

SEC Number **152249**
File Number

ARANETA PROPERTIES INCORPORATED

Company's Full Name

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

Company's Address

(632) 848-1501

Telephone Number

December 31

Fiscal Year Ending
(Month & Day)

17-Q 2nd Quarter

Form Type

Amended Designation (If Applicable)

June 30, 2021

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, 2021
2. SEC Identification No. 152249 3. BIR Tax Identification No. 050-000-840-355
4. Exact name of issuer as specified in its charter: ARANETA PROPERTIES, INC.
5. _____
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. 21st Floor, Citibank Tower, Paseo de Roxas, Makati City
Address of issuer's principal office Postal Code
8. (632) 848-1501
Registrant's telephone number, including area code
9. _____
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of the RSA

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

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes 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 Second Quarter of 2021

The second quarter of 2021 brought challenges for the company, as it continued to work on all fronts while dealing with the effects of the new Covid-19 Delta variant which disrupted businesses to operate in the National Capital Region.

The General Community Quarantine (GCQ) surely will have collateral effect in all business aspects both sales and collection of the Company's receivables depending on the capability of buyers to meet future payments. The Company will continue to monitor the situation, and should the GCQ be further prolonged, the BOD may at any time form a Crisis Management Team/Committee that will focus on the impact to the Company's revenue and operations, or formulate assessment tools to measure and/or benchmark costs and expenses or anticipate scenario beyond "COVID-19", upon assumption of work and "Normal" operation.

The supposed to be 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 June 30, 2021 there are already forty seven (47) buyers with a total lot area of 8,983 square meters of subdivided lot with average selling price of ranging from P18,000.00 to P21,000.00 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 June 30, 2021.

The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

The CoVid-19 has spread all over the world, even improved countries suffered the same fate and/or was hit hard by the pandemic. The spread of CoVid-19 virus has an abrupt and widespread impact not only in real estate business but all types of businesses from commercial, industrial, banking, financial institution, and shipping industry.

In compliance with the National Government’s strategy to flatten the curve and/or to combat the spread of virus, during the period the Company implemented compliance measures to the general community quarantine (GCQ) protocols as follows:

- After the announcement of the National Government allowing certain industries to operate during GCQ, the Company re-open its Makati office with a limited and staggered reporting of employees at a maximum of 50% workforce. Employees with vulnerable condition are not permitted to report for work but allowed to work on a “work-from-home” basis.
- Employees are required for a car pooling those that are not accommodated by the company shuttle vehicle, regular disinfectant of the entire office premises.
- Other measures are being implemented to ease the impact of the GCQ on the employees, e.g. the early release of the prorated 13th month pay, extend cash advances to regular employees in the event that the GCQ is extended.
- Provide CoVid-19 vaccination for free.
- Business opportunity is paralyzed such as cash inflows. Presently, the Company concentrates on cash management to be able to rationalize and ensure availability of funds to sustain payments of employees’ payroll recurring expenses.

While reeling from the effect of the GCQ with minimal sales during the second quarter of 2021, the activity of the Company focused only on collection of receivables. The details of financial performance of the Company in terms of revenue during the period are as follows:

Table I – The comparative figures of the results of operations for the three (3) months period ending June 30, 2021 with comparative figures of year 2020 and 2019 for the same period

	For three (3) months Period			% Change	% Change
	Ended June 30				
<i>In millions (Php)</i>	Year 2019	Year 2020	Year 2021	2019 vs 2020	2019 vs 2020
Revenue	11.288	-0-	4.481	NA	NA15.477%
Less: Expenses	21.243	11.184	12.915	(47.352%)	
Net before other income	(9.955)	(11.184)	(8.434)	12.346%	(24.589%)
Add :Other Income	3.734	0.591	1.132	(84.172%)	91.540%
Net Income	(6.221)	(10.593)	(7.302)	70.278%	(31.068%)

Table II – The comparative figures of the results of operations for the six (6) months period ending June 30, 2021 with comparative figures of year 2020 and 2019 for the same six (6) months period

	For six (6) months Period Ended June 30			% Change	% Change
	Year 2019	Year 2020	Year 2021	2019 vs 2020	2020 vs 2021
<i>In millions (Php)</i>					
Revenue	22.781	18.043	18.519	(20.798%)	2.638%
Less: Expenses	43.992	26.042	26.351	(40.803%)	1.187%
Net before other income	(21.211)	(7.999)	(7.832)	(60.288%)	(2.088%)
Add : Other Income	7.309	6.344	2.723	(13.203%)	(57.078%)
Net Income	(13.902)	(1.655)	(5.109)	(88.095%)	208.701%

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, 2021 with comparative figures of year 2020 for the same period

	For the quarter ending June 30		% Change
	Year 2020	Year 2021	2020 vs 2021
In Millions (Php)			
Income from Real Estate Business	-0-	4.481	NA
Accretion of Interest from Installment Sales	0.586	1.129	92.662
Total Revenue	0.586	5.610	857.338%

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, 2021 with comparative figures of year 2020 for the same period

	For the six (6) months ending June 30		% Change
	Year 2020	Year 2021	2019 vs 2020
In Millions (Php)			
Income from Real Estate Business	18.043	18.519	2.638%
Accretion of Interest from Installment Sales	6.331	2.681	(57.653%)
Total Revenue	24.374	21.200	(13.022%)

During the Second Quarter of 2020

The CoVid-19 has spread all over the world, even improved countries suffered the same fate and/or was hit hard by the pandemic. The spread of CoVid-19 virus has an abrupt and widespread impact not only in real estate business but all types of businesses from commercial, industrial, banking, financial institution, and shipping industry had been affected not only in the country but globally.

In compliance with the National Government’s strategy to flatten the curve and/or to combat the spread of virus, the Company implemented compliance measures to the community quarantine (CQ) protocols as follows:

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

- After the announcement of the National Government allowing certain industries to operate, the Company re-open its Makati office with a limited and staggered reporting of employees at a maximum of 50% workforce. Employees with vulnerable condition are not permitted to report for work but allowed to work on a “work-from-home” basis.
- Business opportunity is paralyzed such as cash inflows. Presently, the Company concentrates on cash management to be able to rationalize and ensure availability of funds to sustain payments of employees’ payroll.

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

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

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

	For three (3) months Period Ended June 30			% Change	% Change
	Year 2018	Year 2019	Year 2020	2018 vs 2019	2019 vs 2020
<i>In millions (Php)</i>					
Revenue	15.809	11.288	0	(40.051%)	None
Less Expenses	19.080	21.243	10.262	10.182%	(107.107%)
Net before other income	(3.271)	(9.955)	(10.262)	67.142%	(107.107%)
Add :Other Income	11.850	3.734	.0591	(217.354%)	(537.201%)
Net Income	8.579	(6.221)	(9.671)	(56.083)	(644.309%)

Table II – The comparative figures of the results of operations for the six (6) months period ending June 30, 2020 with comparative figures of year 2019 and 2018 for the same six (6) months period

	For six (6) months Period Ended June 30			% Change	% Change
	Year 2018	Year 2019	Year 2020	2018 vs 2019	2019 vs 2020
<i>In millions (Php)</i>					
Revenue	23.756	22.781	18.043	(4.280%)	(26.259%)
Less: Expenses	39.484	43.992	26.043	10.247%	(68.921%)
Net before other income	(15.728)	(21.211)	(8.000)	25.850%	(165.138%)
Add : Other Income	34.731	7.295	6.345	(376.093%)	(14.972%)
Net Income	19.003	(13.916)	(1.655)	236.555%	(740.846%)

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, 2020 with comparative figures of year 2019 for the same period

In Millions (Php)	For the quarter ending June 30		% Change
	Year 2019	Year 2020	2019 vs 2020
Income from Real Estate Business	11.288	-0-	-0-
Accretion of Interest from Installment Sales	3.734	0.586	(537.201%)
Total Revenue	15.022	0.586	(237.201%)

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, 2020 with comparative figures of year 2019 for the same period

In Millions (Php)	For the six (6) months ending June 30		% Change
	Year 2019	Year 2020	2019 vs 2020
Income from Real Estate Business	22.781	18.043	(26.259%)
Accretion of Interest from Installment Sales	7.294	6.331	(15.211%)
Total Revenue	30.075	24.374	(23.390%)

During the Second Quarter of 2019

The performance of the Company in terms of revenue decreased by 45.687%, Sales for the quarter is P15.022million as compared to P27.658 million of the year 2019. This performance is directly attributed to marketing strategies implemented in Year 2014, specifically the holding on of some Inventory for amuch better price. This strategy will create a favorable momentum for the company’s operation activities while awaiting for the right timing on the implementation of sales forecast.The Company focused on managing and developing anew high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also undertookfine-tuning the whole system, maintaining and improving*Colinas Verdes*, the subdivision’s brand nameand position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost butpromoting instead effective cash management program and fund flow management.

The above strategies are already conclusive in April 2017, As of June 30, 2019 there are more or less Thirty one (31) buyers have already reserved more or less 5,381 square meters of subdivided lot at the price of P13,000.00 per square meter, much more higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 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 June 30, 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 operations for the three (3) months period ending June 30, 2019 with comparative figures of year 2018 and 2017 for the same three (3) months period

	For three (3) months Period Ended June 30	% Change	% Change
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<i>In millions (Php)</i>	Year 2017	Year 2018	Year 2019	2017 vs 2018	2018 vs 2019
Revenue	35.418	27.691	15.190	(21.817)	(45.145%)
Expenses	29.075	19.112	21.411	(34.267)	(12.029%)
Net Income	6.343	8.579	(6.221)	(56.083)	(33.116%)

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, 2019 with comparative figures of year 2018 for the same period

In Millions (Php)	For the quarter ending June 30		% Change
	Year 2018	Year 2019	2017 vs 2018
Income from Real Estate Business	15.808	11.288	(28.593%)
Accretion of Interest from Installment Sales	11.850	3.734	(68.489%)
Total Revenue	27.658	15.022	(45.687%)

Table III – The comparative figures of the results of operations and other operating income for the three (3) months period ending June 30, 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	35.418	27.691	15.022	(21.817%)	(45.751%)
Expenses	31.791	19.145	21.411	(39.779%)	11.836%
Net Income	3.627	8.546	(6.389)	135.622	(174.760%)
Add: Other Income	0.056	0.033	0.168	(41.071%)	409.091%
Net Income (before tax)	3.683	8.579	(6.221)	132.935%	172.514%

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, 2019 with comparative figures of year 2018 for the same period

In Millions (Php)	For the six (6) months ending June 30		% Change
	Year 2018	Year 2019	2018 vs 2019
Income from Real Estate Business	23.756	22.781	(4.104%)
Accretion of Interest from Installment Sales	5.18	7.127	37.587%
Total Revenue	28.936	29.9082	3.359%

Management's Discussion and Analysis /Plant of Operation

Results of Operation

(April 01 – June 30, 2020 vs April 01–June 30, 2021)

As mentioned above the second quarter of 2021, continue to be a trying time reeling from the effect of global turmoil brought about by the CoVid-19 pandemic which affected all nations, the operation was thriving with a very minimal sales have been generated. The Company concentrates on cash management to be able to rationalize and ensure availability of funds to sustain payments of employees' payroll and other contractual obligation.

As the effects of the prolonged GCQ have started to become clear, the management has been focused on addressing the impact on the operations and ensuring that they are resilient enough to operate under the new normal with measures and/or benchmarking of costs and expenses or anticipate scenario beyond "COVID-19", without compromising health and safety of employees. To this end, the Board of Director has established a Crisis Management Team to formulate strategies and measures that will help minimize the impact on the company.

The percentage of revenues for the quarter ending June 30, 2021 with comparative figures for 2020 and 2019

Particulars	Year 2019	Year 2020	Year 2021
Sale from Real Estate	11,288,146.88	-0-	4,481,133.070
Cost of Land	4,634,846.98	-0-	1,146,475.85
Percentage to Revenue	41.059%	-0-	25.585%

The percentage of revenues during the six (6) months period ending June 30, 2021 with comparative figures for 2020 and 2019

Particulars	Year 2019	Year 2020	Year 2021
Sale from Real Estate	22,781,024.33	18,042,750.00	18,518,869.90
Cost of Land	6,473,707.37	2,752,919.01	2,953,766.63
Percentage to Revenue	28.417%	15.258%	15.950%

The Company has posted a net loss after tax of (P5.724) Million at end of second quarter of 2021 as compared with the (P4.348) million in 2020, and (P14.229) million in 2019 of that same period.

The deficit stands at (P410.943) million, (P391.470) million and (P393.999) million as of June 30, 2021, 2020 and 2019, respectively.

For the Quarter Ended

Particulars	Year 2019	Year 2020	Year 2021
Revenue	P11.288	-0-	P4.481
Less: direct costs	4.634	-0-	1.146
Gross Profit Margin	6.654	-0-	3.335
Less: operating expenses	16.215	10.262	11.769
Net Income (before other Income)	(9.561)	(10.262)	(8.434)
Add: other income	3.340	0.591	1.132
Net income before tax	(6.221)	(9.683)	(7.302)

Revenue generated during the second quarter of 2021 sales from Company's reserved subdivided lot and as well as shares from accretion of interest from installment sales from the Joint Venture Project with SLRDI.

Other Income represents interest income from savings account with banks.

Liquidity and Capital Resources

As at end of June 30,

Particulars	Year 2019 (in millions)	Year 2020 (In millions)	Year 2021 (in millions)
Total assets as at end of	P1,997.935	P2,020.201	P2,004.751
Total liabilities as at end of	237.916	257.717	261.740
Ratio of assets to liabilities	11.908%	12.757%	11.908%
<i>Financial Condition</i>			
Cash and cash equivalent	11.859	6.606	0.818
Receivable	348.557	352.913	344.923
Prepaid Taxes	8.303	4.422	7.154
Real estate Inventories	499.188	883.457	901.617
Property and equipment	9.054	6.004	4.818
Investment property	1,042.868	693.383	674.056
Recoverable Tax	73.873	67.734	65.683
Other assets	4.232	5.682	5.682
Current liabilities	123.739	192.838	95.728
Noncurrent liabilities	114.177	64.879	166.012
Stockholders' equity	P1,760.019	P1,762.484	P1,743.011

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 decrease in the real estate Inventories is attributable to the accounting of cost of land sold during the accounting period. The company is using the Percentage of Project Completion (PPOC).

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

The decrease in Investments property is the result of reclassification of cost of more or less 58 hectares parcel of land that have been classified under Real estate inventory account in accordance with PAS 16.

The Company started land banking in year 2012 with total land acquisitions as of June 30, 2021 details of which are as follows:

Acquired from	Lot area (inSq.m.)	Value of Land	Payment made	Balance payable
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<i>All in San Jose Del Monte Bulacan</i>				
GASDF Property	47,976	6,618,779.27	7,196,400.00	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	261,672,633.06	261,672,633.06	Fully paid
Marga Capital Holdings, Inc.	360,000	104,671,995.50	104,671,995.50	Fully paid
Insular Life Insurance Co.,	580,154	403,678,405.13	403,678,405.13	Fully paid
Paramount Finance Corp.	10,000	3,520,000.00	3,520,000.00	Fully paid
Rodolfo M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
Subtotal	2,385,151	870,887,230.17	870,887,230.17	-0-
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	721,700	229,672,000.00	-0-	229,672,000.00
Total (San Jose Del Monte)	3,106,851	1,100,559,230.17	870,887,230.17	229,672,000.00
Add: Northern Luzon Area				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et. Al	286,480	80,559,106.61	73,925,936.61	6,633,170.00
Emma Almazan	11,862	2,526,670.00	1,254,456.00	1,272,214.00
Hugo Nat d. Juan	13,186	4,615,100.00	4,615,100.00	Fully paid
	368,739	118,880,879.61	110,9745,495.61	7,905,384.00
Total Land Banking	3,475,590	1,219,440,109.78	981,862,725.78	237,577,384.00

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

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

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

No movement in available for sale investments account during the period

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

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

Capital Expenditure

There was no capital expenditure for the period.

Key Performance Indicators

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

For the quarter ended June 30,

Particulars	Year 2019	Year 2020	Year 2021
Current Ratio (1)	6.145 : 1	5.938 : 1	12.001 : 1
Debt to Equity Ratio (2)	1 : 0.148	1 : 0.109	1 : 0.150
Earnings per Share (3)	1 :(0.00322)	1 :(0.00543)	1 : (0.00374)
Earnings before Income Taxes (4)	(P6.221) million	(P10.593) million	(P7.302) million
Return on Equity	(0.00357)	(0.00601)	1 : (0.00419)

- 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 2021 is P1,743,011,090.73 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

-Total Stockholders' Equity in 2020 is P1,762,484,174.30 (Issued and paid of 1,951,387,570 shares th P1.00 par value)

Results of Operation (April 01 – June 30, 2019 vs April 01–June 30, 2020)

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

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

The percentage of revenues for the quarter ending June 30, 2020with comparative figures for2019 and 2018with the same period

Particulars	Year 2018	Year 2019	Year 2020
Sale from Real Estate	15,808,814.23	11,288,146.88	-0-
Cost of Land	4,111,858.92	4,634,846.98	-0-
Percentage to Revenue	26.01%	41,061%	-0-

The percentage of revenues during the last two (2) quarters ending June 30,2020are as follows:

Particulars	Year 2018	Year 2019	Year 2020
Sale from Real Estate	23,756,117.35	22,781,024.33	18,042,750.00
Cost of Land	8,504,331.70	6,473,707.37	2,752,919.01
Percentage to Revenue	35.798%	28.417%	15.258%

The Company has posted a net loss after tax of (P9.683)Million at end of second quarter of 2020 as compared with the P14.242 million in 2019, and P13.302 million in 2018of that same period.

The deficit stands at P393.999 million and P397.914 million as of June 30, 2019 and 2018, respectively.

For the Quarter Ended

	June 30, 2019 (In Millions)	June 30, 2020 (In Millions)
Revenue	P11.288	-0-
Direct Costs	4.634	-0-
Gross Profit Margin	6.654	-0-
Operating Expenses	16.215	10.262
Net Income (before other Income)	(9.561)	(10.262)
Add: Other Income	3.340	0.591
Net income before tax	(6.221)	(9.683)

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

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

Liquidity and Capital Resources

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

Particulars	June 30, 2019 (In Million)	June 30, 2020 (in Million)
Total assets as at end of	P1,997.935	P2,020.201
Total liabilities as at end of	237.916	257.717
Ratio of assets to liabilities	11.908%	12.757%
<i>Financial Condition</i>		
Cash and cash equivalent	11.859	6.606
Receivable	348.557	352.913
Prepaid Taxes	8.303	4.422
Real estate Inventories	499.188	883.457
Property and equipment	9.054	6.004
Investment property	1,042.868	693.383
Recoverable Tax	73.873	67.734
Other assets	4.232	5.682
Current liabilities	123.739	192.838
Noncurrent liabilities	114.177	64.879
Stockholders' equity	P1,760.019	P1,762.484

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-currentreceivable from sales with joint venture project and other receivables.

The decrease in the real estate Inventories is attributable to the accounting of cost of land sold during the accounting period. The company is using the Percentage of Project Completion (PPOC).

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

The decrease in Investments property is the result of reclassification of cost of more or less 58 hectares parcel of land that have been classified under Real estate inventory account in accordance with PAS 16.

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

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

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

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

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

No movement in available for sale investments account during the period

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

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

Capital Expenditure

There was no capital expenditure for the period.

Key Performance Indicators

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

For the three-month period ending	June 30, 2019	June 30, 2020
Current Ratio (1)	6.145 : 1	5.938 : 1
Debt to Equity Ratio (2)	1 : 0.148	1 : 0.148
Earnings per Share (3)	(1 : 0.00322)	(1 : 0.00223)
Earnings before Income Taxes (4)	(P6.221) million	(P1.655) million
Return on Equity	(0.00357)	(0.00247)

- 1) Current Assets / Current Liabilities
- 6) Total Liabilities / Stockholders' Equity
- 7) Net Income / Outstanding Shares
- 8) Net Income plus Interest Expenses and Provision for Income Tax
- 9) Net Income / Average Stockholder's Equity

Stockholders' Equity

- Total Stockholders' Equity in 2020 is P1,762,484,174.30 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

- Total Stockholders' Equity in 2019 is P1,760,018,572.67 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

**Results of Operation
(April 01 – June 30, 2018 vs April 01–June 30, 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 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 period and holding on of some inventory for a much better price.

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

Particulars	Year 2017	Year 2018	Year 2019
Sale from Real Estate	31,607,154.61	15,808,814.23	11,288,146.88
Cost of Land	4,898,712.19	4,111,858.92	4,634,846.98
Percentage to Revenue	15.499%	26.010%	41.059%

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

Particulars	Year 2017	Year 2018	Year 2019
Sale from Real Estate	52,086,284.18	23,756,117.35	22,781,024.33
Cost of Land	8,913,537.08	8,504,331.70	6,473,707.37
Percentage to Revenue	17.113%	35.798%	28.417%

The Company has posted a net loss (after tax) of (P14.242)Million at end of second quarter of 2019 as compared with the P13.302 million in 2018, and P6.403 million in 2017 of that same period.

The deficit stands at P393.999 million and P397.914 million as of June 30, 2019 and 2018, respectively.

For the Quarter Ended

	June 30, 2018 (In Millions)	June 30, 2019 (In Millions)
Revenue	P15.808	P11.288
Direct Costs	4.112	4.634
Gross Profit Margin	11.696	6.654
Operating Expenses	14.967	16.215
Net Income (before other Income)	(3.271)	(9.561)
Add: Other Income	11.850	3.340
Net income before tax	8.579	(6.221)

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

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

Liquidity and Capital Resources

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

Particulars	June 30, 2018 (In Million)	June 30, 2019 (in Million)
Total assets as at end of	P2,011.988	P1,997.935
Total liabilities as at end of	P259.043	237.916
Ratio of assets to liabilities	12.875%	11.908%
<i>Financial Condition</i>		
Cash and cash equivalent	P36.067	11.859
Receivable	P335.528	348.557
Prepaid Taxes	P9.916	8.303
Real estate Inventories	P852.903	499.188
Property and equipment	P11.696	9.054
Investment property	P684.640	1,042.868
Recoverable Tax	P76.249	73.873
Other assets	P4.988	4.232
Current liabilities	P105.064	123.739
Noncurrent liabilities	P153.979	114.177
Stockholders' equity	P1,752.944	P1,760.019

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 decrease in the real estate Inventories is attributable to the accounting of cost of land sold during the accounting period. The company is using the Percentage of Project Completion (PPOC).

The increase in Investments property is the result of the accounting of cost of land acquired during the period and as well as reclassification of accounts previously recorded as "Land Held for Future Development account".

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

Acquired from	Lot area (inSq.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 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
	282,963	89,637,740.00	53,705,500.00	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.

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

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

No movement in available for sale investments account during the period

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

The decrease in Stockholder's Equity is attributed to normal operational income in 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 three-month period ending	June 30, 2018	June 30, 2019
Current Ratio (1)	10.966 : 1	6.145 : 1
Debt to Equity Ratio (2)	1 : 0.148	1 : 0.148
Earnings per Share (3)	1 : 0.0033	(1 : 0.00322)
Earnings before Income Taxes (4)	P8.579million	(P6.221) million
Return on Equity	0.00367	0.00357

- 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 P1,760,018,572.67 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

-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)

Other Matters

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

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

- a) The effect of global crises brought about by the CoVid-19 pandemic has totally sent all businesses into economic uncertainties with significant impact from sales and income due to economic uncertainties

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

- b) Significant elements of income or loss that did not arise from the Company's continuing operations was the supposed "*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*", which gives positive signal for a much better trend in the real estate business in the Northern portion of Metro Manila. But with the effect of worldwide crises created by the CoVid-19 pandemic, it has totally changed the trend, and the road to economic recovery depends on what adjustment and strategies the business sector and the National Government will make to restart the economy.
- 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 cyclicity 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 except for the expected sales and receivable that have not been materialized due to community quarantine.
- 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 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.
- n) There were no reclassification on Financial Instruments in the current reporting period and the previous period except for the Investments property which was reclassified to real estate inventory account in accordance with PAS 16.

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, 2021, 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, 2021

	On demand
Accounts payable & accrued expenses	35,206,137
Advances related parties	59,372,228
Liability from purchase of land	115,305,608
Income tax payable	1,149,945
Retirement benefits	13,254,158
Deferred income tax liabilities	37,451,960
Total	261,740,036

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.

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, 2021 and 2020.

The following table pertains to the account balance the Company considers as its core capital as at end of June 30, 2021

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 2021 and 5.66% to 5.66% in 2020.

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

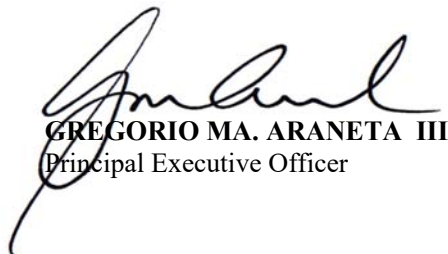
SIGNATURES

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)

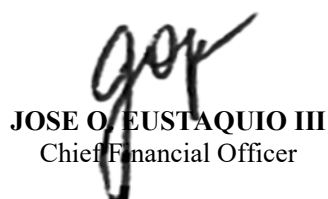
By:



GREGORIO MA. ARANETA III
Principal Executive Officer



CRISANTO ROY B. ALCID
President



JOSE O. EUSTAQUIO III
Chief Financial Officer

Date signed August 13, 2021

ARANETA PROPERTIES, INC.

STATEMENTS OF FINANCIAL POSITION

		AS OF JUNE 30, 2021 un-audited		AS OF DECEMBER 31, 2020 un-audited		CHANGES INCREASED (DECREASED)
ASSETS						
Current Assets						
Cash and cash equivalents	P	818,376.64	P	6,117,808.44	P	(5,299,431.80)
Trade and other receivables		174,801,444.43		164,873,877.16		9,927,567.27
Real Estate Inventories		901,616,945.57		902,583,063.65		(966,118.08)
Input Value-added Tax (VAT) - net		65,682,572.34		67,205,184.21		(1,522,611.87)
Prepayments		7,153,529.54		5,339,273.77		1,814,255.77
	P	1,150,072,868.52	P	1,146,119,207.23	P	3,953,661.29
Non-current Assets						
Trade and other receivables	P	170,121,857.99	P	170,121,857.99	P	-
Property, plant and equipment		4,818,329.43		4,853,489.90		(35,160.47)
Investment Property		674,056,173.00		674,056,173.00		-
Available-for-sale (AFS) Investments		5,681,897.57		5,681,897.57		-
Other assets		-		-		-
	P	854,678,257.99	P	854,713,418.46	P	(35,160.47)
TOTAL ASSETS	P	2,004,751,126.51	P	2,000,832,625.69	P	3,918,500.82
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts Payable and Accrued Expenses	P	35,206,136.95	P	30,879,414.07	P	4,326,722.88
Advances from related parties		59,372,228.60		40,560,342.30		18,811,886.30
Income Tax Payable		1,149,945.18		535,059.96		614,885.22
	P	95,728,310.73	P	71,974,816.33	P	23,753,494.40
Non-current Liabilities						
Accrued retirement benefit obligation	P	13,254,157.74	P	27,364,680.80	P	(14,110,523.06)
Liability for purchase of land		115,305,607.50		115,305,607.50		-
Deferred Income Tax Liabilities		37,451,959.81		37,451,959.81		-
	P	166,011,725.05	P	180,122,248.11	P	(14,110,523.06)
		261,740,035.78		252,097,064.44		9,642,971.34
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		2,726,897.57		2,726,897.57		-
Actuarial Gain (Losses) on Retirement Benefits		(1,388,662.60)		(1,388,662.60)		-
Deficit		(410,943,388.36)		(405,218,917.84)		(5,724,470.52)
Total		1,743,011,090.73		1,748,735,561.25		(5,724,470.52)
TOTAL LIABILITIES and STOCKHOLDERS' EQUITY	P	2,004,751,126.51	P	2,000,832,625.69	P	3,918,500.82
Net Book Value per Share	P	0.8932	P	0.8961	P	-

08/07/2021

ARANETA PROPERTIES, INC.
STATEMENT OF COMPREHENSIVE INCOME

	FOR THE SIX MONTHS ENDED			FOR QUARTER ENDED		
	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019
REVENUES						
Income from JV company-Net	P 18,518,869.90	P 18,042,750.00	P 22,781,024.33	P 4,481,133.07	P -	P 11,288,146.88
Cost of sales	2,953,766.63	2,752,919.00	6,473,707.37	1,146,475.85	922,137.49	4,634,846.98
	15,565,103.27	15,289,831.00	16,307,316.96	3,334,657.22	(922,137.49)	6,653,299.90
EXPENSES						
Salaries & wages	12,169,354.46	10,736,144.57	12,436,318.63	6,139,376.57	4,749,932.38	6,271,004.08
Overtime pay	86,568.87	52,979.11	112,150.57	50,180.95	11,832.24	63,483.34
SSS, philhealth, EC & pag-ibig	337,275.48	265,997.28	269,266.60	166,968.76	139,415.79	144,985.85
13th month pay	1,016,803.68	1,016,803.68	1,429,101.90	508,401.84	508,401.84	714,550.95
Security costs	3,364,883.80	4,130,478.13	5,203,165.44	1,633,757.20	1,546,655.25	2,408,560.63
Light, water and utilities	40,893.56	57,085.40	96,587.39	30,831.82	-	49,773.83
Repairs & maintenance	80,781.66	101,736.50	5,334,702.69	51,332.13	63,963.29	1,257,774.38
Medical, dental & hospitalization	156,000.67	50,466.13	239,541.89	89,244.27	16,519.60	108,129.94
Professional fees	170,000.00	479,415.76	1,322,994.73	84,000.00	381,102.04	671,595.58
Representation	56,000.00	51,000.00	588,800.00	39,000.00	25,500.00	526,500.00
Rental expenses	63,732.16	63,000.00	83,600.00	22,050.00	31,500.00	34,100.00
Taxes & licenses	1,711,011.32	1,861,321.46	5,219,859.69	900,118.86	886,484.94	1,916,603.67
Depreciation expense	1,185,830.12	1,212,572.75	1,349,167.50	590,859.50	600,216.28	542,334.41
Building dues & other charges	765,823.86	551,164.60	572,398.99	380,290.20	162,688.54	158,517.17
Gasoline, oil and lubes	144,352.01	112,563.09	174,735.62	85,075.43	41,016.85	110,307.76
Meals	20,568.51	42,516.37	157,042.54	11,754.69	14,271.91	85,316.77
Postage & telecommunication	284,139.06	289,747.07	293,322.80	139,248.76	143,235.64	159,750.91
Printing and office supplies	127,264.95	102,167.10	413,686.81	62,496.82	27,248.91	291,769.88
Transportation & travelling	147,081.79	112,593.63	175,601.02	64,160.00	31,735.63	91,282.42
Contractual costs	241,009.72	218,835.24	75,000.00	116,129.86	106,395.32	33,000.00
Insurance expense	7,196.41	14,443.84	8,441.73	2,323.50	6,124.71	7,611.91
Retirement benefits	1,146,748.34	1,735,316.37	684,187.70	573,474.17	743,707.02	329,436.70
Miscellaneous	74,032.68	31,709.10	1,278,847.73	27,898.39	24,084.89	631,939.32
	23,397,353.11	23,290,057.18	37,518,521.97	11,768,973.72	10,262,033.07	16,608,329.50
NET LOSS BEFORE OTHER INCOME	(7,832,249.84)	(8,000,226.18)	(21,211,205.01)	(8,434,316.50)	(11,184,170.56)	(9,955,029.60)
OTHER INCOME & EXPENSES						
Accretion Interest & misc. income	2,680,711.67	6,330,809.91	7,294,974.33	1,129,292.70	585,836.92	3,733,597.07
Interest Income	41,952.87	14,005.44	13,748.94	2,670.18	5,011.16	(0.00)
	2,722,664.54	6,344,815.35	7,308,723.27	1,131,962.88	590,848.08	3,733,597.07
NET LOSS BEFORE INCOME TAX	(5,109,585.30)	(1,655,410.83)	(13,902,481.74)	(7,302,353.62)	(10,593,322.48)	(6,221,432.53)
PROVISION FOR INCOME TAX						
Current	614,885.22	2,693,090.24	326,146.34	66,693.14	11,716.74	61,838.45
	614,885.22	2,693,090.24	326,146.34	66,693.14	11,716.74	61,838.45
NET INCOME	P (5,724,470.52)	P (4,348,501.07)	P (14,228,628.08)	P (7,369,046.76)	P (10,605,039.22)	P (6,283,270.98)

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ARANETA PROPERTIES, INC.

COMPARATIVE CASH FLOWS

(In Ph Pesos)	FOR THE SIX (6) MONTHS ENDED			FOR THE QUARTER ENDED		
	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Income (Loss)	(5,724,470.52)	(4,348,501.08)	(14,242,377.02)	(7,369,046.76)	(10,605,039.23)	(6,283,220.97)
Add: Back Non-cash items						
Interest Income (net)	41,952.87	14,005.44	167,876.23	38,432.07	5,011.16	5,679.21
Depreciation	1,185,830.12	1,212,572.75	1,349,167.50	590,859.50	600,216.28	542,284.41
Retirement benefits	1,146,748.34	1,735,316.37	684,187.70	573,474.17	743,707.02	329,437.70
Interest expenses	-	-	-	-	-	-
Accretion Interest Income & other Income	2,680,711.67	6,344,815.35	7,127,692.90	1,129,292.70	599,842.36	3,728,512.66
Provision for doubtful accounts and other losses	-	-	-	-	-	-
Changes in operating assets and liabilities:						
Decrease (Increase) in Receivables	(9,927,567.27)	(1,271,948.66)	(5,199,507.83)	(6,878,073.31)	401,780.71	(557,568.08)
Decrease (Increase) in Input VAT	1,522,611.87	2,417,841.82	1,512,598.42	796,162.25	(132,870.81)	905,063.05
Decrease (Increase) in Prepayments	(1,814,255.77)	(776,324.41)	(1,776,339.72)	883,419.79	914,083.53	1,001,033.22
Decrease (Increase) in Real Estate Inventories	966,118.08	928,644.01	5,872,336.14	491,654.40	-	5,264,800.77
Increase (Decreased) in Accounts Payable & Accruals	(15,766,999.42)	6,211,778.66	1,024,311.46	(7,460,698.87)	(3,709,133.33)	4,302,982.58
Net cash provided by (used in) operating activities	(25,689,320.03)	12,468,200.25	(3,480,054.22)	(17,204,524.06)	(11,182,402.31)	9,239,004.55
Miscellaneous revenue received	(38,161.84)	(14,005.44)	(7,294,974.33)	1,120.85	(14,005.44)	(10,856,351.59)
Income Taxes paid	614,885.22	2,693,090.24	326,146.34	614,885.22	11,716.74	61,838.45
Net cash provided by (used in) investing activities	(25,112,596.65)	15,147,285.05	(10,448,882.21)	(16,588,517.99)	(11,184,691.01)	(1,555,508.59)
CASH FLOW FROM INVESTING & OPERATING ACTIVITIES						
Decrease (Increase) in Property, Plant & Equipment	35,160.47	1,212,572.75	1,319,971.07	(559,810.15)	600,216.28	538,534.41
Decrease (Increase) in Real Estate for Sale & Devt	966,118.08	(19,326,380.13)	(19,799,186.81)	491,654.40	-	(17,960,326.42)
Decrease (Increase) in other assets	-	-	-	-	-	-
Net cash provided by (used in) investing activities	1,001,278.55	(18,113,807.38)	(18,479,215.74)	(68,155.75)	600,216.28	(17,421,792.01)
CASH FLOW FROM FINANCING ACTIVITIES						
Advances related parties	18,811,886.30	5,497,929.86	13,706,779.35	13,313,956.44	4,680,035.12	18,836,078.24
Net cash provided by (used in) financing activities	18,811,886.30	5,497,929.86	13,706,779.35	13,313,956.44	4,680,035.12	18,836,078.24
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(5,299,431.80)	2,531,407.53	(15,221,318.60)	(3,342,717.30)	(5,904,439.61)	(141,222.36)
CASH & CASH EQUIVALENT, BEGINNING OF QUARTER	6,117,808.44	4,074,862.09	27,080,674.02	4,161,093.94	12,510,709.23	12,000,577.78
CASH & CASH EQUIVALENT AT QUARTER END	818,376.64	6,606,269.62	11,859,355.42	818,376.64	6,606,269.62	11,859,355.42

ARANETA PROPERTIES, INC.

CASH AND CASH EQUIVALENT

	AS AT END OF	
	JUNE 30, 2021	DECEMBER 31, 2020
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>	<u>32,280.47</u>	<u>32,280.47</u>
 Cash in Banks		
Cash in Bank - China Bank	166,146.59	302,669.74
Cash in Bank - CBC SFCDA	157,092.38	157,075.45
Cash in Bank - Banco de Oro	462,857.20	5,625,782.78
<i>Total</i>	<u>786,096.17</u>	<u>6,085,527.97</u>
 TOTAL		
	<u>818,376.64</u>	<u>6,117,808.44</u>

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ARANETA PROPERTIES, INC.

Receivables

	AS AT END OF	
	JUNE 30, 2021	DECEMBER 31, 2020
Accounts Receivable Trade	341,678,921.27	331,844,008.69
Advances to suppliers, officers, employees & others		
Impaired	-	-
Unimpaired	3,244,381.15	3,151,726.46
	<u>3,244,381.15</u>	<u>3,151,726.46</u>
	<u>344,923,302.42</u>	<u>334,995,735.15</u>
Less: provision for doubtful account	-	-
	<u>344,923,302.42</u>	<u>334,995,735.15</u>
Less: noncurrent portion of trade receivable	170,121,857.99	170,121,857.99
Net	<u>174,801,444.43</u>	<u>164,873,877.16</u>

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ARANETA PROPERTIES, INC.SCHEDULE OF RECEIVABLE
AS OF JUNE 30, 2021

PARTICULARS	AMOUNT	COLLECTION / LIQUIDATION				REMARKS
		1 Months	15 Days	Overdue	Others	
Receivable from Joint Venture-SLRDI	164,015,100.79	2,161,473.32	2,377,620.65		159,476,006.82	Installment sales/Monthly amortization
Receivable from Joint Venture-Sland	33,402,336.31	3,102,944.47	2,551,472.23		27,747,919.61	Installment sales/Monthly amortization
Receivable from sale of reserved lot	144,261,484.17	1,033,456.69	1,136,802.36		142,091,225.12	Installment sales/Monthly amortization
Advances for liquidation	540,254.04	493,634.98			46,619.06	For liquidation
Salary loan of various employees	186,682.89	63,942.74	31,971.37		90,768.78	Payroll deduction
Others	2,517,444.22				2,517,444.22	Advances against retirements benefits
TOTAL	344,923,302.42	6,855,452.20	6,097,866.61	-	331,969,983.61	
LESS: Non-Current receivable	(170,121,857.99)				(170,121,857.99)	
NET CURRENT RECEIVABLE	174,801,444.43	6,855,452.20	6,097,866.61	-	161,848,125.62	

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ARANETA PROPERTIES, INC.Schedule of Prepayments
FOR THE YEAR 2021

Particulars	Date Issued	AS AT END OF JUNE 30, 2021	AS AT END OF DECEMBER 31, 2020
<i>Taxes and Licenses</i>			
1 Business Permit-Makati City & SJDMB	01.21.19	556,226.86	5,581.92
2 Real Property Tax-Manticao	01.04.19	226,848.76	-
3 Real Property Tax-SJDB	04.30.19	653,196.06	-
4 Real Property Tax-Laoag	03.18.19	239,255.28	-
5 Philippine Stock Exchange	01.14.19	145,977.94	-
6 Pre-paid Income Taxes	12.31.16	5,311,863.39	5,311,863.39
		7,133,368.29	5,317,445.31
<i>Prepaid Insurance</i>			
7 Prepaid Insurance	02.12.19	4,647.03	1,774.87
<i>Other prepayment</i>			
8 Creba	09.30.19	4,489.22	3,571.44
9 BDO-Parkings deposits	09.30.19	11,025.00	16,482.16
		15,514.22	20,053.60
Total		7,153,529.54	5,339,273.77

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ARANETA PROPERTIES, INC.

Real Estate Inventories

	AS OF JUNE 30, 2021	AS OF DECEMBER 31, 2020
<i>Real Estate Inventories</i>		
Saleable house and lot Inventory	6,221,669.87	6,221,669.87
Land for Sale & Land Development	895,395,275.70	493,812,189.70
Saleable house and lot Inventory	901,616,945.57	500,033,859.57
<i>Land Held for future development</i>		
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 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	674,056,173.00	674,056,173.00

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

	AS OF JUNE 30, 2021	AS OF DECEMBER 31, 2020
PPE COSTS DATA		
Building	46,047,003.73	46,047,003.73
Building Improvements	12,143,397.88	12,143,397.88
Building and Plant Structures	-	-
Transporation Equipment	5,964,869.89	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	5,473,557.61	5,442,352.25
Total	70,886,726.44	69,736,056.79
DEPRECIATION DATA		
Building	43,254,952.41	42,334,012.35
Building Improvements	12,143,397.88	12,143,397.88
Building and Plant Structures	0.00	0.00
Transporation Equipment	4,290,456.92	4,139,108.06
Heavy Machinery Equipment	-	-
Other Tools & Equipment	123,340.85	121,264.50
Communication Equipment	1,094,554.72	1,085,665.42
Office Furniture & Equipment	5,161,694.23	5,059,118.68
Total	66,068,397.01	64,882,566.89
NET BOOK VALUE		
Building	2,792,051.32	3,712,991.38
Building Improvements	-	-
Building and Plant Structures	(0.00)	(0.00)
Transporation Equipment	1,674,412.97	706,297.54
Heavy Machinery Equipment	-	-
Other Tools & Equipment	0.00	2,076.35
Communication Equipment	40,001.76	48,891.06
Office Furniture & Equipment	311,863.38	383,233.57
Total	4,818,329.43	4,853,489.90

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ARANETA PROPERTIES, INC.
SCHEDULE OF OTHER ASSETS

	AS OF JUNE 30, 2021	AS OF DECEMBER 31, 2020
Investments Property	674,056,173.00	674,056,173.00
Equity instrument at fair value through other comprehensive income (FVOCI)	5,681,897.57	5,681,897.57

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ARANETA PROPERTIES, INC.
SCHEDULE OF LIABILITIES

	AS OF JUNE 30, 2021	AS OF DECEMBER 31, 2020
ACCOUNTS PAYABLE & ACCRUALS		
Accounts Payable to Suppliers	26,080,387.22	22,050,763.55
Advances from related parties	59,372,228.60	40,560,342.30
SSS Salary Loan Payable	20,900.68	21,023.00
Pag-ibig Salary Loan Payable	12,850.27	20,422.44
Pag-ibig Fund Calamity Loan Payable	4,968.68	-
Pag-ibig Fund Contribution	7,100.00	4,833.36
SSS, Medicare & EC Payable	66,840.00	55,290.00
Philhealth Payable	23,501.84	21,809.44
Withholding Tax Payable	269,185.02	238,712.73
Retentions & Deposits	5,595,932.44	5,595,932.44
Accrued Operating	3,124,470.80	2,870,627.11
Income Tax payable	1,149,945.18	535,059.96
	<i>95,728,310.73</i>	<i>71,974,816.33</i>
LIABILITY FOR PURCHASE OF LAND	115,305,607.50	<i>115,305,607.50</i>
ACCRUED RETIREMENT BENEFITS	<i>13,254,157.74</i>	<i>27,364,680.80</i>
DEFERRED INCOME TAX LIABILITIES	<i>37,451,959.81</i>	<i>37,451,959.81</i>
TOTAL	261,740,035.78	252,097,064.44

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ARANETA PROPERTIES, INC.
STATEMENT OF CHANGES IN EQUITY

	AS AT END OF	
	JUNE 30, 2021	JUNE 30, 2020
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	2,726,897.57
Adjustments Actuarial gain (losses) on retirement benefits	(1,388,662.60)	(1,388,662.60)
Total	2,153,954,479.09	2,153,954,479.09
Deficit as at December 31,	(405,218,917.84)	(387,121,803.71)
Net Income for the six (6) months ended June 30,	(5,724,470.52)	(4,348,501.08)
Balances	1,743,011,090.73	1,762,484,174.30

	AS AT END OF	
	JUNE 30, 2021	JUNE 30, 2020
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
Actuarial gain (losses) on retirement benefits	2,726,897.57	2,726,897.57
Unrealized valuation of gain on AFS Investments	(1,388,662.60)	(1,388,662.60)
Total	2,153,954,479.09	2,153,954,479.09
Deficit as at December 31,	(405,218,917.84)	(387,121,803.71)
Net Income for the quarter ended March 31	1,644,576.24	5,334,401.22
Net Income for the quarter ended June 30	(7,369,046.76)	(9,682,902.30)
Balances	1,743,011,090.73	1,762,484,174.30

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