

SEC Number 152249  
File Number

**ARANETA PROPERTIES INCORPORATED**

Company's Full Name

**21<sup>st</sup> 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 1<sup>st</sup> Quarter**

Form Type

Amended Designation (If Applicable)

**March 31, 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 March 31, 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. 21<sup>st</sup> 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 [] 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 [] No []

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

Yes [] 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 First Quarter of 2020

The performance of the Company in terms of revenue increased by 36.30% Sales for the quarter is P18.043 million as compared to P11.493 million of the same period of year 2019. 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 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, As of March 31, 2020 there are already thirty seven (37) buyers with a total lot area of 6,828 square meters of subdivided lot with average selling price of P13,634.00 per square meter (before 12% VAT), much more higher than the P7,500.00 per square meter, 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% & 100% respectively complete, while the Country Club is 98.00% complete as of March 31, 2020. 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 March 31, 2020 with comparative figures of year 2019 and 2018 for the same three (3) months period

<i>In millions (Php)</i>	For three (3) months Period			% Change	
	Year 2018	Year 2019	Year 2020	2018 vs 2019	2019 vs 2020
Income from Real Estate	7.947	11.493	18.043	30.854%	36.302%
Accretion of Interest Income	22.881	3.561	5.745	(542.544%)	38.016%
Total revenue	30.828	15.054	23.788	(104.783%)	36.716%

**Table II** – The comparative figures of the results of operations and other operating income for the three (3) months period ending March 31, 2020 with comparative figures of year 2019 and 2018 for the same three (3) months period

<i>In millions (Php)</i>	For three (3) months Period			% Change	% Change
	Year 2018	Year 2019	Year 2020	2017 vs 2018	2018 vs 2019
Revenue	7.947	11.493	18.043	30.854%	36.302%
Expenses	18.961	22.749	14.859	16.651%	(53.099%)
Net Income	(11.014)	(11.256)	3.184	2.150%	453.518%
Add: Other Income	22.881	3.561	5.754	(542.544%)	38.113%
Net Income (before tax)	11.867	(7.695)	8.938	254.217%	186.093%

On March 13, 2020, In a move to contain a possible effect of SARS-CoV-2 or commonly known as COVID-19, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. This measure has resulted massive disruptions of almost all businesses in the Country.

The Company implemented compliance measures to the Enhanced Community Quarantine (ECQ) protocols in conjunction with the National Government’s strategy to flatten the curve and/or to combat the outbreak:

- a) Full-shutdown of Makati Offices started on March 16, 2020. All employees received their salaries for the period March 16 to 31, 2020 in full;
- b) After March 31, 2020, employees were encouraged to utilize their available leave credits;
- c) Other measures are being implemented to ease the impact of the ECQ to employees, e.g. the early release of the prorated 13th month pay, extend cash advances to regular employees in the event that the ECQ is extended.

The significant impact on business operations of the Company caused by the extension of ECQ Luzon-wide, have totally been paralyzed, specifically the cash inflows. Presently, the Company concentrates on Cash Management to be able to rationalize and insure availability of funds. The Company considers the measure taken by the government as a non-adjusting subsequent event, which does not have material impact from financial position and performance for the quarter ended March 31, 2020. However, it could have a material impact on its subsequent quarter following the extension the ECQ or the so called Modified Enhance Community Quarantine (MECQ), and on June 01, 2020 the National Government put the National Capital Region (NCR) into General Community Quarantine (GCQ) a bright signal that sooner a new normal shall be considered but positively it has material impact from the financial position and the results of operation in the subsequent periods thereafter. Considering the evolving nature of this outbreak, the Company cannot measure at this time the material impact to its financial position, performance and cash flows. [CAN OPT TO DISCLOSE THE MEASURES IT HAS TAKEN TO MANAGE THE RISKS/UNCERTAINTIES BROUGHT ABOUT BY THE OUTBREAK.]

The Company will continue to monitor the situation, and should the GCQ is further prolonged, the Board may at anytime form a Crisis Management Team/Committee that will focus on the impact both to Revenue and Operation, or implement assessment tools to measure and/or benchmark costs and expenses or anticipate scenario beyond "Covid-19", upon assumption of work and "Normal" operation.

### During the First Quarter of 2019

The performance of the Company in terms of revenue increased by 44.61% Sales for the quarter is P11.493 million as compared to P7.947 million of the same period of 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. 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 March 31, 2019 there more or less twenty nine (29) buyers have already reserved more or less 4,077 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% & 100% respectively complete, while the Country Club is 98.00% complete as of March 31, 2019. 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 March 31, 2019 with comparative figures of year 2018 and 2017 for the same three (3) months period

<i>In millions (Php)</i>	For three (3) months Period			% Change	% Change
	Year 2017	Year 2018	Year 2019	2017 vs 2018	2018 vs 2019
Income from Real Estate	20.479	7.947	11.493	(61.194%)	44.621%
Accretion of Interest Income	3.198	22.881	3.561	615.478%	(84.437%)
Total revenue	23.677	30.828	15.054	30.202%	(51.168%)

**Table II** – The comparative figures of the results of operations and other operating income for the three (3) months period ending March 31, 2019 with comparative figures of year 2018 and 2017 for the same three (3) months period

<i>In millions (Php)</i>	For three (3) months Period			% Change	% Change
	Year 2017	Year 2018	Year 2019	2017 vs 2018	2018 vs 2019
Revenue	20.479	7.947	11.493	(61.195%)	44.621%
Expenses	18.237	18.961	22.749	30.970%	19.978%
Net Income	2.242	(11.014)	(11.256)	(591.258%)	2.197%
Add: Other Income	3.198	22.881	3.561	615.478%	(84.437%)
Net Income (before tax)	5.440	11.867	(7.695)	118.143%	(164.844%)

### During the First Quarter of 2018

The performance of the Company in terms of revenue decreased by 52.807% sales for the quarter is P11.162 million as compared to P23.652 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 for 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 March 31, 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 CountryClub is 98.00% complete as of March 31, 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 March 31, 2018 with comparative figures of year 2017 and 2016 for the same three (3) months period

<i>In millions (Php)</i>	For three (3) months Period			% Change	
	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Revenue	33.476	23.652	11.162	(27.171%)	(52.807%)
Expenses	23.341	18.237	18.961	(21.867%)	3.970%
Net Income	9.135	5,415	(7.799)	(5.304%)	(56.777%)

**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 March 31, 2018 with comparative figures of year 2017 for the same period

<b>In Millions (Php)</b>	For the quarter ending March 31		% Change
	Year 2017	Year 2018	2017 vs 2018
Income from Real Estate Business	20.479	7.947	(61.194%)
Accretion of Interest from Installment Sales	3.172	3.215	1.356%
Total Revenue	23.651	11.162	(52.805%)

**Table II** – The comparative figures of the results of operations and other operating income for the three (3) months period ending March 31, 2018 with comparative figures of year 2017 and 2016 for the same three (3) months period

<i>In millions (Php)</i>	For three (3) months Period			% Change	% Change
	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Revenue	33.476	23.652	11.162	(27.171%)	(52.807%)
Expenses	23.341	18.237	18.961	(21.867%)	3.970%
Net Income	9.135	5,415	(7.799)	(5.304%)	(56.777%)
Add: Other Income	0.011	0.025	19.666	127.273%	78564.00%
Net Income (before tax)	9.146	5.440	11.867	121.97%	78507.22%

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

## **Management's Discussion and Analysis/ Plan of Operation**

### **Results of Operation (January 01 – March 31, 2019 vs January 01–March 31, 2020)**

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 ongoing 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 March 31, 2020 with comparative figures for 2019 and 2018 with the same period

Particulars	Year 2018	Year 2019	Year 2020
Sale from Real Estate	7.947	11.493	18.043
Cost of Land	1.589	1.839	1.831
Percentage to Revenue	19.995%	16.001%	10.148%

The Company has posted a net income (after tax) of P6.257 Million for the quarter ended March 31, 2020 as compared with the (P7.959) million net loss in 2019, and P8.307 million net Income in 2018 of that same period.

For the three (3) months ended,

Particulars	Year 2018 (in Million)	Year 2019 (in Millions)	Year 2020 (in Millions)
Revenue	7.947	11.493	18.043
Less: direct cost	1.589	1.839	1.831
Gross Margin	6.358	9.654	16.212
Less: Operating expenses	17.372	20.910	13.028
Net profit before other income	(11.014)	(11.256)	3.184
Add: other income	22.881	3.561	5.754
Net profit before income tax	11.867	(7.695)	8.938

The deficit stands at P380.865 million, P387.716 million and P402.909 million as at end of March 31, 2020, 2019 and 2018, respectively.

Revenue generated during the first quarter of 2020 represents shares from sales from Joint Venture Project with SLRDI. Increased 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 in-charge of the development has reported to be (almost) 100% complete as at end of March 31, 2020.

Particulars	As of March 31, 2018 (in millions)	As of March 31, 2019 (in millions)	As of March 31, 2020 (in millions)
Total assets as at end of	1,999.970	1,984.197	2,031.394
Total liabilities as at end of	252.021	217.896	258.305
Ratio of assets to liabilities	12.601%	10.982%	12.716%
<b><i>Financial Condition</i></b>			
Cash and cash equivalent	40.248	12.001	12.511
Receivable	309.071	331.193	353.314
Prepaid Taxes	11.612	9.930	8.842
Real estate Inventories	858.696	503.222	883.457
Property and equipment	10.949	9.593	6.605
Investment property	654.149	1,023.069	693.382
Available for sale AFS investment	5.444	4.232	5.682
Recoverable Tax	77.746	74.778	67.601
Other assets	7.143	-0-	-0-
Current liabilities	98.396	104.048	78.865
Noncurrent liabilities	153.625	113.848	179.441
Stockholders' equity	1,747.949	1,766,301	1,773,089

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 movement in real estate land for sale & development is the result of the accounting of cost land sold during the period.

The Company started land banking in year 2012 with total land acquisitions as of March 31, 2020 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	6,618,779.27	6,618,779.27	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
<i>Subtotal</i>	<i>2,385,151</i>	<i>870,887,230.17</i>	<i>870,887,230.17</i>	<i>-0-</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>
<b>Total (San Jose Del Monte)</b>	<b>3,226,394</b>	<b>1,133,471,830.17</b>	<b>800,887,230.14</b>	<b>262,584,600.00</b>
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	-0-
	<i>363,318</i>	<i>99,354,013.00</i>	<i>98,081,799.00</i>	<i>1,272,214.00</i>
<b>Total Land Banking</b>	<b>3,589,7121</b>	<b>1,232,825,843.17</b>	<b>968,969,029.17</b>	<b>263,856,814.00</b>

The decreased in property and equipment is brought about by the accounting for the cost of depreciation (estimated) 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.

Increased in payables, is result of accounting and payment of accounts including land banking activity, recognition of cost of transfer of ownership from the seller to the name of Araneta Properties, Inc. name and as well as accrual of other trade payables

The increased in Stockholder's Equity is attributed to normal operational income in the real estate business and other miscellaneous income during the period.

### **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 (3) months ended	March 31, 2018	March 31, 2019	March 31, 2020
Current Ration (1)	11.827 : 1	7.361 : 1	5.951 : 1
Debt to Equity Ratio (2)	1 : 0.14410	1 : 0.12346	1 : 0.14568
Earnings per Share (3)	1 : 0.00426	1 : (0.00408)	1 : 0.00321
Earnings before Income Taxes (4)	P8.307 million	(P7.959) million	P6.256 million
Return on Equity	0.00475	(0.00451)	0.003531

- 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 as at end of March 31, 2020 is P1,773,089,213.53 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

- Total Stockholders' Equity as at end of March 31, 2019 is P1,766,301,793.64 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

- Total Stockholders' Equity as at end of March 31, 2018 is P1,747,949,018.21 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

### **Results of Operation (January – March 31, 2018 vs January –March 31, 2019)**

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 March 31, 2019 with comparative figures for 2018 and 2017 with the same period

Particulars	Year 2017	Year 2018	Year 2019
Sale from Real Estate	20.479	7.947	11.493
Cost of Land	4.015	1.589	1.839
Percentage to Revenue	19.605%	19.995%	16.001%

The Company has posted a net loss (after tax) of (P7.959) Million for the quarter ended March 31, 2019 as compared with the P8.307 million in 2018, and P3.808 million in 2017 of that same period.

For the three (3) months ended,

Particulars	Year 2017 (in Million)	Year 2018 (in Millions)	Year 2019 (in Millions)
Revenue	20.479	7.947	11.493
Less: direct cost	4.014	1.589	1.839
Gross Margin	16.465	6.358	9.654
Less: Operating expenses	14.222	17.372	20.910
Net profit before other income	(2.243)	(11.014)	(11.256)
Add: other income	3.197	22.881	3.561
Net profit before income tax	5.440	11.867	(7.695)

The deficit stands at P387.716 million, P402.909 million and P409.801millionas at end of March 31, 2019, 2018 and 2017, respectively.

Revenue generated during the first quarter of 2019 represents shares from sales from Joint Venture Project with SLRDI. Increased 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 in-charge of the development has reported to be (almost) 100% complete as at end of March 31, 2019.

Particulars	As of March 31, 2017 (in millions)	As of March 31, 2018 (in millions)	As of March 31, 2019 (in millions)
Total assets as at end of	2,057.720	1,999.970	1,984.197
Total liabilities as at end of	305.810	252.021	217.896
Ratio of assets to liabilities	14.862%	12.601%	10.982%
<b>Financial Condition</b>			
Cash and cash equivalent	40.622	40.248	12.001
Receivable	379.197	309.071	166.608
Prepaid Taxes	10.270	11.612	9.930
Real estate Inventories	877.293	858.696	503.222
Property and equipment	14.105	10.949	9.593
Investment property	644.840	654.149	1,023.069
Available for sale AFS investment	5.444	5.444	4.232
Recoverable Tax	79.064	77.746	74.778
Other assets	6.883	7.143	-0-
Current liabilities	100.202	98.396	104.048
Noncurrent liabilities	205.609	153.625	113.848
Stockholders' equity	1,751.910	1,747.949	1,766,301

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 movement in real estate land for sale & development is the result of the accounting of cost land sold during the period.

The Company started land banking in year 2012 with total land acquisitions as of March 31, 2019 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<b>All in San Jose Del Monte Bulacan</b>				
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.,	580,154	430,474,268.00	315,168,660.50	115,305,607.50
Paramount Finance Corp	10,000	3,724,000.00	3,724,000.00	Fully paid
Rodolfo M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<b>Subtotal</b>	<b>2,385,151</b>	<b>916,181,551.05</b>	<b>800,875,943.55</b>	<b>115,305,607.50</b>
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
<b>Subtotal</b>	<b>841,243</b>	<b>262,584,600.00</b>	<b>-0-</b>	<b>262,584,600.00</b>
<b>Total (San Jose Del Monte)</b>	<b>3,226,394</b>	<b>1,178,766,151.05</b>	<b>800,875,943.55</b>	<b>377,890,207.50</b>
Add: Northern Luzon Area				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et. al	286,480	61,032,240.00	54,399,070.00	6,633,170.00
Hugo Nat D. Juan	13,186	4,615,100.00	923,020.00	3,692,080.00
	<b>356,877</b>	<b>96,827,343.00</b>	<b>86,502,093.00</b>	<b>10,325,250.00</b>
<b>Total Land Banking</b>	<b>3,583,271</b>	<b>1,275,593,494.05</b>	<b>887,378,036.55</b>	<b>388,215,457.50</b>

The decreased in property and equipment is brought about by the accounting for the cost of depreciation (estimated) 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.

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 1.31 hectare' land from Hugo Nat D. Juan

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

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 three (3) months ended	March 31, 2017	March 31, 2018	March 31, 2019
Current Ratio (1)	12.5159 : 1	11.827 : 1	7.361 : 1
Debt to Equity Ratio (2)	1 : 0.1746	1 : 0.144	1 : 0.123
Earnings per Share (3)	1 : 0.00195	1 : 0.00426	1 : 0.00451
Earnings before Income Taxes (4)	P5.440 million	P8.307 million	(P7.959) million
Return on Equity	0.00217	0.00475	(0.00451)

- 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 P1,766,301,793.64 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

- Total Stockholders' Equity in 2018 is P1,747,949,018.21 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

- Total Stockholders' Equity in 2017 is P1,751,909,552.80 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

### **(January – March 31, 2017 vs January –March 31, 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 during each of the last three quarters are as follows:

Particulars	Year 2016	Year 2017	Year 2018
Sale from Real Estate	28,595,686	20,479,129	7,947,303
Cost of Land	5,223,474	4,014,824	1,589,460
Percentage to Revenue	18.267%	19.604%	20.000%

The Company has posted a net profit (after tax) of P8.307 Million in the first quarter of 2018 as compared with the P3.807 million in 2017, and P6.402 million in 2016 of that same period.

The deficit stands at P402.909 million and P409.801 million as of March 31, 2018 and 2017, respectively.

#### For the Quarter Ended

	March 31, 2018 (In Millions)	March 31, 2017 (In Millions)
Revenue	P23.652	P11.162
Direct Costs	4.014	1.589
Gross Profit Margin	19.638	P9.573
Operating Expenses	14.223	17.372
Net Income (before other Income )	P5.415	(P7.799)
Add: Other Income	0.025	19.666
Net income before tax	5.440	11.867

Revenue generated during the 1st 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 represent 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 in-charge of the development has reported to be (almost) 100% complete on March 31, 2018.

Particulars	March 31, 2018 (In Millions)	March 31, 2017 (in Millions)
Total assets as at end of	P1,999.970	P2,057.720
Total liabilities as at end of	P252.021	P305.810
Ratio of assets to liabilities	12.601%	14.862%
<b><i>Financial Condition</i></b>		
Cash and cash equivalent	P40.248	P40.622
Receivable	P309.071	P379.197
Prepaid Taxes	P11.612	P10,270
Real estate Inventories	P858.696	P877.293
Land held for future development	P654.149	P644.840
Property and equipment	P10.949	P14.105
Investment property	P5.444	P5.444
Recoverable Tax	P77.746	P79,064
Other assets	P7.143	P6.883
Current liabilities	P98.396	P100.202
Noncurrent liabilities	P153.625	P205.609
Stockholders' equity	P1,747.949	P1,751.910

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 March 31, 2018 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<b><i>All in San Jose Del Monte Bulacan</i></b>				
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
<b><i>Subtotal</i></b>	<b><i>2,326,403</i></b>	<b><i>899,934,051.05</i></b>	<b><i>726,975,639.80</i></b>	<b><i>172,958,411.25</i></b>
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
<b><i>Subtotal</i></b>	<b><i>841,243</i></b>	<b><i>262,584,600.00</i></b>	<b><i>-0-</i></b>	<b><i>262,584,600.00</i></b>
<b>Total (San Jose Del Monte)</b>	<b>3,167,646</b>	<b>1,162,518,651.05</b>	<b>726,975,639.80</b>	<b>435,543,011.25</b>
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	55,100,000.00	5,932,240.00
	<b>282,963</b>	<b>89,637,740.00</b>	<b>53,705,500.00</b>	<b>5,932,240.00</b>
<b>Total Land Banking</b>	<b>3,450,609</b>	<b>1,252,156,391.05</b>	<b>810,681,139.80</b>	<b>441,475,251.25</b>

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 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 the financial strength, liquidity and ability to maximize the value of its stockholders' investments

For the three months period ending	March 31, 2018	March 31, 2017
Current Ration (1)	11.827 : 1	12.5159 : 1
Debt to Equity Ratio (2)	1 : 0.144	1 : 0.1746
Earnings per Share (3)	1 : 0.00426	1 : 0.00195
Earnings before Income Taxes (4)	P8.307 million	P5.440 million
Return on Equity	0.00475	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 P1,747,949,018.21 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

-Total Stockholders' Equity in 2017 is P1,751,909,552.80 (Issued and paid of 1,951,387,570.00 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 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.
- 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 cyclicalilty 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.

The Company started land banking in year 2012 with total land acquisitions as of March 31, 2019 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<b><i>All in San Jose Del Monte Bulacan</i></b>				
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.,	580,154	430,474,268.00	315,168,660.50	115,305,607.50
Paramount Finance Corp	10,000	3,724,000.00	3,724,000.00	Fully paid
Rodolfo M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<b><i>Subtotal</i></b>	<b><i>2,385,151</i></b>	<b><i>916,181,551.05</i></b>	<b><i>800,875,943.55</i></b>	<b><i>115,305,607.50</i></b>
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
<b><i>Subtotal</i></b>	<b><i>841,243</i></b>	<b><i>262,584,600.00</i></b>	<b><i>-0-</i></b>	<b><i>262,584,600.00</i></b>
<b>Total (San Jose Del Monte)</b>	<b>3,226,394</b>	<b>1,178,766,151.05</b>	<b>800,875,943.55</b>	<b>377,890,207.50</b>
Add: Northern Luzon Area				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et. al	286,480	61,032,240.00	54,399,070.00	6,633,170.00
Hugo Nat D. Juan	13,186	4,615,100.00	923,020.00	3,692,080.00
	<b>356,877</b>	<b>96,827,343.00</b>	<b>86,502,093.00</b>	<b>10,325,250.00</b>
<b>Total Land Banking</b>	<b>3,583,271</b>	<b>1,275,593,494.05</b>	<b>887,378,036.55</b>	<b>388,215,457.50</b>

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 of 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 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.

#### ***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 March 31, 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 March 31, 2020**

	<b>On demand</b>
Accounts payable and accrued expenses	<b>45,443,005</b>
Advances related parties	<b>29,927,874</b>
Income tax payable	<b>3,493,851</b>
Liability for purchase of land-current	<b>115,305,607</b>
Retirement benefits	<b>26,682,949</b>
<u>Deferred income tax liability</u>	<b>37,451,960</b>
<b>Total</b>	<b>258,305,246</b>

#### ***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 on 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 March 31, 2020 and 2019.

The following table pertains to the account balance the Company considers as its core capital as at end of March 31, 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 2020 and 5.66% to 5.66% in 2019.

## 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)

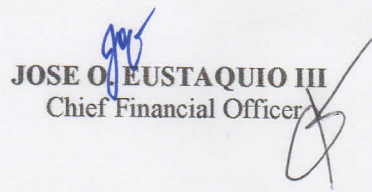
By:



**GREGORIO MA. ARANETA III**  
Principal Executive Officer



**CRISANTO ROY B. ALCID**  
President



**JOSE O. EUSTAQUIO III**  
Chief Financial Officer

Date signed \_\_\_\_\_, 2020

**ARANETA PROPERTIES, INC.**

## STATEMENTS OF FINANCIAL POSITION

		AS OF MARCH 31, 2020 un-audited		AS OF DECEMBER 31, 2019 Audited		CHANGES INCREASED (DECREASED)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P	12,510,709.23	P	4,074,862.09	P	8,435,847.14
Trade and other receivables		183,192,393.60		181,518,664.23		1,673,729.37
Real Estate Inventories		883,457,240.56		884,385,884.57		(928,644.01)
Input Value-added Tax (VAT) - net		67,601,234.51		70,151,947.14		(2,550,712.63)
Prepayments		8,841,825.38		7,151,417.44		1,690,407.94
	P	1,155,603,403.28	P	1,147,282,775.47	P	8,320,627.81
<b>Non-current Assets</b>						
Trade and other receivables	P	170,121,857.99	P	170,121,857.99	P	-
Property, plant and equipment		6,604,747.97		7,217,104.44		(612,356.47)
Investment Property		693,382,553.13		674,056,173.00		19,326,380.13
Available-for-sale (AFS) Investments		5,681,897.57		5,681,897.57		-
	P	875,791,056.66	P	857,077,033.00	P	18,714,023.66
<b>TOTAL ASSETS</b>	P	2,031,394,459.94	P	2,004,359,808.47	P	27,034,651.47
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable and Accrued Expenses	P	45,443,005.21	P	27,519,980.00	P	17,923,025.21
Advances from related parties		29,927,874.04		30,745,768.78		(817,894.74)
Liability for purchase of land		115,305,607.50		115,305,607.50		-
Income Tax Payable		3,493,850.50		812,477.00		2,681,373.50
	P	194,170,337.25	P	174,383,833.28	P	19,786,503.97
<b>Non-current Liabilities</b>						
Accrued retirement benefit obligation	P	26,682,949.35	P	25,691,340.00	P	991,609.35
Deferred Income Tax Liabilities		37,451,959.81		37,451,959.81		-
	P	64,134,909.16	P	63,143,299.81	P	991,609.35
		258,305,246.41		237,527,133.09		20,778,113.32
<b>Stockholders' Equity</b>						
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		2,726,897.57		2,726,897.57		-
Actuarial Gain (Losses) on Retirement Benefits		(1,388,662.60)		(1,388,662.60)		-
Deficit		(380,865,265.56)		(387,121,803.71)		6,256,538.15
Total		1,773,089,213.53		1,766,832,675.38		6,256,538.15
<b>TOTAL LIABILITIES and STOCKHOLDERS' EQUITY</b>	P	2,031,394,459.94	P	2,004,359,808.47	P	27,034,651.47
<b>Net Book Value per Share</b>	P	0.9086	P	0.9054	P	-

06/25/2020 VERSION

**ARANETA PROPERTIES, INC.**  
STATEMENT OF COMPREHENSIVE INCOME

				FOR THE YEAR ENDED		
				MARCH 31, 2020	MARCH 31, 2019	MARCH 31, 2018
<b>REVENUES</b>						
Income from JV company-Net	P	18,042,750.00	P	11,492,877.45	P	7,947,303.12
Cost of sales		1,830,781.51		1,838,860.39		1,589,460.60
		<b>16,211,968.49</b>		<b>9,654,017.06</b>		<b>6,357,842.52</b>
<b>EXPENSES</b>						
Salaries & wages		5,986,212.19		6,165,314.55		7,965,389.13
Overtime pay		41,146.87		48,667.23		59,401.88
SSS, philhealth, EC & pag-ibig		126,581.49		124,281.75		130,428.55
13th month pay		508,401.84		714,550.95		416,457.59
Security costs		2,583,822.88		2,794,604.81		3,143,295.24
Light, water and utilities		57,085.40		46,813.56		86,807.56
Repairs & maintenance		37,773.21		4,076,928.31		78,125.07
Medical, dental & hospitalization		33,946.53		131,411.96		44,714.77
Professional fees		98,313.72		651,399.15		673,470.58
Representation		25,500.00		62,300.00		605,498.21
Rental expenses		31,500.00		49,500.00		28,350.00
Taxes & licenses		974,836.52		3,303,256.02		2,077,707.37
Depreciation expense		612,356.47		806,883.09		812,413.14
Donations		-		-		20,000.00
Building dues & other charges		388,476.06		413,881.82		398,191.16
Gasoline, oil and lubes		71,546.24		64,427.86		54,213.63
Meals		28,244.46		71,725.77		17,931.44
Postage & telecommunication		146,511.43		133,571.89		115,304.98
Printing and office supplies		74,918.19		121,916.93		91,127.43
Transportation & travelling		80,858.00		84,318.60		80,668.00
Contractual costs		112,439.92		42,000.00		43,733.50
Insurance expense		8,319.13		829.82		1,393.74
Retirement benefits		991,609.35		354,750.00		354,750.00
Miscellaneous		7,624.21		646,908.41		72,132.61
		<b>13,028,024.11</b>		<b>20,910,242.48</b>		<b>17,371,505.58</b>
NET LOSS BEFORE OTHER INCOME		<b>3,183,944.38</b>		<b>(11,256,225.42)</b>		<b>(11,013,663.06)</b>
<b>OTHER INCOME &amp; EXPENSES</b>						
Accretion Interest & misc. income		5,744,972.99		3,561,377.26		22,881,135.38
Interest Income		8,994.28		-		-
		<b>5,753,967.27</b>		<b>3,561,377.26</b>		<b>22,881,135.38</b>
NET LOSS BEFORE INCOME TAX		<b>8,937,911.65</b>		<b>(7,694,848.16)</b>		<b>11,867,472.32</b>
<b>PROVISION FOR INCOME TAX</b>						
Current		2,681,373.50		264,307.89		3,560,241.70
Deferred		-		-		-
		<b>2,681,373.50</b>		<b>264,307.89</b>		<b>3,560,241.70</b>
NET INCOME	P	<b>6,256,538.15</b>	P	<b>(7,959,156.05)</b>	P	<b>8,307,230.62</b>
<b>WEIGHTED AVERAGE NO. OF SHARE</b>						
		<b>1,951,387,570</b>		<b>1,951,387,570</b>		<b>1,951,387,570</b>
<b>NET GAIN (LOSS) PER SHARE</b>						
		<b>0.00321</b>		<b>(0.00408)</b>		<b>0.00426</b>

06/25/2020 VERSION

**ARANETA PROPERTIES, INC.****COMPARATIVE CASH FLOWS**

( In Ph Pesos)	FOR THE QUARTER ENDED	
	MARCH 31, 2020	MARCH 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Loss)	6,256,538.15	(7,959,156.05)
Add: Back Non-cash items		
Interest Income (net)	8,994.28	162,197.02
Depreciation	612,356.47	806,883.09
Retirement benefits	991,609.35	354,750.00
Interest expenses	-	-
Accretion Interest Income & other Income	5,744,972.99	3,399,180.24
Provision for doubtful accounts and other losses	-	-
Changes in operating assets and liabilities:	-	-
Decrease (Increase) in:		
Receivables	(1,673,729.37)	(4,641,939.75)
Input VAT	2,550,712.63	677,783.58
Prepayments	(1,690,407.94)	(2,777,372.94)
Real Estate Inventories	928,644.01	607,535.37
Increase (Decrease) in:		
Accounts Payable & Accruals	11,789,808.49	(2,820,303.25)
Net cash provided by (used in) operating activities	25,519,499.06	(12,190,442.69)
Miscellaneous revenue received	-	3,561,377.26
Income Taxes paid	812,477.00	(264,307.89)
Net cash provided by (used in) investing activities	26,331,976.06	(8,893,373.32)
<b>CASH FLOW FROM INVESTING &amp; OPERATING ACTIVITIES</b>		
Land Held for future development	-	-
Decrease (Increase) in Property, Plant & Equipment	612,356.47	781,436.66
Decrease (Increase) in Real Estate for Sale & Devt	(19,326,380.13)	(1,838,860.69)
Decrease (Increase) in liability from purchase of land	-	-
Decrease (Increase) in other assets	-	-
Net cash provided by (used in) investing activities	(18,714,023.66)	(1,057,424.03)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advances related parties	817,894.74	(5,129,298.89)
Proceeds from issuance of new shares	-	-
Net cash provided by (used in) financing activities	817,894.74	(5,129,298.89)
<b>NET INCREASE (DECREASE) IN CASH AND</b>		
<b>CASH EQUIVALENTS</b>	8,435,847.14	(15,080,096.24)
<b>CASH AND CASH EQUIVALENTS AT</b>		
<b>BEGINNING OF QUARTER</b>	4,074,862.09	27,080,674.02
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT QUARTER END</b>	12,510,709.23	12,000,577.78

## ARANETA PROPERTIES, INC.

### CASH AND CASH EQUIVALENT

	AS AT END OF	
	MARCH 31, 2020	DECEMBER 31, 2019
Cash on Hand		
Petty Cash fund	10,437.95	10,437.95
Revolving Fund (Bulacan field office)	21,842.52	21,842.52
<i>Total</i>	<b>32,280.47</b>	<b>32,280.47</b>
Cash in Banks		
Cash in Bank - China Bank	477,465.16	1,747,108.22
Cash in Bank - CBC SFCDA	165,377.96	165,377.96
Cash in Bank - Banco de Oro	11,835,585.64	2,130,095.44
<i>Total</i>	<b>12,478,428.76</b>	<b>4,042,581.62</b>
<b>TOTAL</b>	<b>12,510,709.23</b>	<b>4,074,862.09</b>

06/25/2020 VERSION



## ARANETA PROPERTIES, INC.

### Receivables

	AS AT END OF	
	MARCH 31, 2020	DECEMBER 31, 2019
Accounts Receivable Trade	<b>350,237,562.55</b>	348,679,871.23
Advances to suppliers, officers, employees & others		
Impaired	-	-
Unimpaired	<b>3,076,689.04</b>	2,960,650.99
	<b>3,076,689.04</b>	2,960,650.99
	<b>353,314,251.59</b>	351,640,522.22
Less: provision for doubtful account	-	-
	<b>353,314,251.59</b>	351,640,522.22
Less: noncurrent portion of trade receivable	<b>170,121,857.99</b>	170,121,857.99
Net	<b>183,192,393.60</b>	181,518,664.23

06/25/2020 VERSION

**ARANETA PROPERTIES, INC.**

## SCHEDULE OF RECEIVABLE

As of MARCH 31, 2020

PARTICULARS	AMOUNT	COLLECTION / LIQUIDATION				REMARKS
		1 Months	15 Days	Overdue	Others	
Receivable from Joint Venture-SLRDI	60,439,878.80	2,161,473.32	2,377,620.65		55,900,784.83	Installment sales/Monthly amortization
Receivable from Joint Venture-Sland	40,176,296.36	3,102,944.48	2,551,472.24		34,521,879.64	Installment sales/Monthly amortization
Receivable from sale of reserved lot	79,499,529.40	1,033,456.69	1,136,802.36		77,329,270.35	Installment sales/Monthly amortization
Advances for liquidation	327,797.27	327,797.27			-	For liquidation
Salary loan of various employees	248,847.55	63,942.74	31,971.37		31,971.37	Payroll deduction
Others	2,500,044.22				2,500,044.22	Advances against retirements benefits
<b>TOTAL</b>	<b>183,192,393.60</b>	<b>6,689,614.50</b>	<b>6,097,866.62</b>	-	<b>170,283,950.41</b>	
<b>ALLOW. FOR DOUBTFUL ACCT</b>	-				-	
<b>NET CURRENT RECEIVABLE</b>	<b>183,192,393.60</b>	<b>6,689,614.50</b>	<b>6,097,866.62</b>	-	<b>170,283,950.41</b>	

06/25/2020 VERSION

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

Particulars	Date Issued	As of MARCH 31, 2020	As of DECEMBER 31, 2019
<b><i>Taxes and Licenses</i></b>			
1 Business Permit-Makati City	01.21.19	<b>289,383.55</b>	-
2 Real Property Tax-Manticao	01.04.19	<b>319,791.28</b>	-
3 Real Property Tax-Laoag	03.18.19	<b>333,063.90</b>	66,472.52
4 Real Property Tax-SJDB	04.30.19	<b>1,527,048.05</b>	899,264.52
5 Philippine Stock Exchange	01.14.19	<b>195,750.00</b>	-
6 Pre-paid Income Taxes	12.31.16	<b>6,124,340.39</b>	6,124,340.39
		<b>8,789,377.17</b>	<b>7,090,077.43</b>
<b><i>Prepaid Insurance</i></b>			
7 Prepaid Insurance	02.12.19	<b>7,099.63</b>	-
8 TMBC Insurance for Fortuner	05.15.19	<b>6,124.68</b>	12,249.39
		<b>13,224.31</b>	12,249.39
<b><i>Other prepayment</i></b>			
9 Creba	09.30.19	<b>8,928.58</b>	-
10 BDO-Parkings deposits	09.30.19	<b>11,500.00</b>	11,500.00
11 Alpaland Balisen	09.30.19	<b>17,428.12</b>	34,856.24
12 Othes	09.30.19	<b>1,367.20</b>	2,734.38
		<b>39,223.90</b>	49,090.62
Total		<b>8,841,825.38</b>	<b>7,151,417.44</b>

06/25/2020 VERSION

**ARANETA PROPERTIES, INC.**

## Real Estate Inventories

	AS OF MARCH 31, 2020	AS OF DECEMBER 31, 2019
<b><i>Real Estate Inventories</i></b>		
Saleable house and lot Inventory	6,221,669.87	6,221,669.87
Land for Sale & Land Development	877,235,570.69	493,812,189.70
Saleable house and lot Inventory	883,457,240.56	500,033,859.57
<b><i>Land Held for future development</i></b>		
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)	261,672,633.06	261,672,633.06
Investments in Land (acquired from Marga)	104,671,995.50	104,671,995.50
Investments in Land (acquired from Insular 850,154 sq.m. )	403,678,405.13	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 Contract #1 )	29,600,000.00	29,600,000.00
Investments in Land (Almazan's Contract #2)	50,959,106.81	50,959,106.81
Paramount Finance Corp (10,000 sq.m.)	3,520,000.00	3,520,000.00
Rodolfo Cuenca (50,094 sq.m.)	12,523,500.00	12,523,500.00
Hugo Nat D. Juan (13,186 sq.m.)	4,615,100.00	4,615,100.00
Investments in Land (Almazan's Contract #3 )	2,526,670.00	2,526,670.00
Manticao Property	5,444,076.65	5,444,076.65
Total	1,077,734,578.13	1,058,408,198.00
Less: land reclassified to Inventory	384,352,025.00	384,352,025.00
	693,382,553.13	674,056,173.00

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

	AS OF MARCH 31, 2020	AS OF DECEMBER 31, 2019
<b>PPE COSTS DATA</b>		
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	5,399,577.25	5,399,577.25
<b>Total</b>	<b>69,693,281.79</b>	<b>69,693,281.79</b>
<b>DEPRECIATION DATA</b>		
Building	40,952,602.26	40,492,132.23
Building Improvements	12,143,397.88	12,143,397.88
Building and Plant Structures	0.00	0.00
Transporation Equipment	3,912,084.77	3,836,413.34
Heavy Machinery Equipment	-	-
Other Tools & Equipment	117,437.67	116,014.10
Communication Equipment	1,070,401.89	1,060,168.50
Office Furniture & Equipment	4,892,609.35	4,828,051.30
<b>Total</b>	<b>63,088,533.82</b>	<b>62,476,177.35</b>
<b>NET BOOK VALUE</b>		
Building	5,094,401.47	5,554,871.50
Building Improvements	-	-
Building and Plant Structures	(0.00)	(0.00)
Transporation Equipment	933,320.83	1,008,992.26
Heavy Machinery Equipment	-	-
Other Tools & Equipment	5,903.18	7,326.75
Communication Equipment	64,154.59	74,387.98
Office Furniture & Equipment	506,967.90	571,525.95
<b>Total</b>	<b>6,604,747.97</b>	<b>7,217,104.44</b>

06/25/2020 VERSION

# ARANETA PROPERTIES, INC.

## SCHEDULE OF OTHER ASSETS

	AS OF MARCH 31, 2020	AS OF DECEMBER 31, 2019
<b>Investments Property</b>	<b>693,382,553.13</b>	674,056,173.00
Equity instrument at fair value through other comprehensive income (FVOCI)	5,681,897.57	5,681,897.57

06/25/2020 VERSION

## ARANETA PROPERTIES, INC.

### SCHEDULE OF LIABILITIES

	AS OF MARCH 31, 2020	AS OF DECEMBER 31, 2019
<b>ACCOUNTS PAYABLE &amp; ACCRUALS</b>		
Accounts Payable to Suppliers	<b>34,600,237.90</b>	15,459,939.50
Advances from related parties	<b>29,927,874.04</b>	30,745,768.78
SSS Salary Loan Payable	<b>23,648.61</b>	20,375.09
Pag-ibig Salary Loan Payable	<b>12,021.16</b>	25,803.47
Pag-ibig Fund Contribution	<b>6,486.65</b>	7,100.00
SSS, Medicare & EC Payable	<b>28,560.00</b>	52,860.00
Philhealth Payable	<b>30,251.39</b>	24,107.32
Withholding Tax Payable	<b>484,324.74</b>	395,794.36
Retentions & Deposits	<b>5,175,287.26</b>	5,175,287.26
Accrued Operating	<b>5,082,187.50</b>	6,358,713.00
	<b><i>75,370,879.25</i></b>	<b><i>58,265,748.78</i></b>
<b>LIABILITY FOR PURCHASE OF LAND-Current</b>	<b>115,305,607.50</b>	<b><i>115,305,607.50</i></b>
<b>ACCRUED RETIREMENT BENEFITS</b>	<b><i>26,682,949.35</i></b>	<b><i>25,691,340.00</i></b>
<b>DEFERRED INCOME TAX LIABILITIES</b>	<b><i>37,451,959.81</i></b>	<b><i>37,451,959.81</i></b>
<b>INCOME TAX PAYABLE</b>	<b><i>3,493,850.50</i></b>	<b><i>812,477.00</i></b>
<b>TOTAL</b>	<b>258,305,246.41</b>	<b>237,527,133.09</b>

06/25/2020 VERSION

**ARANETA PROPERTIES, INC.**  
STATEMENT OF CHANGES IN EQUITY

	AS AT END OF	
	MARCH 31, 2020	DECEMBER 31, 2019
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
Other components of equity	2,726,897.57	2,726,897.00
Adjustments Actuarial gain (losses) on retirement benefits	(1,388,662.60)	(1,388,663.00)
<b>Total</b>	<b>2,153,954,479.09</b>	<b>2,153,954,478.12</b>
Deficit as at December 31,	(387,121,803.71)	(387,121,803.00)
Net Income for the Quarter ended March 31, 2020	6,256,538.15	-
<b>Balances</b>	<b>1,773,089,213.53</b>	<b>1,766,832,675.12</b>