COVER SHEET

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S.E.C. Registration Number

ARANETA PROPERTIES INC.

(Company's Full Name)

21ST FLOOR CITIBANK TOWER
PASEO DE ROXAS
MAKATI CITY

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

CHRISTINE P. BASE	844-3906
Contact Person	Company Telephone Number

1 2	3 1	17-Q	2ND Quarter		
Month	*Day*	FORM TYPE		*Month*	*Day*
Fiscal Year				Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Period Ended Date

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

SEC Number**152249**
File Number

ARANETA PROPERTIES INCORPORATED
Company's Full Name

21st FloorCitibankTower, Paseo de Roxas, MakatiCity
Company's Address

(632) 848-1501
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

17-Q 2nd Quarter
Form Type

Amended Designation (If Applicable)

June 30, 2018
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 **June 30, 2018**

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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 [ ]

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 August 09, 2018

Date signed August 09, 2018

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 Second Quarter of 2018

The performance of the Company in terms of revenue decreased by 21.724% Sales for the quarter is P17.658 million as compared to P35.334 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 a much 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 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 June 30, 2018 there more or less twenty three (23) 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 Country Club is 98.00% complete as of June 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 operations for the three (3) months period ending June 30, 2018 with comparative figures of year 2017 and 2016 for the same three (3) months period

	For three (3) months Period Ended June 30			**% Change**	**% Change**
In millions (Php)	**Year 2016**	**Year 2017**	**Year 2018**	**2016 vs 2017**	**2017 vs 2018**
Revenue	30.599	35.334	27.658	(15.474%)	(21.724%)
Expenses	18.141	28.991	19.079	(74.781%)	(34.190%
Net Income	12.458	6.343	8.579	(70.886%)	35.251

Table II – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the quarter ending June 30, 2018 with comparative figures of year 2017 for the same period

In Millions (Php)	For the quarter ending June 30 Year 2017	Year 2018	% Change 2017 vs 2018
Income from Real Estate Business	31.607	15.809	(49.983%)
Accretion of Interest from Installment Sales	3.727	1.998	(46.391%
Total Revenue	35.334	17.807	(49.604%)

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

	For three (3) months Period			% Change	% Change
In millions (Php)	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Revenue	30.599	35.334	17.807	15.474%	(49.604%)
Expenses	18.141	28.991	19.079	59.842%	(33.611%)
Net Income	12.458	6.343	(1.272)	(44.368%)	(15.993%)
Add: Other Income	3.738	1.632	9.851	56.173%	3793.68%
Net Income (before tax)	8.720	4.711	8.579	11.81%	3777.68%

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

Table IV – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the six (6) months ending June 30, 2018 with comparative figures of year 2017 for the same period

In Millions (Php)	For the six (6) months ending June 30 Year 2017	Year 2018	% Change 2017 vs 2018
Income from Real Estate Business	52.086	23.756	(54.391%)
Accretion of Interest from Installment Sales	6.900	5.213	(24.449%
Total Revenue	58.986	28.969	(50.888%)

During the Second Quarter of 2017

The performance of the Company in terms of revenue increased by 15.516% sales for the quarter is P35.334 million as compared to P30.588 million of the same period of year 2016. This performance is directly attributed to marketing strategies being implemented, specifically the holding on of some Inventory for a much 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 a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also under took 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, where some buyers have already reserved more or less 1,422 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.

The Company is using "Project Percentage of Completion" (PPOC) in the recognition of revenue, the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% & 98.00% complete, while the Countryclub is 100% complete as of June 30, 2017. The Company uses the PPOC in determining sales during the period.

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

	For the three (3) months Period			% Change	% Change
In millions (Php)	Year 2015	Year 2016	Year 2017	2015 vs 2016	2016 vs 2017
Revenue	52.401	30.599	35.334	(71.251%)	(15.474%)
Expenses	31.160	18.141	31.651	(71.766%)	(74.781%)
Net Income (before tax)	21.241	12.458	3.683	(70.501%)	(70.886%)

Table II – The comparative figures of the results of operations for the six (6) months period ending June 30, 2017 with comparative figures of year 2017 and 2016 for the same period

	For the six (6) months Period			% Change	% Change
In millions (Php)	Year 2015	Year 2016	Year 2017	2015 vs 2016	2016 vs 2017
Revenue	90.140	63.075	58.986	(42.909%)	(6.483%)
Expenses	58.823	41.471	49.863	(41.841%)	20.371%
Net Income (before tax)	31.317	21.604	9.123	(44.959%)	(58.031%)

Table III – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the quarter ending June 30, 2017 with comparative figures of year 2016 for the same period

	For the quarter ending June 30		% Change
In Millions (Php)	Year 2016	Year 2017	2016 vs 2017
Income from Real Estate Business	26.951	31.607	14.731%
Accretion of Interest from Installment Sales	3.648	3.727	2.442%
Total Revenue	30.599	35.334	13.435%

Table IV – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the six (6) months ending June 30, 2017 with comparative figures of year 2016 for the same period

	For the six (6) months ending June 30		% Change
In Millions (Php)	Year 2016	Year 2017	2016 vs 2017
Income from Real Estate Business	55.547	52.086	6.645%
Accretion of Interest from Installment Sales	7.528	6.900	9.101%
Total Revenue	63.075	58.986	6.832%

During the Second Quarter of 2016

The performance of the Company in terms of revenue volume dropped by 12% as compared to P32.562 million of the year 2015. This performance is directly attributed to marketing strategies being implemented specifically the holding on of some Inventory for a much better price. Other key factors affecting the operational performance in terms of sales output is the result of marketing strategies being implemented creating a favorable momentum for the company's operation activities, constantly and flexibly managing and developing new high margin inventory for more operational efficiency of the whole system, thus 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 flow management.

The Company is using "Project Percentage of Completion" (PPOC) in the recognition of revenue, As of June 30, 2016, the residential areas of Phase 1, Phase 2 & Phase 3 are 99.96%, 99.97% & 93.00% complete, while the Country Club is 99.00% complete as of June 30, 2016.

Table I – The comparative figures of the results of operations for the three (3) months period ending June 30, 2016 with comparative figures of year 2015 and 2014 for the same period

	For three (3) months Period			% Change	% Change
In millions (Php)	**Year 2014**	**Year 2015**	**Year 2016**	**2014 vs 2015**	**2015 vs 2016**
Revenue	35.697	37.739	30.599	5.720%	(13.946%)
Expenses	31.519	27.663	18.142	(12.23%)	(5.744%)
Net Income (before tax)	4.178	10.076	12.457	(141.172%)	(36.463%)

Table II – The comparative figures of the results of operations for the six (6) months period ending June 30, 2016 with comparative figures of year 2015 and 2014 for the same period

	For the six (6) months Period			% Change	% Change
In millions (Php)	**Year 2015**	**Year 2015**	**Year 2016**	**2015 vs 2015**	**2015 vs 2016**
Revenue	83.020	90.140	63.075	7.899%	(42.909%)
Expenses	67.353	58.823	41.471	(14.499%)	41.841%
Net Income (before tax)	15.667	31.317	21.604	49.971%	(44.959%)

Table III – The comparative figures of the revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the quarter ending June 30, 2016 with comparative figures of year 2015 for the same period

	For the quarter ending June 30		% Change
In Millions (Php)	**Year 2015**	**Year 2016**	**2015 vs 2016**
Income from Real Estate Business	43.403	26.951	(61.044%)
Accretion of Interest from Installment Sales	8.998	3.648	(147.470%)
Total Revenue	52.401	30.599	(71.318%)

Table IV – The comparative figures of the revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the six (6) months ending June 30, 2016 with comparative figures of year 2015 for the same period

In Millions (Php)	For the six (6) months ending June 30 Year 2015	Year 2016	% Change 2015 vs 2016
Income from Real Estate Business	75.966	55.547	(6.645%)
Accretion of Interest from Installment Sales	14.174	7.528	(9.101%)
Total Revenue	90.140	63.075	(6.932%)

Management's Discussion and Analysis/ Plan of Operation

The second quarter of 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 June 30, 2018 with comparative figures for2016 and 2015 with the same period

Particulars	Year 2016	Year 2017	Year 2018
Sale from Real Estate	30,599,016	35,334,320	17,807,424
Cost of Land	6,119,803	4,898,712	4,111,859
Percentage to Revenue	20.00%	13.864%	23.09%

The percentage of revenues during the last two (2) quarters ending June 30 are as follows:

Particulars	Year 2016	Year 2017	Year 2018
Sale from Real Estate	63,075,338	58,985,887	28,969,277
Cost of Land	11,343,278	8,913,537	8,504,332
Percentage to Revenue	17.984%	15.111%	23.356%

The Company has posted a net profit (after tax) of P13.302 Million as at end of second quarter of 2018 as compared with the P6.403 million in 2017, and P15.447 million in 2016 of that same period.

The deficit stands at P397.914 million and P401.080 million as of June 30, 2018 and 2017, respectively.

For the Quarter Ended

	June 30, 2018 (In Millions)	June 30, 2017 (In Millions)
Revenue	P17.807	P35.334
Direct Costs	4.112	4.899
Gross Profit Margin	13.695	30.435
Operating Expenses	14.967	24.119
Net Income (before other Income)	(1.272)	6.316
Add: Other Income	9.851	0.025
Net income before tax	8.579	6.341

Revenue generated during the second quarter of 2018 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 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 June 30, 2018.

Particulars	June 30, 2018 (In Million)	June 30, 2017 (in Million)
Total assets as at end of	P2,011.988	P2,061.044
Total liabilities as at end of	P259.043	306.539
Ratio of assets to liabilities	12.875%	14.873%
Financial Condition		
Cash and cash equivalent	P36.067	36.675
Receivable	P335.528	390.072
Prepaid Taxes	P9.916	8.859
Real estate Inventories	P852.903	872.808
Land held for future development	P679.196	646.986
Property and equipment	P11.696	13.281
Investment property	P5.444	5.444
Recoverable Tax	P76.249	79.612
Other assets	P9.916	7.307
Current liabilities	P105.064	P100.574
Noncurrent liabilities	P153.979	P205.963
Stockholders' equity	P1,752.944	P1,754.505

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 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 June 30, 2018 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
All in San Jose Del Monte Bulacan				
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 Boncan	57,211	28,605,500.00	28,605,500.00	-0-
Almazan et. al	225,752	61,032,240.00	55,100,000.00	5,932,240.00
	282,963	***89,637,740.00***	***83,705,500.00***	***5,932,240.00***
Total Land Banking	**3,500,703**	**1,264,679,891.05**	**823,206,639.80**	**441,475,251.25**

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

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

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 ore less 5 hectare' land from Cuenca family

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

The increase in Stockholder's Equity is attributed to normal operational income 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 three months period ending	June 30, 2018	June 30, 2017
Current Ration (1)	12.485 : 1	10.966 : 1
Debt to Equity Ratio (2)	1 : 0.175	1 : 0.148
Earnings per Share (3)	1 : 0.00328	1 : 0.00682
Earnings before Income Taxes (4)	P6.403 million	P19.004 million
Return on Equity	0.00365	0.00217

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 P1,752,944,276.86 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

-Total Stockholders' Equity in 2017 is P1,7541,505,139.28 (Issued and paid of 1,951,387,57 shares with P1.00 par value)

The Second Quarter of 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 year and holding on of some inventory for a much better price.

As mentioned above, key factors affecting the Company's sales output during the period are the result of strategies being implemented by the company specifically the holding of some inventories in abeyance for a much better price considering that all indicators reveal the boom of real estate in the near future within the locality as evidenced by the launching of real estate projects by Ayala Land Development, Inc., and that of Avida Land, Inc., not to mention the recent opening of the SM Mall in San Jose Del Monte, Bulacan. All of these show a positive scenario to trigger much higher mark-up price on real estate in San Jose del Monte, Bulacan

The percentage of revenues for the quarter ending June 30, 2017 with comparative figures for 2016 and 2015 with the same period

Particulars	Year 2015	Year 2016	Year 2017
Sale from Real Estate	52,400,996	30,599,016	35,334,320
Cost of Land	18,289,822	6,119,803	4,898,712
Percentage to Revenue	34.90%	20.01%	13.86%

The percentage of revenues for the six months period ending June 30, 2017 with comparative figures for 2016 and 2015 with the same period

Particulars	Year 2015	Year 2016	Year 2017
Sale from Real Estate	90,140,070	63,075,338	58,985,887
Cost of Land	3,956,702	11,343,278	8,913,537
Percentage to Revenue	35.45%	17.98%	15.11%

The Company has posted a net profit (after tax) of P6.403 Million in the six months period ending June 30, 2017 as compared with the P15.447 million in 2016, and P21.921 million in 2015 of that same period.

The deficit stands at P394.153 million and P401.080 million as of June 30, 2017 and 2016, respectively.

	For the Quarter Ended	
	June 30, 2016 (In Millions)	June 30, 2017 (In Millions)
Revenue	**P30.599**	**P35.334**
Direct Costs	**6.120**	**4.899**
Gross Profit Margin	**24.479**	**30.435**
Operating Expenses	**12.021**	**26.751**
Net Income before tax	**P12.458**	**P3.684**

	For the six (6) months Ended	
	June 30, 2016 (In Millions)	June 30, 2017 (In Millions)
Revenue	**P63.075**	**P58.986**
Direct Costs	**11.343**	**8.914**
Gross Profit Margin	**51.732**	**50.072**
Operating Expenses	**30.128**	**40.949**
Net Income before tax	**P21.604**	**P9.123**

Revenue generated during the 2nd quarter of 2017 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.

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 100% complete as of June 30, 2017.

Particulars	June 30, 2016 (In Million)	June 30, 2017 (in Million)
Total assets as at end of	P1,816.687	P2,061.044
Total liabilities as at end of	P70.853	P306.539
Ratio of assets to liabilities	3.900%	14.873%
Financial Condition		
Cash and cash equivalent	P300.934	P36.675
Receivable	P274.973	P390.071
Prepaid Taxes	P0.793	P8.859
Real estate for sale and development	P1,128.317	P1,519.794

Property and equipment	P16.298	P13.281
Investment property	P5.444	P5.444
Recoverable Tax	P36,546	P78,612
Other assets	P23.873	P7.308
Current liabilities	P48.349	P100.574
Noncurrent liabilities	P22.504	P205.964
Stockholders' equity	P1,745.834	P1,754.505

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.

Input Value-added Tax (VAT), movement of which represents uses of prepaid VAT net output tax due during the period

Decrease in prepayments is normal accounting of amortization of expired portion of said prepayments.

The increase 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 June 30, 2017 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
All in San Jose Del Monte, Bulacan				
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	199,863,053.00	230,611,215.00
Subtotal	***2,326,403***	***899,934,051.05***	***669,322,836.05***	***230,611,215.00***
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	226,321,200.00	Under negotiation	226,321,200.00
Subtotal	***841,243***	***362,583,800.00***	***-0-***	***362,583,800.00***
Total (San Jose Del Monte)	**3,167,646**	**1,262,517,851.05**	**669,322,836.05**	**593,195,015.00**
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	33,964,280.00	27,067,960.00
	282,963	***89,637,740.00***	***62,569,780.00***	***27,067,960.00***
Total Land Banking	**3,450,609**	**1,352,155,591.05**	**731,892,616.05**	**620,262,975.00**

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

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

The increase in Stockholder's Equity is attributed to normal operational income in the 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 six (6) months period ending	June 30, 2016	June 30, 2017
Current Ration (1)	17.2094 : 1	12.4851 : 1
Debt to Equity Ratio (2)	1 : 0.0445	1 : 0.1749
Earnings per Share (3)	1 : 0.0087	1 : 0.00195
Earnings before Income Taxes (4)	P21.604 million	P5.440 million
Return on Equity	0.00792	0.00328

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 2017 is P1,754,505,139.28 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

- Total Stockholders' Equity in 2016 is P1,745,833,570.82 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

During the 2nd Quarter of 2016

During the quarter, operations were very healthy in all business aspects, including that of real estate as there were reputable real estate company's which already started development and marketing operations in San Jose Del Monte Bulacan, including the recent ground breaking of the Government project specifically the "MRT7" for the "Metro Rail Transit" connecting Quezon City to San Jose del Monte City, Bulacan, which has created a bright future in real estate business and which eventually benefited the Company's previous year's land banking activity.

As mentioned above, key factors affecting the Company's sales output during the period are the result of strategies being implemented by the company specifically the holding of some inventories in abeyance for a much better price considering that all indicators reveal the boom of real estate in the near future within the locality as evidenced by the launching of real estate projects by Ayala Land Development, Inc., and that of Avida Land, Inc., not to mention the recent opening of the SM Mall in San Jose Del Monte, Bulacan. All of these show a positive scenario to trigger much higher mark-up price on real estate in San Jose del Monte, Bulacan

The percentage of revenue for the six (6) month period ending June 30, 2016 with comparative figures of 2015, and 2014 of the same period as follows:

Particulars	Year 2014	Year 2015	Year 2016
Sale from Real Estate	79,549,997	75,965,721	55,549,906
Cost of Land	43,039,557	31,956,702	11,343,278
Percentage to Revenue	54.104%	42.067%	20.421%

The percentage of revenues for the three (3) months period ending June 30, 2016 with comparative figures for 2015 and 2014 with the same period

Particulars	Year 2014	Year 2015	Year 2016
Sale from Real Estate	47,323,024	52,400,996	35,334,320
Cost of Land	24,043,044	18,289,822	4,898,712
Percentage to Revenue	50.81%	34.90%	13.86%

The Company has posted a net profit (after tax) of P15.122 Million in the six (6) months period of 2016 as compared with the P21.921 million in 2015 of that same period.

The deficit stands at P401.080 million and P435.231 million as of June 30, 2016 and 2015, respective

	For the Quarter Ended	
	June 30, 2015 (In Millions)	June 30, 2016 (In Millions)
Revenue	**P52.401**	**P30.599**
Direct Costs	**12.290**	**6.120**
Gross Profit Margin	**41.111**	**24.479**
Operating Expenses	**12.870**	**12.021**
Net Income before tax	**P27.241**	**P12.458**

Revenue generated during the 2nd quarter of 2016 represents share from sales of Joint Venture Project with SLRDI. The decrease in sales was the effect of marketing strategy being implemented by the Company which some of inventory is put on-hold to sell market awaiting for much better price

Liquidity and Capital Resources

The company posted net profit during the quarter a benefit from construction of the Clubhouse and Sports Center which the project engineer in-charge of the development has reported 98.87% complete as at end of June 30, 2016.

Particulars	June 30, 2015 (In Millions)	June 30, 2016 (in Millions)
Total assets as at end of	P1,543,113	P1,816.687
Total liabilities as at end of	P263.588	P70.853
Ratio of assets to liabilities	17.082%	3.900%
Financial Condition		
Cash and cash equivalent	P57.177	P300.934
Receivable	P291.998	P274.973
Prepaid Taxes	-0-	P0.793
Real estate for sale and development	P1,138.549	P1,128.317
Property and equipment	P18.666	P16.298
Investment property	P5.444	P5.444
Recoverable Tax	P28.910	P36,546
Other assets	P2.370	P23.873
Current liabilities	P226.789	P48.349
Noncurrent liabilities	P263.588	P22.504
Stockholders' equity	P1,279.525	P1,745.834

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

Movement in receivables is attributed to the recognition of current and non-current receivable from sales with joint venture project and other receivable. The decrease in land for sale & development is the result of the accounting of cost of lots sold during the quarter.

The Company started land banking in year 2012, total land acquisitions as of June 30, 2016 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
All in San Jose Del Monte, Bulacan				
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	199,863,053.00	230,611,215.00
Subtotal	***2,326,403***	***899,934,051.05***	***669,322,836.05***	***230,611,215.00***
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	226,321,200.00	Under negotiation	226,321,200.00
Subtotal	***841,243***	***362,583,800.00***	***-0-***	***362,583,800.00***
Total (San Jose Del Monte)	**3,167,646**	**1,262,517,851.05**	**669,322,836.05**	**593,195,015.00**
Add; Northern Luzon Area				
Manuel Bonoan	57,211	28,605,500.00	17,163,300.00	11,442,200.00
Almazan et. Al	225,752	61,032,240.00	30,964,280.00	30,067,960.00
	282,963	***89,637,740.00***	***48,127,580.00***	***41,510,160.00***

Total Land Banking	3,450,609	1,352,155,591.05	717,450,416.05	634,705,175.00

The decrease in property and equipment is brought about by the normal provision for an estimated depreciation using straight line method.

The increase in other assets is attributed to the recording of Output VAT from sale of subdivided lot net of Input VAT from purchase of local goods and services during the period and as well as deposits from Land Banking Activity.

The movement in accounts payable and accruals is attributed to regular accrual and deferred payments. Related party transactions consist mainly of advances to officers and employees which are deductible from their salaries and are due within one year.

The increase in Stockholder's Equity is attributed to normal operational income in the real estate business started its commercial operation in year 2007.

Capital Expenditure

There were no capital expenditures 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 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 six (6) months period ending	June 30, 2015	June 30, 2016
Current Ration (1)	17.4883 : 1	17.2094 : 1
Debt to Equity Ratio (2)	1 : 0.02060	1 : 0.1749
Earnings per Share (3)	1 : 0.001404	1 : 0.00195
Earnings before Income Taxes (4)	P31.316 million	P5.440 million
Return on Equity	0.01713	0.00328

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

Stockholder's Equity

- Total Stockholders' Equity in 2016 is P1,745,833,570.82 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

-Total Stockholders' Equity in 2015 is P1,279,525,284.27 (Issued and paid of 1,561,110,070.00 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) No known trends, events or uncertainties with significant impact on net sales or 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 from Quezon 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.

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

c) 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.

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

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

f) 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 has material effect in the current interim period.

g) 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 "real estate for sale and development account" in the 2012 statement of financial position.

h) There were no dividends paid during the interim financial period.

i) The company is reporting with only one (1) accounting segment.

j) 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.

k) There were no changes in the composition of the issuer during the interim period, No business combinations, acquisitions or disposal if subsidiaries and long-term investments, restructurings, and discontinuing operation during the interim period.

l) 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.

m) 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 occuring after the close of accounting period with respect to a certain relationship or related transaction being required by SFAS/IAS No. 24.

n) There were no reclassification on Financial Instruments in the current reporting period and the previous periods.

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 June 30, 2018, 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 June 30, 2018

	On demand
Accounts payable & accrued expenses	40,714,619
Liability from purchase of land	168,954,325
Income tax payable	5,701,067
Retirement benefits	22,154,878
Deferred income tax liabilities	21,518,430
Total	**259,043,319**

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. The balance of long-outstanding accounts receivables subjected to the full allowance for doubtful accounts amounted to ₱55.301 million and ₱55.301 million at end of June 30, 2018 and 2017, respectively.

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 June 30, 2018 and 2017.

The following table pertains to the account balance the Company considers as its core capital as at end of June 30, 2018

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

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 2017and 5.66% to 5.66% in 2016.

PART II - OTHER INFORMATION

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

Date of Report	Item Reported
None	

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 August 09, 2018

Date signed August 09, 2018

ARANETA PROPERTIES, INC.

STATEMENTS OF FINANCIAL POSITION

	AS OF JUNE 30, 2018 un-audited	AS OF DECEMBER 31, 2017 audited	CHANGES INCREASED (DECREASED)
ASSETS			
Current Assets			
Cash and cash equivalents	P 36,066,533.63	P 27,080,674.02	P 8,985,859.61
Trade and other receivables	156,082,414.79	158,402,298.00	(2,319,883.21)
Due from related parties	20,922,876.19	20,922,876.19	-
Real Estate Inventories	852,902,926.30	859,601,308.00	(6,698,381.70)
Input Value-added Tax (VAT) - net	76,249,147.68	80,766,410.56	(4,517,262.88)
Prepayments	9,915,945.65	6,612,191.40	3,303,754.25
	P 1,152,139,844.24	P 1,153,385,758.17	P (1,245,913.93)
Non-current Assets			
Trade and other receivables	P 158,522,959.00	P 158,522,959.00	P -
Land held for future development	679,195,924.72	654,148,924.72	25,047,000.00
Property, plant and equipment	11,696,190.46	11,700,877.57	(4,687.11)
Investment Property	5,444,076.65	5,444,076.65	-
Available-for-sale (AFS) investments	2,490,000.00	2,490,000.00	-
Other assets	2,498,600.93	4,483,114.50	(1,984,513.57)
	P 859,847,751.76	P 836,789,952.44	P 23,057,799.32
TOTAL ASSETS	P 2,011,987,596.00	P 1,990,175,710.61	P 21,811,885.39
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable and Accrued Expenses	P 40,714,618.98	P 33,005,483.00	P 7,709,135.98
Liability for purchase of land	58,648,202.00	64,148,202.00	(5,500,000.00)
Income Tax Payable	5,701,066.83	-	5,701,066.83
	P 105,063,887.81	P 97,153,685.00	P 2,209,135.98
Non-current Liabilities			
Liability for purchase of land	P 110,306,123.00	P 110,306,123.00	P -
Accrued retirement benefit obligation	22,154,878.31	21,555,685.00	599,193.31
Deferred Income Tax Liabilities	21,518,430.02	21,518,430.02	-
	P 153,979,431.33	P 153,380,238.02	P 599,193.31
	259,043,319.14	250,533,923.02	2,808,329.29
Stockholders' Equity			
Capital Stock:			
Issued and Paid			
(Authorized - 5 Billion shares at P1.00 par value)	1,951,387,570.00	1,951,387,570.00	-
Capital Surplus	201,228,674.12	201,228,674.12	-
Unrealized valuation of gain AFS investments	(30,000.00)	(30,000.00)	-
Actuareal Gain (Losses) on Retirement Benefits	(1,727,812.20)	(1,727,812.20)	-
Deficit	(397,914,155.06)	(411,216,644.33)	13,302,489.27
Total	1,752,944,276.86	1,739,641,787.59	13,302,489.27
TOTAL LIABILITIES and STOCKHOLDERS' EQUITY	P 2,011,987,596.00	P 1,990,175,710.61	P 16,110,818.56
Net Book Value per Share	P 0.8983	P 0.8915	P -

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ARANETA PROPERTIES, INC.
STATEMENT OF COMPREHENSIVE INCOME

	FOR THE SIX (6) MONTHS ENDED		FOR THE QUARTER ENDED	
	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2018	JUNE 30, 2017
REVENUES				
Income from JV company-Net	P 23,756,117.35	P 52,086,284.18	P 15,808,814.23	P 31,607,154.61
Accretion interest income	5,213,159.56	6,899,603.00	1,998,609.72	3,727,165.17
	28,969,276.91	58,985,887.18	17,807,423.95	35,334,319.78
EXPENSES				
Cost of sales	8,504,331.70	6,913,537.08	4,111,858.92	4,898,712.19
Salaries & wages	6,889,385.56	6,862,919.07	3,015,627.75	3,422,364.62
Employees welfare & benefits	5,000.00	32,031.84	-	16,274.22
Overtime pay	130,621.74	85,085.70	71,219.86	54,353.05
SSS, philhealth, EC & pag-ibig	259,519.48	285,091.18	129,090.93	163,115.68
13th month pay	882,676.55	1,034,053.85	466,216.96	747,305.85
Per diems and allowances	5,010,131.30	4,932,979.17	2,283,499.98	2,242,679.42
Security costs	6,318,276.51	4,952,155.79	3,174,981.27	2,514,748.49
Light, water and utilities	224,072.29	323,197.65	137,264.74	204,977.96
Repairs & maintenance	293,431.95	5,125,482.54	215,306.88	2,493,873.26
Medical, dental & hospitalization	73,340.43	18,981.69	28,625.06	14,719.19
Professional fees	970,941.16	680,516.16	297,470.58	360,995.58
Representation	634,898.21	4,571,214.53	29,400.00	4,540,664.16
Rental expenses	66,150.00	52,000.00	37,800.00	26,000.00
Taxes & licenses	4,035,585.51	6,091,028.09	1,957,878.14	3,795,012.44
Depreciation expense	1,649,871.92	1,666,492.98	837,458.78	833,130.40
Donations	20,000.00	200,000.00	-	-
Building dues & other charges	784,336.73	798,037.98	386,145.57	398,878.12
Gasoline, oil and lubes	145,199.78	627,372.45	90,986.15	566,770.34
Meals	91,594.55	67,908.54	74,381.88	22,259.38
Postage & telecommunication	300,025.01	255,755.40	184,720.03	134,933.59
Printing and office supplies	192,456.05	784,430.92	101,328.62	599,839.61
Transporation & traveling	216,105.92	119,338.00	135,437.92	69,386.00
Notarial and legal fees	4,400.00	7,911.05	1,600.00	2,461.05
Contractual costs	70,476.00	199,859.91	26,742.50	77,470.00
Insurance expense	10,453.04	32,986.99	9,059.30	23,692.93
Retirement benefits	709,500.00	709,500.00	354,750.00	354,750.00
Miscellaneous	990,809.58	509,186.28	920,758.19	437,634.41
	39,483,590.97	49,919,034.60	19,079,612.61	29,017,001.94
NET LOSS BEFORE OTHER INCOME	(10,514,314.06)	9,066,852.58	(1,272,188.66)	6,317,317.84
OTHER INCOME				
Interest & misc. income	29,517,870.16	56,673.81	9,851,284.62	25,333.43
	29,517,870.16	56,673.81	9,851,284.62	25,333.43
NET LOSS BEFORE INCOME TAX	19,003,556.10	9,123,526.39	8,579,095.96	6,342,651.27
PROVISION FOR INCOME TAX				
Current	5,701,066.83	2,720,055.77	2,140,825.13	1,631,950.35
	5,701,066.83	2,720,055.77	2,140,825.13	1,631,950.35
NET INCOME	P 13,302,489.27	P 6,403,470.62	P 6,438,270.83	P 4,710,700.92
WEIGHTED AVERAGE NO. OF SHARE	1,951,387,570	1,951,387,570.00	1,951,387,570	1,951,387,570.00
NET GAIN (LOSS) PER SHARE	0.00682	0.00328	0.00330	0.00241

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ARANETA PROPERTIES, INC.
COMPARATIVE CASH FLOWS

(In Ph Pesos)	FOR THE SIX (6) MONTHS ENDED JUNE 30, 2018	JUNE 30, 2017	FOR THE QUARTERS ENDED JUNE 30, 2018	JUNE 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss)	13,302,489.27	9,123,526.39	4,995,258.65	3,683,691.90
Add: Back Non-cash items				
Interest and Miscellaneos Income (net)	34,731,029.72	(6,435,444.65)	34,707,301.32	(9,607,882.48)
Depreciation	1,649,871.92	1,666,492.96	837,458.78	1,545,671.15
Retirement benefits	709,500.00	709,500.00	354,750.00	354,750.00
Interest expenses	-	-	-	-
Accretion Interest Income	5,213,159.56	(6,378,770.84)	1,998,609.72	(3,744,054.12)
Provision for doubtful accounts and other losses	-		-	-
Changes in operating assets and liabilities:				
Decrease (Increase) in:				
Receivables	2,319,883.21	(61,389,644.86)	(5,533,998.47)	(20,874,849.60)
Input VAT	4,517,262.88	(58,128.03)	1,497,293.07	(547,337.85)
Prepayments	(3,303,754.25)	1,201,876.95	1,696,517.86	(1,411,572.56)
Real Estate Inventories	6,698,381.70	8,216,530.53	1,265,355.21	4,485,233.12
Increase (Decrease) in:			-	-
Accounts Payable & Accruals	(240,709.41)	(4,509,336.11)	4,573,774.75	12,419,323.95
Net cash provided by (used in) operating activities	65,597,114.60	(57,853,397.66)	46,392,320.89	(13,697,026.49)
Miscellaneous revenue received	(29,517,870.16)	6,899,603.00	(29,541,598.56)	4,264,886.28
Income Taxes paid	(4,035,585.51)	2,720,055.77	(475,343.81)	1,088,105.42
Net cash provided by (used in) investing activities	32,043,658.93	(48,233,738.89)	16,375,378.52	(8,344,034.79)
CASH FLOW FROM INVESTING & OPERATING ACTIVITIES				
Land Held for future development	(25,047,000.00)	-	(25,047,000.00)	-
Decrease (Increase) in Property, Plant & Equipment	4,687.11	1,657,117.96	(747,458.18)	823,755.40
Decrease (Increase) in Real Estate for Sale & Devt	-	8,216,530.53	(905,574.97)	4,485,233.12
Decrease (Increase) in other assets	1,984,513.57	(912,775.93)	2,154,768.26	(912,775.93)
Net cash provided by (used in) investing activities	(23,057,799.32)	8,960,872.56	(24,545,264.89)	4,396,212.59
CASH FLOW FROM FINANCING ACTIVITIES				
Advances related parties	-	-	3,988,555.16	-
Proceeds from issuance of new shares	-	-	-	-
Net cash provided by (used in) financing activities	-	-	3,988,555.16	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,985,859.61	(39,272,866.33)	(4,181,331.21)	(3,947,822.20)
CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER	27,080,674.02	75,947,377.24	40,247,864.84	40,622,333.11
CASH AND CASH EQUIVALENTS AT QUARTER END	36,066,533.63	36,674,510.91	36,066,533.63	36,674,510.91

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ARANETA PROPERTIES, INC.

CASH AND CASH EQUIVALENT

		AS AT END OF	
		JUNE 30, 2018	DECEMBER 31, 2017
Cash on Hand			
Petty Cash fund		10,437.95	10,437.95
Revolving Fund (Bulacan field office)		21,842.52	21,842.52
	Total	*32,280.47*	*32,280.47*
Cash in Banks			
Cash in Bank - China Bank		4,840,910.96	4,640,440.73
Cash in Bank - CBC SFCDA		155,426.88	155,426.88
Cash in Bank - Banco de Oro		10,893,057.41	2,131,461.94
	Total	*15,889,395.25*	*6,927,329.55*
Short-term Placement			
CBC Special Savings Account		4,774,627.76	4,750,833.85
BDO Peso Money Mrkt Acct#304607854576		15,370,230.15	15,370,230.15
	Total	20,144,857.91	20,121,064.00
TOTAL		36,066,533.63	27,080,674.02

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ARANETA PROPERTIES, INC.

Receivables

	AS AT END OF	
	JUNE 30, 2018	DECEMBER 31, 2017
Accounts Receivable Trade	**311,569,510.14**	314,189,791.55
Installment Receivable, Discounted		
Impaired	**55,074,831.60**	55,074,831.60
Advances to suppliers, officers, employees & others		
Impaired	**3,035,863.65**	2,735,465.45
Unimpaired	**226,457.96**	226,457.96
	3,262,321.61	2,961,923.41
	369,906,663.35	*372,226,546.56*
Less: provision for doubtful account	**55,301,289.56**	55,301,289.56
	314,605,373.79	316,925,257.00
Less: noncurrent portion of trade receivable	**158,522,959.00**	158,522,959.00
Net	**156,082,414.79**	158,402,298.00

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ARANETA PROPERTIES, INC.

SCHEDULE OF RECEIVABLE
As of JUNE 30, 2018

PARTICULARS	AMOUNT	COLLECTION / LIQUIDATION				REMARKS
		1 Months	15 Days	Overdue	Others	
Receivable from Joint Venture-SLRDI	40,884,380.38	2,161,473.32	2,377,620.65		36,345,286.41	Installment sales/Monthly amortization
Receivable from Joint Venture-Sland	28,206,186.89	3,102,944.48	2,551,472.24		22,551,770.17	Installment sales/Monthly amortization
Receivable from sale of reserved lot	83,955,983.87	1,033,456.69	1,136,802.36		81,785,724.82	Installment sales/Monthly amortization
Platinum Group Metals-Impaired	55,074,831.60			55,074,831.60	-	Under negotiation
Advances for liquidation	634,260.24	634,260.24			-	For liquidation
Salary loan of various employees	313,615.80	63,942.74	31,971.37		31,971.37	Payroll deduction
Others	2,314,445.57				2,314,445.57	Advances against retirements benefits
TOTAL	**211,383,704.35**	**6,996,077.47**	**6,097,866.62**	**55,074,831.60**	**143,029,198.34**	
ALLOW. FOR DOUBTFUL ACCT	55,301,289.56				55,301,289.56	
NET CURRENT RECEIVABLE	**156,082,414.79**	**6,996,077.47**	**6,097,866.62**	**55,074,831.60**	**87,727,908.78**	

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ARANETA PROPERTIES, INC.
Schedule of Prepayments
For the Year 2018

	Particulars	Date	As of JUNE 30, 2018	As of DECEMBER 31, 2017
Taxes and Licenses				
1)	Business Permit-Makati City	01.22.18	421,595.45	-
2)	Community Tax Certificate	01.12.18	5,250.00	-
3)	Barangay Clearance	01.11.18	1,100.00	-
4)	Real Property Tax-Manticao	02.27.18	370,632.51	-
5)	Business Permit-SJDB	01.12.18	1,375,951.86	-
6)	Real Property Tax-SJDB	01.10.18	711,553.36	0.00
7)	Real Property Tax-SJDB	01.30.18	35,066.12	6,598,036.29
8)	Real Property Tax-Manticao	01.10.18	83,665.34	-
9)	Real Property Tax-SJDB	01.10.18	23,318.18	-
10)	RPT Sn Jose del Monte Bulacan	01.10.18	105,325.64	-
11)	Philippine Stock Exchange	01.30.18	180,966.55	-
12)	Pre-paid Income Taxes	12.31.16	6,598,036.29	-
			9,912,461.28	6,598,036.29
Other prepayment				
13)	Prepaid Insurance	01.12.18	3,484.37	
14)	BDO-Parkings deposits	12.28.17	-	
15)	Alphaland Balesin (Until June 20:	07.26.207	-	
			3,484.37	14,155.11
Total			9,915,945.65	6,612,191.40

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ARANETA PROPERTIES, INC.

Real Estate Inventories

	AS OF JUNE 30, 2018	AS OF DECEMBER 31, 2017
Real Estate Inventories		
Saleable house and lot Inventory	6,221,669.87	6,221,669.87
Land for Sale & Land Development	846,681,256.43	853,379,638.13
Saleable house and lot Inventory	852,902,926.30	859,601,308.00

Land Held for future development		
Undevelope land	82,522,392.00	82,522,392.00
Investments in Land (Acquired from GASDF Property)	6,618,779.27	6,618,779.27
Investments in Land (Acquired from Universal Rightfield)	78,201,917.21	78,201,917.21
Investments in Land (acquired from BDOSHI)	248,183,035.71	248,183,035.71
Investments in Land (acquired from Marga)	104,671,995.50	104,671,995.50
Investments in Land (acquired from Insular 850,154 sq.m.)	384,352,025.00	384,352,025.00
Investments in Land (acquired from Bonoan 57,211 sq.m.)	31,180,002.50	31,180,002.50
Investments in Land (Almazan's 116,576 sq.m.)	29,600,000.00	29,600,000.00
Investments in Land (Almazan's 169,904 sq.m.)	31,432,240.00	31,432,240.00
Investments in Land	36,725,944.82	11,678,944.82
Total	1,033,488,332.01	1,008,441,332.01
Reclassed to Real Estate Inventories	354,292,407.29	354,292,407.29
Net	679,195,924.72	654,148,924.72

ARANETA PROPERTIES, INC.

PROPERTY PLANT & EQUIPMENT

	AS OF JUNE 30, 2018	AS OF DECEMBER 31, 2017
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	3,146,943.13	3,146,943.13
Transporation Equipment	8,578,785.51	7,065,297.12
Heavy Machinery Equipment	4,486,928.72	4,486,928.72
Other Tools & Equipment	421,001.86	421,001.86
Communication Equipment	2,811,030.30	2,811,030.30
Office Furniture & Equipment	6,428,788.71	6,297,092.29
Total	84,063,879.84	82,418,695.03
DEPRECIATION DATA		
Building	37,729,311.02	36,808,370.96
Building Improvements	12,143,397.87	11,926,058.93
Building and Plant Structures	2,327,619.25	2,264,680.39
Transporation Equipment	6,776,814.06	6,476,543.04
Heavy Machinery Equipment	4,486,928.72	4,486,928.72
Other Tools & Equipment	405,151.41	402,310.17
Communication Equipment	2,749,983.30	2,727,462.04
Office Furniture & Equipment	5,748,483.75	5,625,463.21
Total	72,367,689.38	70,717,817.46
NET BOOK VALUE		
Building	8,317,692.71	9,238,632.77
Building Improvements	0.01	217,338.95
Building and Plant Structures	819,323.88	882,262.74
Transporation Equipment	1,801,971.45	588,754.08
Heavy Machinery Equipment	-	-
Other Tools & Equipment	15,850.45	18,691.69
Communication Equipment	61,047.00	83,568.26
Office Furniture & Equipment	680,304.96	671,629.08
Total	11,696,190.46	11,700,877.57

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ARANETA PROPERTIES, INC.
SCHEDULE OF OTHER ASSETS

	AS OF JUNE 30, 2018	AS OF DSECEMBER 31, 2017
Investments Property (Manticao Property)	**5,444,076.65**	5,444,076.65
(AFS) Investments Available for Sale - Net		
Subic Yacth Club Shares	**1,500,000.00**	1,500,000.00
Tagaytay Highlands	**1,000,000.00**	1,000,000.00
Alphaland Balesin Island Club, Inc.	**1,000,000.00**	1,000,000.00
Colinas Country Club, Inc.	**700,000.00**	700,000.00
Total	**4,200,000.00**	4,200,000.00
Allow for Decline AFS Investments	**1,710,000.00**	1,710,000.00
Net	**2,490,000.00**	2,490,000.00
Deposits from land banking activies	**2,498,600.93**	4,483,114.50

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ARANETA PROPERTIES, INC.
SCHEDULE OF LIABILITIES

	AS OF JUNE 30, 2018	AS OF DECEMBER 31, 2017
ACCOUNTS PAYABLE & ACCRUALS		
Accounts Payable to Suppliers	28,759,591.08	20,919,606.86
Advances from related parties	-	-
SSS Salary Loan Payable	18,227.27	26,302.64
Pag-ibig Salary Loan Payable	29,238.28	29,446.85
Pag-ibig Fund Contribution	9,050.00	8,900.00
SSS, Medicare & EC Payable	52,879.62	47,630.00
Philhealth Payable	14,377.85	14,100.00
Withholding Tax Payable	139,275.06	281,881.16
Retentions & Deposits	5,539,963.05	5,539,963.05
Accrued Operating	6,152,016.77	6,137,652.44
	40,714,618.98	33,005,483.00
LIABILITY FOR PURCHASE OF LAND-current	58,648,202.00	64,148,202.00
LIABILITY FOR PURCHASE OF LAND-noncurrent	110,306,123.00	110,306,123.00
ACCRUED RETIREMENT BENEFITS	22,154,878.31	21,555,685.00
DEFERRED INCOME TAX LIABILITIES	21,518,430.02	21,518,430.02
INCOME TAX PAYABLE	5,701,066.83	-
TOTAL	259,043,319.14	250,533,923.02

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ARANETA PROPERTIES, INC.
STATEMENT OF CHANGES IN EQUITY

	AS AT END OF	
	JUNE 30, 2018	JUNE 30, 2017
Balance at December 31,	1,951,387,570.00	1,951,387,570.00
Add: Capital surplus	201,228,674.12	201,228,674.12
Unrealized valuation of gain on AFS Investments	(30,000.00)	(120,000.00)
Actuareal gain (losses) on retirement benefits	(1,727,812.20)	(3,837,580.00)
Total	2,150,858,431.92	2,148,658,664.12
Deficit as at December 31,	(411,216,644.33)	(400,556,995.46)
Net Income for the six (6) months ended June 30	13,302,489.27	6,403,470.62
Balances	1,752,944,276.86	1,754,505,139.28

	AS AT END OF	
	JUNE 30, 2018	JUNE 30, 2017
Balance at December 31,	1,951,387,570.00	1,951,387,570.00
Add: Capital surplus	201,228,674.12	201,228,674.12
Unrealized valuation of gain on AFS Investments	(30,000.00)	(120,000.00)
Actuareal gain (losses) on retirement benefits	(1,727,812.20)	(3,837,580.00)
Total	2,150,858,431.92	2,148,658,664.12
Deficit as at December 31,	(411,216,644.33)	(400,556,995.46)
Net Income for the quarter ended March 31	4,710,700.92	3,807,884.14
Net Income for the quarter ended June 30	8,591,788.35	2,595,586.48
Balances	1,752,944,276.86	1,754,505,139.28