
	Amendments to PAS 19: Employee Benefits - Defined Benefit Plans: Employee Contributions	✓		✓
	Amendments to PAS 19: Regional Market Issue Regarding Discount Rate*	Not Early Adopted		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	✓		✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		✓
PAS 23 (Revised)	Borrowing Costs	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Investment Entities	✓		✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements*	Not Early Adopted		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		✓
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception*	Not Early Adopted		
	Amendments to PAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture*	Not Early Adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies	✓		✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		✓
	Amendment to PAS 32: Classification of Rights Issues	✓		✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		✓
	Amendments to PAS 34: Disclosure of Information Elsewhere in the Interim Financial Report*	Not Early Adopted		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Revaluation Method – Proportionate Restatement of Accumulated Amortization	✓		✓
	Amendments to PAS 38: Clarification of Acceptable Methods of Amortization*	Not Early Adopted		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		✓
	Amendments to PAS 39: The Fair Value Option	✓		✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee	✓		✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
	Contracts			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		✓
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives	✓		✓
	Amendment to PAS 39: Eligible Hedged Items	✓		✓
	Amendments to PAS 39: Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	✓		✓
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner Occupied Property	✓		
PAS 41	Agriculture	✓		✓
	Amendments to PAS 41: Bearer Plants*	Not Early Adopted		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments	✓		✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓		✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	✓		✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies	✓		✓
IFRIC 8	Scope of PFRS 2	✓		✓
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	✓		✓
IFRIC 10	Interim Financial Reporting and Impairment	✓		✓
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions	✓		
IFRIC 12	Service Concession Arrangements	✓		✓
IFRIC 13	Customer Loyalty Programmes	✓		
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2015		Adopted	Not Adopted	Not Applicable
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	✓		✓
IFRIC 17	Distributions of Non-cash Assets to Owners	✓		✓
IFRIC 18	Transfers of Assets from Customers	✓		✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	✓		✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	✓		✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro	✓		✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities	✓		✓
SIC-12	Consolidation - Special Purpose Entities	✓		✓
	Amendment to SIC - 12: Scope of SIC 12	✓		✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	✓		✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	✓		✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures	✓		✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services	✓		✓
SIC-32	Intangible Assets - Web Site Costs	✓		✓
With Deferred Effective date: Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate*		Not Early Adopted		
The following new standards issued by the IASB has not yet been adopted by the FSRC:				
IFRS 15, Revenue from Contracts with Customers*		Not Early Adopted		
IFRS 16, Leases*		Not Early Adopted		

*Standards and interpretations which will become effective subsequent to December 31, 2015.

JOLLIBEE FOODS CORPORATION**RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2015**

Unappropriated retained earnings, beginning	₱10,165,710,046
Adjustments:	
Deferred tax assets – net, beginning	(705,430,500)
Accretion of interest on financial assets, beginning	(13,753,254)
Unappropriated Retained Earnings Available for Dividend Declaration, Ending	₱9,446,526,292
Add: Net income actually earned/realized during the period	
Net income of the Parent Company closed to Retained Earnings	4,490,055,055
Add(Less): Non-actual/unrealized income (loss)	
Benefit from deferred income tax	(448,785,791)
Accretion of interest on financial assets	(11,138,406)
Net income actually earned / realized during the year	4,030,130,858
Add (Less):	
Dividend declarations during the year	(1,886,859,614)
Treasury shares	(180,511,491)
Unappropriated Retained Earnings Available for Dividend Declaration, Ending	₱11,409,286,045