

SEC Number **152249**
File Number

ARANETA PROPERTIES INCORPORATED

Company's Full Name

21st Floor Citibank Tower, Paseo de Roxas, Makati City

Company's Address

(632) 848-1501

Telephone Number

December 31

Fiscal Year Ending
(Month & Day)

17-Q 3rd Quarter

Form Type

Amended Designation (If Applicable)

September 30, 2020

Period Ended Date

Registered and Listed

Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER**

1. For the quarterly period ended September 30, 2020
2. SEC Identification No. 152249 3. BIR Tax Identification No. 050-000-840-355

4. Exact name of issuer as specified in its charter: ARANETA PROPERTIES, INC.

5. _____
Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

7. 21st Floor, Citibank Tower, Paseo de Roxas, Makati City
Address of issuer's principal office Postal Code

8. (632) 848-1501
Registrant's telephone number, including area code

9. _____
Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Shares	1,951,387,570

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [X] No []

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and Rule 17 of the SRC thereunder or Sections 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 (or for such shorter period that the registrant was required to file such reports):

Yes [X] No []

(b) has been subject to such filing requirements for the past 90 days:

Yes [X] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The financial statements of Araneta Properties Incorporated (ARA) are filed as part of this Form 17-Q.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations; Plan of Operation

Plan of Operation

During the Third Quarter of 2020

Reeling from the effect of CoVid-19 pandemics the Company's performance in terms of sales and collection have totally dropped and the same is expected to continue until the rest of the year 2020. The Government is slowly allowing businesses both Large and Small-Medium Enterprise to operate and be able to slowly recover.

At present, the Company is implementing strict measures in compliance with the community quarantine (CQ) protocols as follows:

- Full shutdown of Makati Offices which started on March 16, 2020. All employees received their salaries for the period March 16 to 31, 2020 in full, and after March 31, 2020, employees were encouraged to utilize their available leave credits and work on a skeletal basis.
- Other measures are being implemented to ease the impact of the CQ on the employees, e.g. the early release of the prorated 13th month pay, extend cash advances to regular employees in the event that the CQ is extended.
- After the announcement of the National Government allowing certain industries to operate, the Company re-open its Makati office with a limited and staggered reporting of employees at a maximum of 50% workforce. Employees with vulnerable condition are not permitted to report for work but allowed to work on a "work-from-home" basis.
- Business opportunity is paralyzed such as cash inflows. Presently, the Company concentrates on cash management to be able to rationalize and ensure availability of funds to sustain payments of employees' payroll.

The CQ's effect on new/future land sales and collection of the Company's receivables depends on the capacity of buyers to meet future payments. The Company will continue to monitor the situation and should the CQ be further prolonged, the BOD has formed a Crisis Management Team/Committee that will focus on the impact on the Company's revenue and operations, or formulate assessment tools and other resilient measures to be able to operate under the "new normal" to measure and/or benchmark costs and expenses or anticipate scenario beyond "COVID-19", upon resumption of work and "normal or full" operation.

Part of management measures to rationalize the fund flow requirements of the company during this trying time is to unload the more or less 17.3 hectares parcels of land located at Manticao Misamis Oriental which is the company considered it as Non-performing assets.

There were no sales during the third quarter of 2020 due to the effect of CQ, the activity of the Company focused only on collection of receivables, financial performance in terms of revenue during the period are as follows:

The performance of the Company in terms of revenue decreased by 52.924% Sales for the nine (9) months period is P18.043 million as compared to P27.592 million in year 2019.

As mentioned in our previous report, the management implemented marketing strategies in Year 2014, specifically the holding on of some Inventory for a much better price. Based on forecast this strategy will create a favorable momentum for the Company's operation activities while waiting for the right timing on the implementation of sales forecast. The Company is focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also undertook fine-tuning the whole system, maintaining and improving **Colinas Verdes**, the subdivision's brand name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost but promoting instead effective cash management program and fund flow management.

The above strategies are already conclusive. As of September 30, 2020 we have sold thirty seven (37) subdivided lots with more or less six thousand eight hundred twenty six 6,826 square meters of subdivided lot with price per square meter from P13,000.00 per square meter including the four (4) subdivided lot sold for cash in March 2020 for P16,000.00 per square meter, much more higher than the P7,500.00 per square meter, which is the average selling price when the Company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

Project Percentage of Completion (PPOC), the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% & 99.68% respectively complete, while the Country Club is 98.00% complete as of September 30, 2018. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

Table I – The comparative figures of the results of revenue for the three (3) months period ending September 30, 2020 with comparative figures of year 2019 and 2018 for the same three (3) months period

	For three (3) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2018	Year 2019	Year 2020	2018 vs 2019	2019 vs 2020
Income from Real Estate	24.581	16.811	-0-	(46.220%)	-0-
Accretion of Interest Income	4.213	3.762	2.379	(11.988%)	(58.134%)
Total revenue	28.794	20.573	2.379	(39.960%)	(764.775%)

Table II – The comparative figures of the results of operations and other operating income for the three (3) months period ending September 30, 2020 with comparative figures of year 2019 and 2018 for the same three (3) months period

	For three (3) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2018	Year 2019	Year 2020	2018 vs 2019	2019 vs 2020
Revenue	24.581	16.811	-0-	(46.220%)	-0-
Less: Expenses	21.444	18.618	14.736	(15.179%)	(26.344%)
Net Income	3.137	(1.807)	14.736	273.603%	(26.344%)
Add: Other Income	4.213	2.094	2.379	(101.194%)	11.980%
Net Income (before tax)	7.350	0.287	(12.357)	(2460.676%)	(14.364%)

Table III – The comparative figures of the results of revenue for the nine (9) months period ending September 30, 2020 with comparative figures of year 2019 and 2018 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2018	Year 2019	Year 2020	2018 vs 2019	2019 vs 2020
Income from Real Estate	48.337	27.592	18.043	(75.185%)	(52.924%)
Accretion of Interest Income	9.033	8.057	8.710	(12.114%)	7.497%
Total revenue	57.370	35.649	26.753	(60.930%)	(33.252%)

Table IV – The comparative figures of the results of operations for the nine (9) months period ending September 30, 2020 with comparative figures of year 2019 and 2018 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2018	Year 2019	Year 2020	2018 vs 2019	2019 vs 2020
Revenue	48.337	27.592	18.043	(75.185%)	-0-
Less: Expenses	58.922	59.331	40.779	0.689%	(45.494%)
Net Income	(10.585)	(31.739)	(22.736)	66.650%	(45.494%)
Add: Other Income	38.944	6.389	8.723	(509.548%)	26.757%
Net Income (before tax)	28.359	(25.350)	(14.013)	211.870%	(18.737%)

The detail of increase in other income in the 1st and 2nd quarter of 2018 is the collection of proceeds from sale of metal scrap recovered from the Manticao Smelter Plant.

During the Third Quarter of 2019

The performance of the Company in terms of revenue decreased by 31.61%. Sales for the quarter is P16.811 million as compared to P24.581 million of the year 2018. This performance is directly attributed to marketing strategies implemented in Year 2014, specifically the holding on of some Inventory for a much better price. Based on forecast this strategy will create a favorable momentum for the company's operation activities while awaiting for the right timing on the implementation of sales forecast. The Company focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also undertook fine-tuning the whole system, maintaining and improving **Colinas Verdes**, the subdivision's brand name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost but promoting instead effective cash management program and fund flow management.

The above strategies is already conclusive in April 2017. As of September 30, 2019 there more or less thirty one (31) buyers have already reserved more or less five thousand three hundred eighty one 5,381 square meters of subdivided lot at the price of P13,000.00 per square meter, much more higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

Project Percentage of Completion (PPOC), the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% & 99.68% respectively complete, while the Country Club is 98.00% complete as of September 30, 2018. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

Table I – The comparative figures of the results of revenue for the three (3) months period ending September 30, 2019 with comparative figures of year 2018 and 2017 for the same three (3) months period

	For three (3) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2017	Year 2018	Year 2019	2017 vs 2018	2018 vs 2019
Income from Real Estate	38.758	24.581	16.811	(36.57%)	(31.610%)
Accretion of Interest Income	3.551	3.750	3.762	5.604%	0.320%
Total revenue	42.309	28.331	20.573	(33.038%)	(27.383%)

Table II – The comparative figures of the results of operations and other operating income for the three (3) months period ending September 30, 2019 with comparative figures of year 2018 and 2017 for the same three (3) months period

	For three (3) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2017	Year 2018	Year 2019	2017 vs 2018	2018 vs 2019
Revenue	42.309	28.331	20.573	(33.038%)	(27.383%)
Less: Expenses	22.138	19.438	20.467	(12.196%)	5.294%
Net Income	20.171	8.893	0.1060.181	(20.842%)	(32.677%)
Add: Other Income	0.380	0.463		20.573%	(60.907%)
Net Income (before tax)	20.551	9.356	0.287	(0.269%)	(93.584%)

Table III – The comparative figures of the results of revenue for the nine (9) months period ending September 30, 2019 with comparative figures of year 2018 and 2017 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2017	Year 2018	Year 2019	2017 vs 2018	2018 vs 2019
Income from Real Estate	90.845	48.337	27.592	(46.792%)	(42.917%)
Accretion of Interest Income	10.451	8.964	8.057	(14.228%)	(10.118%)
Total revenue	101.296	57.301	35.649	(43.432%)	(37.786%)

Table IV – The comparative figures of the results of operations for the nine (9) months period ending September 30, 2019 with comparative figures of year 2018 and 2017 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2017	Year 2018	Year 2019	2017 vs 2018	2018 vs 2019
Revenue	90.845	48.337	27.592	(46.792%)	(42.917%)
Less: Expenses	61.607	49.959	53.123	(18.907%)	6.333%
Net Income	29.238	(1.622)	(25.531)	(27.885%)	(49.251%)
Add: Other Income	0.441	29.981	0.181	6698.41%	(99.396%)
Net Income (before tax)	29.679	28.359	(25.350)	(4.448%)	(189.390%)

The detail of increase in other income in the 1st and 2nd quarter of 2018 is the collection of proceeds from sale of metal scrap recovered from the Manticao Smelter Plant.

During the Third Quarter of 2018

The performance of the Company in terms of revenue decreased by 33.038% Sales for the quarter is P28.331 million as compared to P42.309 million of the year 2017. This performance is directly attributed to marketing strategies implemented in Year 2014, specifically the holding on of some Inventory for amuch better price. This strategy will create a favorable momentum for the company's operation activities while awaiting for the right timing on the implementation of sales forecast.The Company focused on managing and developing anew high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also undertookfine-tuning the whole system, maintaining and improving**Colinas Verdes**, the subdivision's brand nameand position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost butpromoting instead effective cash management program and fund flow management.

The above strategies is already conclusive in April 2017, As of September 30, 2018there more or less twenty three (27) buyers have already reserved more or less 3,919 square meters of subdivided lot at the price of P13,000.00 per square meter, much more higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

Project Percentage of Completion (PPOC), the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% &99.68% respectively complete, while the CountryClub is 98.00% complete as of September 30, 2018. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

Table I – The comparative figures of the results of revenue for the three (3) months period ending September 30, 2018 with comparative figures of year 2017 and 2016 for the same three (3) months period

	For three (3) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Income from Real Estate	30.393	38.758	24.581	27.523%	(36.578%)
Accretion of Interest Income	4.573	3.551	3.750	(22.3495)	5.604%
Total revenue	34.966	42.309	28.331	5.174%	(33.038%)

Table II – The comparative figures of the results of operations and other operating income for the three (3) months period ending September 30, 2018 with comparative figures of year 2017 and 2016 for the same three (3) months period

	For three (3) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Revenue	34.966	42.309	28.331	15.474%	(33.038%)
Expenses	20.335	22.138	19.438	59.842%	(12.196%)
Net Income	14.631	20.171	8.893	(44.368%)	(20.842%)
Add: Other Income	0.227	0.384	0.463	56.173%	20.573%
Net Income (before tax)	14.858	20.555	9.356	11.81%	(0.269%)

Table III – The comparative figures of the results of revenue for the nine (9) months period ending September 30, 2018 with comparative figures of year 2017 and 2016 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Income from Real Estate	85.940	90.845	48.337	27.523%	(46.792%)
Accretion of Interest Income	12.101	10.450	8.964	(22.3495)	(14.220%)
Total revenue	98.041	101.295	57.301	5.174%	(43.432%)

Table IV – The comparative figures of the results of operations for the nine (9) months period ending September 30, 2018 with comparative figures of year 2017 and 2016 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
<i>In millions (Php)</i>	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Revenue	98.041	101.295	57.301	15.474%	(43.432%)
Expenses	61.968	72.057	58.922	59.842%	(18.229%)
Net Income	36.073	29.238	(1.621)	(44.368%)	(25.203%)
Add: Other Income	0.390	0.441	29.980	56.173%	6698.186%
Net Income (before tax)	36.463	29.679	28.359	11.81%	6723.389%

The detail of increase in other income in the 1st and 2nd quarter of 2018 is the collection of proceeds from sale metal scrap recovered from the Manticao Smelter Plant.

Item 2.2 **Management's Discussion and Analysis/ Plan of Operation**

Results of Operation (January 01 – September 30, 2020 vs January 01–September 30, 2019)

During the quarter, As mentioned above reeling from the effect of global turmoil brought about by the COVID-19 pandemic which affected all nations, the operation was thriving as no sales have been generated. The Company concentrates on cash management to be able to rationalize and ensure availability of funds to sustain payments of employees' payroll and other contractual obligation.

With the CQ, the management has to refocus to other business aspects under the new normal working conditions and continue to monitor the situation. With the CQ contemplated to be further prolonged, the Board of Director has formed a Crisis Management Team/Committee that will focus on the impact of the crises to the Company's revenue and operations, to formulate assessment tools and other resilient measures to be able to operate under the "new normal" with measures and/or benchmarking of costs and expenses or anticipate scenario beyond "COVID-19", without compromising health and safety of employees.

Part of the management measure is to be able to rationalize the fund flow requirements of the Company during this trying time is to unload the more or less 17.3 hectares parcels of land located at Manticao Misamis Oriental which the Company consider as a non-performing assets.

The percentage of revenues for the nine (9) months ending September 30, 2020 with comparative figures for 2019 and 2018 with the same period

Particulars	Year 2018	Year 2019	Year 2020
Sale from Real Estate	48,337,103	27,592,071	18,042,750
Cost of Land	12,267,873	6,898,018	2,752,919
Percentage to Revenue	25.380%	25.000%	15.258%

The percentage of revenues during the quarter ending September 30, 2020 are as follows:

Particulars	Year 2018	Year 2019	Year 2020
Sale from Real Estate	24,580,985	16,811,047	-0-
Cost of Land	5,769,188	3,702,762	-0-
Percentage to Revenue	23.470%	22.026%	-0-

The Company has posted a net loss after tax of (P14.548) Million at end of September 30, 2020 as compared with the (P26.063) million in 2019, and (P26.063) million in 2018 of that same period.

The deficit stands at P401.699 million and P405.820 million as of September 30, 2019 and 2018, respectively.

For the Quarter Ended

	September 30, 2019 (In Millions)	September 30, 2020 (In Millions)
Revenue	P16.811	-0-
Direct Costs	3.703	-0-
Gross Profit Margin	13.108	-0-
Operating Expenses	14.915	14.736
Net Income (before other Income)	(1.807)	(14.736)
Add: Other Income	2.094	2.379
Net income before tax	0.287	(12.357)

Revenue generated during the third quarter of 2020 represents shares from accretion of interest from installment sales. No new sales during quarantine period from the Joint Venture Project with SLRDI.

Other Income represents interest income from installment as well as interest income from savings account with banks.

Liquidity and Capital Resources

The Company posted net profit during the quarter, the benefits from the construction of the Clubhouse and Sports Center, which the project engineer in-charge of the development has reported to be (almost) 100% complete as at end of September 30, 2020.

Particulars	September 30, 2019 (In Million)	September 30, 2020 (in Million)
Total assets as at end of	P1,988.851	P2,011.156
Total liabilities as at end of	240.654	258.871
Ratio of assets to liabilities	12.100%	12.8742%
Financial Condition		
Cash and cash equivalent	6.308	2.539
Receivable	347.509	346.883
Prepaid Taxes	7.327	6.223

Real estate Inventories	498.817	499.105
Property and equipment	8.438	5.409
Investment property	1,042.868	1,077.735
Recoverable Tax	73.352	67.581
Other assets	4.232	5.682
Current liabilities	123.591	78.129
Noncurrent liabilities	117.063	180.742
Stockholders' equity	P1,748.197	P1,752.285

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

The increase in the real estate inventories is attributable to the accounting of cancelled sales during the accounting period. The company is using the Percentage of Project Completion (PPOC).

The decrease in recoverable tax (Input VAT) is attributable to accounting of output vat from collection of accretion of interest income from installment sales.

The Increase in Investments property is the result of land banking activity during the accounting period

The Company started land banking in year 2012 with total land acquisitions as of September 30, 2020 details of which are as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<i>All in San Jose Del Monte Bulacan</i>				
GASDF Property	47,976	6,618,779.27	7,196,400.00	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	261,672,633.06	261,672,633.06	Fully paid
Marga Capital Holdings, Inc.	360,000	104,671,995.50	104,671,995.50	Fully paid
Insular Life Insurance Co.,	580,154	403,678,405.13	403,678,405.13	Fully paid
Paramount Finance Corp.	10,000	3,520,000.00	3,520,000.00	Fully paid
Rodolfo M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
Subtotal	2,385,151	870,887,230.17	870,887,230.17	-0-
Rocha Dev't Corporation	119,543	32,912,600.00	Under negotiation	32,912,600.00
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	126,322,000.00	Under negotiation	126,322,000.00
Subtotal	841,243	262,584,600.00	-0-	262,584,600.00
Total (San Jose Del Monte)	3,226,394	1,133,471,830.17	870,887,230.17	262,584,600.00
Add: Northern Luzon Area				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et. al	292,921	63,558,910.00	62,286,696.00	1,272,214.00
Hugo Nat d. Juan	13,186	4,615,100.00	4,615,100.00	Fully paid
	363,318	99,354,013.00	98,081,799.00	1,272,214.00
Total Land Banking	3,589,712	1,232,825,843.17	968,969,029.17	263,856,814.00

The decrease in property and equipment is brought about by the accounting for the estimated depreciation during the period using straight line method.

The movement in accounts payable and accruals is attributed to regular accruals, deferred payments and liability from installment purchase of land.

Advances to officers and employees which are deductible from their salaries and are due within one year.

No movement in available for sale investments account during the period

Decreased in payables is result of accounting and payment of accounts including land banking activity.

The decrease in Stockholder's Equity is attributed to normal operational income in real estate business.

Capital Expenditure

There was no capital expenditure for the period.

Key Performance Indicators

The Company operates in one business segment the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance of the company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

For the three-month period ending	September 30, 2019	September 30, 2020
Current Ratio (1)	6.084 : 1	9.628 : 1
Debt to Equity Ratio (2)	1 : 0.138	1 : 0.148
Earnings per Share (3)	(1 : 0.001336)	(1 : 0.00746)
Earnings before Income Taxes (4)	P0.287 million	(P12.357) million
Return on Equity	(0.001491)	(0.00830)

- 1) Current Assets / Current Liabilities
- 1) Total Liabilities / Stockholders' Equity
- 2) Net Income / Outstanding Shares
- 3) Net Income plus Interest Expenses and Provision for Income Tax
- 4) Net Income / Average Stockholder's Equity

Stockholders' Equity

- Total Stockholders' Equity in 2020 is P1,752,284,830.66 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

- Total Stockholders' Equity in 2019 is P1,748,197,548.99 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

Results of Operation

(January – September 30, 2019 vs January – September 30, 2018)

During the quarter, the operation was thriving in all business aspects. This includes the real estate aspect as there were reputable real estate companies that already started development and marketing operations in San Jose Del Monte Bulacan. More so, the recent ground-breaking Government projects, specifically the "MRT7" for the rail transit connecting Quezon City to Norzagaray Bulacan, created a positive

scenario in the real estate business that eventually benefited the Company's land banking activity for the previous years and holding on of some inventory for a much better price.

The percentage of revenues for the quarter ending September 30, 2019 with comparative figures for 2018 and 2017 with the same period

Particulars	Year 2017	Year 2018	Year 2019
Sale from Real Estate	38,758,363	24,580,985	16,811,047
Cost of Land	7,939,363	5,769,188	3,702,762
Percentage to Revenue	20.484%	23.470%	22.026%

The percentage of revenues during the nine months (9) ending September 30, 2019 with comparative figures for 2018 and 2017 with the same period

Particulars	Year 2017	Year 2018	Year 2019
Sale from Real Estate	90,844,647	48,337,103	35,649,013
Cost of Land	16,852,899	12,267,873	6,898,018
Percentage to Revenue	18.551%	25.380%	19.350%

The Company has posted a net loss (after tax) of (P26.063) Million as at end of third quarter ended September 30, 2019 as compared with the P19.851 million in 2018, and P20.907 million in 2017 of that same period.

The deficit stands at P405.82 million and P391.365 million as of September 30, 2019 and 2018, respectively.

For the nine (9) months ended

	September 30, 2018 (In Millions)	September 30, 2019 (In Millions)
Revenue	P57.301	P27.592
Direct Costs	12.269	6,898
Gross Profit Margin	45.033	20.694
Operating Expenses	46.654	52.433
Net Income (before other Income)	(1.621)	(31.739)
Add: Other Income	29.980	6.389
Net income before tax	28.359	(25.350)

Revenue generated during the third quarter of 2019 represents shares from sales from Joint Venture Project with SLRDI. The decrease in sales was the effect of marketing strategy being implemented by the Company with some inventory put on-hold to sell market awaiting for a much better price.

Other Income represents interest income from installment and as well as interest income from savings account with banks.

Liquidity and Capital Resources

The company posted net profit during the quarter, the benefits from the construction of the Clubhouse and Sports Center, which the project engineer incharge of the development has reported to be (almost) 100% complete as at end of September 30 2019.

Particulars	September 30, 2018 (In Million)	September 30, 2019 (in Million)
Total assets as at end of	P1,995.094	P1,988.852
Total liabilities as at end of	P235.601	P337.245
Ratio of assets to liabilities	11.809%	16.012%
Financial Condition		
Cash and cash equivalent	P36.645	P91.591
Receivable	P323.815	P393.320
Prepaid Taxes	P8.481	P7.830
Real estate Inventories	P851.398	P865.831
Investments property	P684.640	P1,042,868
Property and equipment	P11.045	P12.493
Recoverable Tax	P76.579	P73.352
Other assets	P2.490	P4.232
Current liabilities	P105.064	P123.591
Noncurrent liabilities	P113.979	P117.063
Stockholders' equity	P1,759.493	P1,748.198

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

The increased in investments property is the result of the accounting of costland acquired during the period.

The Company started land banking in year 2012 with total land acquisitions as of September 30, 2019 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<i>All in San Jose Del Monte Bulacan</i>				
GASDF Property	47,976	7,196,400.00	7,196,400.00	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	248,183,035.71	248,183,035.71	Fully paid
Marga Capital Holdings, Inc.	360,000	135,878,430.13	135,878,430.13	Fully paid
Insular Life Insurance Co.,	581,500	430,474,268.00	257,515,856.75	172,958,411.25
Rodolfo M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
Subtotal	2,346,497	912,457,551.05	739,499,139.80	172,958,411.25
Rocha Dev't Corporation	119,543	32,912,600.00	Under negotiation	32,912,600.00
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	126,322,000.00	Under negotiation	126,322,000.00
Subtotal	841,243	262,584,600.00	-0-	262,584,600.00
Total (San Jose Del Monte)	3,217,770	1,175,042,151.05	739,499,139.80	435,543,011.25
Add: Northern Luzon Area				
Manuel Bonoan	57,211	28,605,500.00	28,605,500.00	-0-
Almazan et. al	225,752	61,032,240.00	56,600,000.00	4,432,240.00
	282,963	89,637,740.00	55,205,500.00	44,932,240.00
Total Land Banking	3,500,703	1,264,679,891.05	824,706,639.80	439,975,251.25

The decreased in property and equipment is brought about by the accounting for the estimated depreciation during the period using straight line method.

The movement in accounts payable and accruals is attributed to regular accruals, deferred payments and liability from installment purchase of land.

Related party transactions consist mainly of advances made by Company officers for the payment of liability from purchased of land on installment, the said advances issued by Company officers without interest charges.

Movement in payables, is result of accounting and payment of accounts including land banking activity

The decreased in Stockholder's Equity is attributed to normal operational income (loss) in the real estate business and other miscellaneous income.

Capital Expenditure

There was no capital expenditure for the period.

Key Performance Indicators

The company operates in one business segment, the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance of the company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

For the nine (9) months ended	September 30, 2018	September 30, 2019
Current Ration (1)	8.195 : 1	6.084 : 1
Debt to Equity Ratio (2)	1 : 0.134	1 : 0.138
Earnings per Share (3)	1 : 0.01017	1 : (0.01336)
Earnings before Income Taxes (4)	P19.851 million	(P26.063) million
Return on Equity	0.01128	(0.01491)

- 1) Current Assets / Current Liabilities
- 2) Total Liabilities / Stockholders' Equity
- 3) Net Income / Outstanding Shares
- 4) Net Income plus Interest Expenses and Provision for Income Tax
- 5) Net Income / Average Stockholder's Equity

Stockholders' Equity

- Total Stockholders' Equity in 2019 is P1,748,197,548.99 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

-Total Stockholders' Equity in 2018 is P1,759,493,178.06 (Issued and paid of 1,951,387,57 shares with P1.00 par value)

Results of Operation

(January – September 30, 2018 vs January –September 30, 2017)

During the quarter, the operation was thriving in all business aspects. This includes the real estate aspect as there were reputable real estate companies that already started development and marketing operations

in San Jose Del Monte Bulacan. More so, the recent ground-breaking Government projects, specifically the “MRT7” for the rail transit connecting Quezon City to Norzagaray Bulacan, created a positive scenario in the real estate business that eventually benefited the Company’s land banking activity for the previous years and holding on of some inventory for a much better price.

The percentage of revenues for the quarter ending September 30, 2018 with comparative figures for 2017 and 2016 with the same period

Particulars	Year 2016	Year 2017	Year 2018
Sale from Real Estate	34,965,666	42,309,431	28,331,353
Cost of Land	8,959,686	7,939,363	2,854,104
Percentage to Revenue	25.624%	18.765	10.074%

The percentage of revenues during the last three (3) quarters ending September 30, 2018 are as follows:

Particulars	Year 2016	Year 2017	Year 2018
Sale from Real Estate	98,041,004	101,295,318	57,300,630
Cost of Land	20,302,964	16,852,900	12,267,873
Percentage to Revenue	20.709%	16.637%	21.410%

The Company has posted a net profit (after tax) of P19.851 Million as at end of third quarter ended September 30, 2018 as compared with the P20.907 million in 2017, and P25.524 million in 2016 of that same period.

The deficit stands at P391.365 million and P379.649 million as of September 30, 2018 and 2017, respectively.

For the nine (9) months ended

	September 30, 2018 (In Millions)	September 30, 2017 (In Millions)
Revenue	P57.301	P101.295
Direct Costs	12.269	16.853
Gross Profit Margin	45.033	84.442
Operating Expenses	46.654	55.204
Net Income (before other Income)	(1.621)	29.238
Add: Other Income	29.980	0.441
Net income before tax	28.359	29.679

Revenue generated during the third quarter of 2018 represents shares from sales from Joint Venture Project with SLRDI and recovery of slag at Manticao Property. The decrease in sales was the effect of marketing strategy being implemented by the Company with some inventory put on-hold to sell market awaiting for a much better price.

Other Income represents interest income from installment and as well as interest income from savings account with banks and as well as proceeds from sale of metal scrap recovered from Manticao Smelter Plant.

Liquidity and Capital Resources

The company posted net profit during the quarter, the benefits from the construction of the Clubhouse and Sports Center, which the project engineer incharge of the development has reported to be (almost) 100% complete as at end of September 30 2018.

Particulars	September 30, 2018 (In Million)	September 30, 2017 (in Million)
Total assets as at end of	P1,995.094	P2,106.254
Total liabilities as at end of	P235.601	P337.245
Ratio of assets to liabilities	11.809%	16.012%
<i>Financial Condition</i>		
Cash and cash equivalent	P36.645	P91.591
Receivable	P323.815	P393.320
Prepaid Taxes	P8.481	P7.830
Real estate Inventories	P851.398	P865.831
Land held for future development	P679.196	P647.415
Property and equipment	P11.045	P12.493
Investment property	P5.444	P5.444
Recoverable Tax	P76.579	P79.930
Other assets	P2.490	P2.400
Current liabilities	P13.920	P130.927
Noncurrent liabilities	P96.681	P206.318
Stockholders' equity	P1,759.493	P1,769.009

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

The increased in real estate land for sale & development is the result of the accounting of cost land acquired net of inventory sold during the period based on Percentage of Project Completion (PPOC).

The Company started land banking in year 2012 with total land acquisitions as of September 30, 2018 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<i>All in San Jose Del Monte Bulacan</i>				
GASDF Property	47,976	7,196,400.00	7,196,400.00	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	248,183,035.71	248,183,035.71	Fully paid
Marga Capital Holdings, Inc.	360,000	135,878,430.13	135,878,430.13	Fully paid
Insular Life Insurance Co.,	581,500	430,474,268.00	257,515,856.75	172,958,411.25
Rodolfo M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<i>Subtotal</i>	<i>2,346,497</i>	<i>912,457,551.05</i>	<i>739,499,139.80</i>	<i>172,958,411.25</i>
Rocha Dev't Corporation	119,543	32,912,600.00	Under negotiation	32,912,600.00
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	126,322,000.00	Under negotiation	126,322,000.00
<i>Subtotal</i>	<i>841,243</i>	<i>262,584,600.00</i>	<i>-0-</i>	<i>262,584,600.00</i>

Total (San Jose Del Monte)	3,217,770	1,175,042,151.05	739,499,139.80	435,543,011.25
Add: Northern Luzon Area				
Manuel Bonoan	57,211	28,605,500.00	28,605,500.00	-0-
Almazan et. al	225,752	61,032,240.00	56,600,000.00	4,432,240.00
	282,963	89,637,740.00	55,205,500.00	44,932,240.00
Total Land Banking	3,500,703	1,264,679,891.05	824,706,639.80	439,975,251.25

The decreased in property and equipment is brought about by the accounting for the estimated depreciation during the period using straight line method.

Decreased in other assets account attributed to the liquidation of deposits from land banking during the period.

The movement in accounts payable and accruals is attributed to regular accruals, deferred payments and liability from installment purchase of land.

Related party transactions consist mainly of advances made by Company officers for the payment of liability from purchased of land on installment, the said advances issued by Company officers without interest charges.

Decreased in other assets account is brought about by the liquidation of some fund provided in the land banking activity resulting conclusion of acquisition of more or less 5 hectare' land from Cuenca family

Decreased in payables, is result of accounting and payment of accounts including land banking activity

The decreased in Stockholder's Equity is attributed to normal operational income (loss) in the real estate business and other miscellaneous income.

Capital Expenditure

There was no capital expenditure for the period.

Key Performance Indicators

The company operates in one business segment, the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance of the company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

For the nine (9) months ended	September 30, 2018	September 30, 2017
Current Ratio (1)	8.195 : 1	9.976 : 1
Debt to Equity Ratio (2)	1 : 0.134	1 : 0.191
Earnings per Share (3)	1 : 0.01017	1 : 0.01071
Earnings before Income Taxes (4)	P19.851 million	P20.907 million
Return on Equity	0.01128	0.001182

- 1) Current Assets / Current Liabilities
- 2) Total Liabilities / Stockholders' Equity
- 3) Net Income / Outstanding Shares
- 4) Net Income plus Interest Expenses and Provision for Income Tax
- 5) Net Income / Average Stockholder's Equity

Stockholders' Equity

- Total Stockholders' Equity in 2018 is P1,759,493,178.06 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

-Total Stockholders' Equity in 2017 is P1,769,009,176.68 (Issued and paid of 1,951,387,57 shares with P1.00 par value)

Other Matters

The interim financial report has been prepared in conformity with generally accepted accounting principles in the Philippines.

No disclosures nor discussions were made for the following since these did not affect the past and present operations of the Company:

a) The effect of global crises brought about by the CoVid-19 pandemic has totally sent all businesses into economic uncertainties with significant impact on net salesor income due to total lockdown.

As at present, the management has formed a crisis management committee that will focus on the impact of the crises and related effect of the pandemic from operations, to formulate assessment tools and other resilient measures based on world health standard to be able to operate under the “new normal” condition

b) No known trends, events or uncertainties with significant impact on net salesor income, except for the abovementioned “*ground-breaking project made by the national government for the launching of the construction of MRT 7 rail road project connection fromQuezon City to Norzagaray,Bulacan*”,this scenario gives positive signal for a much better trend in the real estate business in the northern portion of Metro Manila.

c) Significant elements of income or loss that did not arise from the Company's continuing operations other than what was mentioned in the revenues.

d) All accounting policies and methods of computation and estimates are followed in the interim financial statement as compared with the most recent annual financial statement report.

e) There were no seasonality or cyclicity aspects that have material effect on the financial statement and the financial condition or results of operations during the period.

f) There were no material commitments affecting assets, liabilities, equity, net income, or cash flows that are unusual during the interim financial report.

g) There were no nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that hasmaterial effect in the current interim period.

h) There were no issuances, repurchases and repayments of debt and equity securities, except for the payment of non-interest bearing payable obtained for the acquisition of two (2) parcels of land classified under “Investments property account” in the 2012 statement of financial position, except for the expected sales and receivable that have not materialized due to CQ.

- i) There were no dividends paid during the interim financial period.
- J) The company is reporting with only one (1) accounting segment.
- k) There were no material events that occurred during the subsequent to interim reporting period that have not been reflected in the financial statements, such as default or acceleration of an obligation or off-balance sheet transactions, arrangements, obligations, and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- l) There were no changes in the composition of the issuer during the interim period, No business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operation during the interim period.
- m) There were no changes in contingent liabilities or contingent asset was made during the interim period as compared with the most recent annual balance sheet date.
- n) No disclosures in compliance with SEC MC No. 14, Series of 2004 specifically Certain Relationship and Related Transaction or Arrangements, as there were no such transactions during the period and or any subsequent event occurring after the close of accounting period with respect to a certain relationship or related transaction being required by SFAS/IAS No. 24.
- o) There were no reclassification on Financial Instruments in the current reporting period and the previous periods.
- p) On September 24, 2019 the Board of Directors approved to enter into a Joint Venture Agreement ("Joint Venture") with Sta. Lucia Land, Inc. involving the Corporation's property located at Barangay Tungkong Mangga, San Jose Del Monte, Bulacan with a total area of 580,154 sq. m. The Board also delegated to management the determination of the terms and conditions of the Joint Venture.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash and bank loans. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial instruments such as receivables, accounts payable and accrued expenses which arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk, credit risk, and interest rate risk. As of September 30, 2020, the Company is not exposed to any significant foreign currency risk because all of its financial instruments are denominated in Philippine Peso. The BOD reviews and approves the policies for the management of each of these risks as summarized below.

Liquidity Risk

The Company seeks to manage its liquid funds through cash planning on a monthly basis. The Company uses historical figures and experiences and forecasts from its collection and disbursement.

As of September 30, 2020

	On demand
Accounts payable & accrued expenses	51,473,631
Advances related parties	26,120,551
Liability from purchase of land	115,305,608
Income tax payable	535,060
Retirement benefits	27,984,437
Deferred income tax liabilities	37,451,960
Total	258,871,246

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Concentrations arise when a number of counterparties are engaged in similar business activities or any activities in the same geographic region, or share similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

The Company's principal credit risk is its dependence from one counter-party. The credit risk of the Company is controlled by the approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with creditworthy parties to mitigate any significant concentration of credit risk. The Company ensures that credit transactions are made to parties with appropriate credit history and has internal mechanism to monitor granting of credit and management of credit exposures. The Company's maximum exposure to credit risk is equal to the carrying amount of its financial assets.

The Company sets up provision for impairment of accounts receivables equal to the balance of long-outstanding accounts receivables.

Receivables-that are neither past due nor impaired are due from creditworthy counterparties with good payment history with the Company.

Cash with banks-Are deposits made with reputable banks duly approved by the BOD.

Interest Rate Risk- The Company's exposure to the risk pertains to bank loans. The Company relies on budgeting and forecasting techniques to address this risk.

Capital Management -The primary objective of the Company's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the quarters ended September 30, 2020 and 2019.

The following table pertains to the account balance the Company considers as its core capital as at end of September 30, 2020

Capital stock	P1,951,387,570
Capital surplus	<u>201,228,674</u>
Total	<u>P2,152,616,244</u>

Fair Value of Financial Instruments-The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

Cash and Receivables-The carrying amounts of cash and receivables approximate fair values primarily due to the relatively short-term maturity of these financial instruments. In the case of long-term receivables, the fair value is based on the present value of expected future cash flows using the applicable discount rates. The discount rates used range from 6.45% to 5.66% in 2019 and 5.66% to 5.66% in 2018.

PART II - OTHER INFORMATION

As of this date, the Company filed the following reports on SEC Form 17-C,

Date of Report

Item Reported

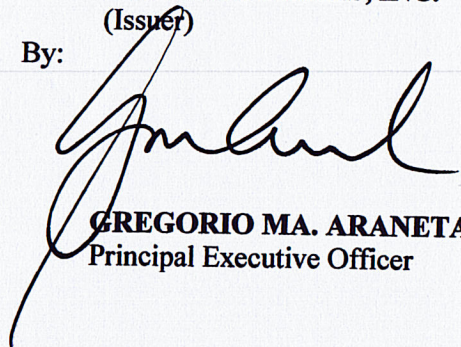
SIGNATURES

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

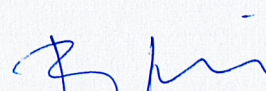
ARANETA PROPERTIES, INC.

(Issuer)


By:



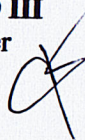
GREGORIO MA. ARANETA III
Principal Executive Officer



CRISANTO ROY B. ALCID
President



JOSE O. EUSTAQUIO III
Chief Financial Officer



Date signed October 21, 2020

ARANETA PROPERTIES, INC.
STATEMENTS OF FINANCIAL POSITION

		AS OF SEPTEMBER 30, 2020 un-audited		AS OF DECEMBER 31, 2019 Audited		CHANGES INCREASED (DECREASED)
ASSETS						
Current Assets						
Cash and cash equivalents	P	2,538,828	P	4,074,862	P	(1,536,034)
Trade and other receivables		176,760,843		181,518,664		(4,757,821)
Real Estate Inventories		499,105,216		500,033,860		(928,644)
Input Value-added Tax (VAT) - net		67,581,381		70,151,947		(2,570,566)
Prepayments		6,222,552		7,151,417		(928,866)
	P	752,208,820	P	762,930,750	P	(10,721,931)
Non-current Assets						
Trade and other receivables	P	170,121,858	P	170,121,858	P	-
Property, plant and equipment		5,408,924		7,217,104		(1,808,181)
Investment Property		1,077,734,578		1,058,408,198		19,326,380
Available-for-sale (AFS) Investments		5,681,898		5,681,898		-
Other assets		-		-		-
	P	1,258,947,257	P	1,241,429,058	P	17,518,199
TOTAL ASSETS	P	2,011,156,077	P	2,004,359,808	P	6,796,268
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts Payable and Accrued Expenses	P	51,473,631	P	27,519,980	P	23,953,651
Advances from related parties		26,120,551		30,745,769		(4,625,218)
Income Tax Payable		535,060		812,477		(277,417)
	P	78,129,242	P	59,078,226	P	19,051,016
Non-current Liabilities						
Accrued retirement benefit obligation	P	27,984,437	P	25,691,340	P	2,293,097
Liability for purchase of land		115,305,608		115,305,608		-
Deferred Income Tax Liabilities		37,451,960		37,451,960		-
	P	180,742,004	P	178,448,907	P	2,293,097
		258,871,246		237,527,133		21,344,113
Stockholders' Equity						
Capital Stock:						
Issued and Paid						
(Authorized - 5 Billion shares at P1.00 par value)		1,951,387,570		1,951,387,570		-
Capital Surplus		201,228,674		201,228,674		-
Unrealized valuation of gain AFS investments		2,726,898		2,726,898		-
Actuarial Gain (Losses) on Retirement Benefits		(1,388,663)		(1,388,663)		-
Deficit		(401,669,648)		(387,121,804)		(14,547,845)
Total		1,752,284,831		1,766,832,675		(14,547,845)
TOTAL LIABILITIES and STOCKHOLDERS' EQUITY	P	2,011,156,077	P	2,004,359,808	P	6,796,268
Net Book Value per Share	P	0.8980	P	0.9054	P	-

10/18/2020

ARANETA PROPERTIES, INC.
STATEMENT OF COMPREHENSIVE INCOME

	FOR THE NINE (9) MONTHS ENDED		FOR QUARTER ENDED	
	SEPTEMBER 30, 2020	SEPTEMBER 30, 2019	SEPTEMBER 30, 2020	SEPTEMBER 30, 2019
REVENUES				
Income from JV company-Net	P 18,042,750	P 27,592,071	P -	P 16,811,047
Cost of sales	2,752,919	6,898,018	-	3,702,762
	15,289,831	20,694,053	-	13,108,285
EXPENSES				
Salaries & wages	16,772,171	18,482,557	6,036,027	6,046,238
Overtime pay	67,695	150,070	14,715	37,920
SSS, philhealth, EC & pag-ibig	411,815	410,456	145,818	141,189
13th month pay	1,533,956	2,143,653	517,152	714,551
Security costs	5,667,312	9,529,395	1,536,833	4,326,229
Light, water and utilities	191,933	200,978	134,848	104,390
Repairs & maintenance	159,681	5,371,325	57,944	36,622
Medical, dental & hospitalization	101,227	354,689	50,761	115,147
Professional fees	602,916	1,470,465	123,500	147,471
Representation	773,943	615,800	722,943	27,000
Rental expenses	94,500	90,000	31,500	6,400
Taxes & licenses	4,366,459	6,571,414	2,505,137	1,351,554
Depreciation expense	1,810,859	1,994,387	598,287	645,220
Building dues & other charges	931,289	958,577	380,124	386,178
Gasoline, oil and lubes	171,320	287,104	58,757	112,368
Meals	54,738	197,066	12,221	40,024
Postage & telecommunication	394,476	450,112	104,729	156,789
Printing and office supplies	180,533	513,998	78,366	100,311
Transportation & travelling	193,741	260,751	81,148	85,150
Contractual costs	334,965	117,000	116,130	42,000
Insurance expense	17,994	18,281	3,550	9,839
Retirement benefits	2,293,097	895,375	557,780	211,188
Miscellaneous	899,488	1,350,235	867,779	71,388
	38,026,106	52,433,687	14,736,049	14,915,165
NET LOSS BEFORE OTHER INCOME	(22,736,275)	(31,739,633)	(14,736,049)	(1,806,880)
OTHER INCOME & EXPENSES				
Accretion Interest & misc. income	8,710,248	8,056,942	2,379,438	3,761,968
Gain (loss) on FX	(2,760)	-	(2,760)	-
Interest Income	16,003	(1,667,729)	1,997	(1,667,729)
	8,723,490	6,389,213	2,378,675	2,094,239
NET LOSS BEFORE INCOME TAX	(14,012,785)	(25,350,420)	(12,357,374)	287,359
PROVISION FOR INCOME TAX				
Current	535,060	712,980	(2,158,030)	386,834
Deferred	-	-	-	-
	535,060	712,980	(2,158,030)	386,834
NET INCOME	P (14,547,845)	P (26,063,401)	P (10,199,344)	P (99,475)
WEIGHTED AVERAGE NO. OF SHARE	1,951,387,570	1,951,387,570	1,951,387,570	1,951,387,570
NET GAIN (LOSS) PER SHARE	(0.00746)	(0.01336)	(0.00523)	(0.00005)

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ARANETA PROPERTIES, INC.
COMPARATIVE CASH FLOWS

(In Ph Pesos)	FOR THE NINE (9) MONTHS ENDED		FOR THE QUARTER ENDED	
	SEPTEMBER 30, 2020	SEPTEMBER 30, 2019	SEPTEMBER 30, 2020	SEPTEMBER 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss)	(14,547,845)	(26,063,401)	(10,199,344)	(11,821,024)
Add: Back Non-cash items				
Interest Income (net)	16,003	180,904	1,997	13,028
Depreciation	1,810,859	1,994,387	598,287	645,220
Retirement benefits	2,293,097	895,375	557,780	211,188
Interest expenses	-	-	-	-
Accretion Interest Income & other Income	6,344,815	7,127,693	-	-
Provision for doubtful accounts and other losses	-	-	-	-
Changes in operating assets and liabilities:	-	-	-	-
Decrease (Increase) in:				
Receivables	(1,271,949)	(4,150,844)	-	1,048,663
Input VAT	2,417,842	2,033,351	-	520,752
Prepayments	(776,324)	(800,488)	-	975,852
Real Estate Inventories	928,644	6,243,507	-	371,171
Increase (Decrease) in:				
Accounts Payable & Accruals	11,185,617	4,592,078	4,973,838	3,567,767
Net cash provided by (used in) operating activities	8,400,759	(7,947,437)	(4,067,442)	(4,467,383)
Miscellaneous revenue received	(14,005)	(7,294,974)	-	-
Income Taxes paid	2,693,090	712,980	-	386,834
Net cash provided by (used in) investing activities	11,079,843	(14,529,431)	(4,067,442)	(4,080,549)
CASH FLOW FROM INVESTING & OPERATING ACTIVITIES				
Land Held for future development	-	-	-	-
Decrease (Increase) in Property, Plant & Equipment	1,212,573	(150,630)	-	(1,470,601)
Decrease (Increase) in Real Estate for Sale & Devt	(19,326,380)	(19,799,187)	-	-
Decrease (Increase) in liability from purchase of land	-	-	-	-
Decrease (Increase) in other assets	-	-	-	-
Net cash provided by (used in) investing activities	(18,113,807)	(19,949,817)	-	(1,470,601)
CASH FLOW FROM FINANCING ACTIVITIES				
Advances related parties	5,497,930	13,706,779	-	-
Proceeds from issuance of new shares	-	-	-	-
Net cash provided by (used in) financing activities	5,497,930	13,706,779	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER	4,074,862	27,080,674	6,606,270	11,859,355
CASH AND CASH EQUIVALENTS AT QUARTER END	2,538,828	6,308,205	2,538,828	6,308,205

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ARANETA PROPERTIES, INC.

CASH AND CASH EQUIVALENT

	AS AT END OF	
	SEPTEMBER 30, 2020	DECEMBER 31, 2019
Cash on Hand		
Petty Cash fund	10,438	10,438
Revolving Fund (Bulacan field office)	21,843	21,843
<i>Total</i>	32,280	32,280
Cash in Banks		
Cash in Bank - China Bank	1,097,122	1,747,108
Cash in Bank - CBC SFCDA	162,807	165,378
Cash in Bank - Banco de Oro	1,246,618	2,130,095
<i>Total</i>	2,506,547	4,042,582
TOTAL	2,538,828	4,074,862

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ARANETA PROPERTIES, INC.

Receivables

	AS AT END OF	
	SEPTEMBER 30, 2020	DECEMBER 31, 2019
Accounts Receivable Trade	343,734,353	348,679,871
Advances to suppliers, officers, employees & others		
Impaired	-	-
Unimpaired	3,148,349	2,960,651
	3,148,349	2,960,651
	346,882,701	351,640,522
Less: provision for doubtful account	-	-
	346,882,701	351,640,522
Less: noncurrent portion of trade receivable	170,121,858	170,121,858
Net	176,760,843	181,518,664

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ARANETA PROPERTIES, INC.

SCHEDULE OF RECEIVABLE

As of SEPTEMBER 30, 2020

PARTICULARS	AMOUNT	COLLECTION / LIQUIDATION				REMARKS
		1 Months	15 Days	Overdue	Others	
Receivable from Joint Venture-SLRDI	178,004,857	2,161,473	2,377,621		173,465,763	Installment sales/Monthly amortization
Receivable from Joint Venture-Sland	37,646,607	3,102,944	2,551,472		31,992,190	Installment sales/Monthly amortization
Receivable from sale of reserved lot	128,082,889	1,033,457	1,136,802		125,912,630	Installment sales/Monthly amortization
Advances for liquidation	373,389	373,389			-	For liquidation
Salary loan of various employees	274,915	63,943	31,971		179,001	Payroll deduction
Others	2,500,044				2,500,044	Advances against retirements benefits
TOTAL	346,882,701	6,735,206	6,097,867	-	334,049,628	
LESS: Non-Current receivable	(170,121,858)				(170,121,858)	
NET CURRENT RECEIVABLE	176,760,843	6,735,206	6,097,867	-	163,927,770	

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ARANETA PROPERTIES, INC.
Schedule of Prepayments
For the Year 2019

Particulars	Date Issued	As of SEPTEMBER 30, 2020	As of DECEMBER 31, 2019
<i>Taxes and Licenses</i>			
1 Business Permit-Makati City	01.21.19	5,582	-
2 Real Property Tax-Laoag	03.18.19	-	66,473
3 Real Property Tax-SJDB	04.30.19	886,485	899,265
4 Pre-paid Income Taxes	12.31.16	5,311,863	6,124,340
		6,203,930	7,090,077
<i>Prepaid Insurance</i>			
5 Prepaid Insurance	02.12.19	3,550	-
6 TMBC Insurance for Fortuner	05.15.19	-	12,249
		3,550	12,249
<i>Other prepayment</i>			
7 Creba	09.30.19	3,571	-
8 BDO-Parkings deposits	09.30.19	11,500	11,500
9 Alpaland Balisen	09.30.19	-	34,856
10 Othes	09.30.19		2,734
		15,071	49,091
Total		6,222,552	7,151,417

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ARANETA PROPERTIES, INC.

Real Estate Inventories

	AS OF SEPTEMBER 30, 2020	AS OF DECEMBER 31, 2019
<i>Real Estate Inventories</i>		
Saleable house and lot Inventory	6,221,670	6,221,670
Land for Sale & Land Development	492,883,546	493,812,190
Saleable house and lot Inventory	499,105,216	500,033,860
<i>Land Held for future development</i>		
Undeveloped land	82,522,392	82,522,392
Investments in Land (Acquired from GASDF Property)	6,618,779	6,618,779
Investments in Land (Acquired from Universal Rightfield)	78,201,917	78,201,917
Investments in Land (acquired from BDOSHI)	261,672,633	261,672,633
Investments in Land (acquired from Marga)	104,671,996	104,671,996
Investments in Land (acquired from Insular 850,154 sq.m.)	403,678,405	384,352,025
Investments in Land (acquired from Bonoan 57,211 sq.m.)	31,180,003	31,180,003
Investments in Land (Almazan's Contract #1)	29,600,000	29,600,000
Investments in Land (Almazan's Contract #2)	50,959,107	50,959,107
Paramount Finance Corp (10,000 sq.m.)	3,520,000	3,520,000
Rodolfo Cuenca (50,094 sq.m.)	12,523,500	12,523,500
Hugo Nat D. Juan (13,186 sq.m.)	4,615,100	4,615,100
Investments in Land (Almazan's Contract #3)	2,526,670	2,526,670
Manticao Property	5,444,077	5,444,077
Total	1,077,734,578	1,058,408,198

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ARANETA PROPERTIES, INC.**PROPERTY PLANT & EQUIPMENT**

	AS OF SEPTEMBER 30, 2020	AS OF DECEMBER 31, 2019
PPE COSTS DATA		
Building	46,047,003.73	46,047,003.73
Building Improvements	12,143,397.88	12,143,397.88
Building and Plant Structures	-	-
Transporation Equipment	4,845,405.60	4,845,405.60
Heavy Machinery Equipment	-	-
Other Tools & Equipment	123,340.85	123,340.85
Communication Equipment	1,134,556.48	1,134,556.48
Office Furniture & Equipment	5,402,255.82	5,399,577.25
Total	69,695,960.36	69,693,281.79
DEPRECIATION DATA		
Building	41,873,542.32	40,492,132.23
Building Improvements	12,143,397.88	12,143,397.88
Building and Plant Structures	0.00	0.00
Transporation Equipment	4,063,433.63	3,836,413.34
Heavy Machinery Equipment	-	-
Other Tools & Equipment	119,968.89	116,014.10
Communication Equipment	1,081,220.77	1,060,168.50
Office Furniture & Equipment	5,005,473.31	4,828,051.30
Total	64,287,036.80	62,476,177.35
NET BOOK VALUE		
Building	4,173,461.41	5,554,871.50
Building Improvements	-	-
Building and Plant Structures	(0.00)	(0.00)
Transporation Equipment	781,971.97	1,008,992.26
Heavy Machinery Equipment	-	-
Other Tools & Equipment	3,371.96	7,326.75
Communication Equipment	53,335.71	74,387.98
Office Furniture & Equipment	396,782.51	571,525.95
Total	5,408,923.56	7,217,104.44

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ARANETA PROPERTIES, INC.
SCHEDULE OF OTHER ASSETS

	AS OF SEPTEMBER 30, 2020	AS OF DECEMBER 31, 2019
Investments Property	1,077,734,578	1,058,408,198
Equity instrument at fair value through other comprehensive income (FVOCI)	5,681,898	5,681,898

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ARANETA PROPERTIES, INC.
SCHEDULE OF LIABILITIES

	AS OF SEPTEMBER 30, 2020	AS OF DECEMBER 31, 2019
ACCOUNTS PAYABLE & ACCRUALS		
Accounts Payable to Suppliers	40,627,472	15,459,940
Advances from related parties	26,120,551	30,745,769
SSS Salary Loan Payable	20,281	20,375
Pag-ibig Salary Loan Payable	23,985	25,803
Pag-ibig Fund Contribution	7,500	7,100
SSS, Medicare & EC Payable	55,290	52,860
Philhealth Payable	21,809	24,107
Withholding Tax Payable	185,186	395,794
Retentions & Deposits	5,175,287	5,175,287
Accrued Operating	5,356,821	6,358,713
Income Tax payable	535,060	812,477
	<i>78,129,242</i>	<i>59,078,226</i>
LIABILITY FOR PURCHASE OF LAND	115,305,608	<i>115,305,608</i>
ACCRUED RETIREMENT BENEFITS	<i>27,984,437</i>	<i>25,691,340</i>
DEFERRED INCOME TAX LIABILITIES	<i>37,451,960</i>	<i>37,451,960</i>
TOTAL	258,871,246	237,527,133

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ARANETA PROPERTIES, INC.
STATEMENT OF CHANGES IN EQUITY

	AS AT END OF	
	SEPTEMBER 30, 2020	SEPTEMBER 30, 2019
Balance at December 31,	1,951,387,570	1,951,387,570
Add: Capital surplus	201,228,674	201,228,674
Other components of equity	2,726,898	1,711,898
Adjustments Actuarial gain (losses) on retirement benefits	(1,388,663)	(310,430)
Total	2,153,954,479	2,154,017,711
Deficit as at December 31,	(387,121,804)	(379,756,762)
Net Income(loss) for the Nine (9) months ended September 30,	(14,547,845)	(26,063,401)
Balances	1,752,284,831	1,748,197,549

	AS AT END OF	
	SEPTEMBER 30, 2020	SEPTEMBER 30, 2019
Balance at December 31,	1,951,387,570	1,951,387,570
Add: Capital surplus	201,228,674	201,228,674
Actuarial gain (losses) on retirement benefits	2,726,898	1,711,898
Unrealized valuation of gain on AFS Investments	(1,388,663)	(310,430)
Total	2,153,954,479	2,154,017,711
Deficit as at December 31,	(387,121,804)	(379,756,762)
Net Income(loss) for the quarter ended March 31	5,334,401	(16,243,515)
Net Income(loss) for the quarter ended June 30	(9,682,902)	(9,720,411)
Net Income(loss) for the quarter ended September 30	(10,199,344)	(99,475)
Balances	1,752,284,831	1,748,197,549