

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 2<sup>nd</sup> Quarter**

Form Type

Amended Designation (If Applicable)

**June 30, 2019**

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, 2019**
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 [X] No [ ]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and Rule 17 of the SRC thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

Yes [X] No [ ]

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

Yes [X] No [ ]

# PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

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

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

### Plan of Operation

#### During the Second Quarter of 2019

The performance of the Company in terms of revenue decreased by 45.687%, Sales for the quarter is P15.022 million 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 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 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
	Year 2017	Year 2018	Year 2019	2017 vs 2018	2018 vs 2019
<i>In millions (Php)</i>					
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

In millions (Php)	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%

### During the Second Quarter of 2018

The performance of the Company in terms of revenue decreased by 21.72%, Sales for the quarter is P27.658 million as compared to P35.334 million of the year 2017. This performance is directly attributed to marketing strategies implemented in Year 2014, specifically the holding on of some Inventory for 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 a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also undertook fine-tuning the whole system, maintaining and improving *Colinas Verdes*, the subdivision's brand name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost but promoting instead effective cash management program and fund flow management.

The above strategies is already conclusive in April 2017, As of June 30, 2018 there are 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 June 30, 2018. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

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

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

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

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

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

<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	30.599	35.334	17.807	15.474%	(49.604%)
Expenses	18.141	28.991	19.079	59.842%	(33.611%)
Net Income	12.458	6.343	(1.272)	(44.368%)	(15.993%)
Add: Other Income	3.738	1.632	9.851	56.173%	3793.68%
Net Income (before tax)	8.720	4.711	8.579	11.81%	3777.68%

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

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

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

### During the Second Quarter of 2017

The performance of the Company in terms of revenue increased by 15.516%. Sales for the quarter is P35.334 million as compared to P30.588 million of the same period of year 2016. This performance is directly attributed to marketing strategies being implemented, specifically the holding on of some Inventory for a much better price. This strategy will create a favorable momentum for the company's operation activities while awaiting for the right timing on the implementation of sales forecast. The Company focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also 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, where some buyers have already reserved more or less 1,422 square meters of subdivided lot at the price of P13,000.00 per square meter, much more higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

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

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

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

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

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

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

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

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

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

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

### **The second quarter of 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 from 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%
<b>Financial Condition</b>		



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 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 (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.,	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
<b>Subtotal</b>	<b>2,346,497</b>	<b>912,457,551.05</b>	<b>739,499,139.80</b>	<b>172,958,411.25</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>3,217,770</b>	<b>1,175,042,151.05</b>	<b>739,499,139.80</b>	<b>435,543,011.25</b>
<b>Add: Northern Luzon Area</b>				
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>3,500,703</b>	<b>1,264,679,891.05</b>	<b>823,206,639.80</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.

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 realestate 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 keyperformance 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)

### **The second quarter of 2018**

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

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

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

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

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

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

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

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

#### For the Quarter Ended

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

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

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

#### Liquidity and Capital Resources

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

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

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

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

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

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

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<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.,	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
<b>Subtotal</b>	<b>2,346,497</b>	<b>912,457,551.05</b>	<b>739,499,139.80</b>	<b>172,958,411.25</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>3,217,770</b>	<b>1,175,042,151.05</b>	<b>739,499,139.80</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>3,500,703</b>	<b>1,264,679,891.05</b>	<b>823,206,639.80</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.

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

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

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

### **Capital Expenditure**

There was no capital expenditure for the period.

### **Key Performance Indicators**

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

For the three-month period ending	June 30, 2018	June 30, 2017
Current Ration (1)	12.485 : 1	10.966 : 1
Debt to Equity Ratio (2)	1 : 0.175	1 : 0.148
Earnings per Share (3)	1 : 0.00328	1 : 0.00682
Earnings before Income Taxes (4)	P6.403million	P19.004 million
Return on Equity	0.00365	0.00217

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

#### Stockholders' Equity

- Total Stockholders' Equity in 2018 is P1,752,944,276.86 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

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

## The Second Quarter of 2017

During the quarter, the operation was thriving in all business aspects. This includes the real estate aspect as there were reputable real estate companies that already started development and marketing operations in San Jose Del Monte Bulacan. More so, the recent ground-breaking Government projects, specifically the “MRT7” for the rail transit connecting Quezon City to Norzagaray Bulacan, created a positive scenario in the real estate business that eventually benefited the Company’s land banking activity from the previous year and holding on of some inventory for a much better price.

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

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

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

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

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

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

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

### For the Quarter Ended

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

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

Revenue generated during the 2<sup>nd</sup> quarter of 2017 represents shares from sales from Joint Venture Project with SLRDI. The decrease in sales was the effect of marketing strategy being implemented by the Company with some inventory put on-hold to sell to market awaiting for a much better price.

### Liquidity and Capital Resources

The company posted net profit during the quarter, the benefits from the construction of the Clubhouse and Sports Center, which the project engineer in-charge of the development has reported to be 100% complete as of June 30, 2017.

Particulars	June 30, 2016 (In Million)	June 30, 2017 (in Million)
Total assets as at end of	P1,816.687	P2,061.044
Total liabilities as at end of	P70.853	P306.539
Ratio of assets to liabilities	3.900%	14.873%
<b><i>Financial Condition</i></b>		
Cash and cash equivalent	P300.934	P36.675
Receivable	P274.973	P390.071
Prepaid Taxes	P0.793	P8.859
Real estate for sale and development	P1,128.317	P1,519.794
Property and equipment	P16.298	P13.281
Investment property	P5.444	P5.444
Recoverable Tax	P36,546	P78,612
Other assets	P23.873	P7.308
Current liabilities	P48.349	P100.574
Noncurrent liabilities	P22.504	P205.964
Stockholders' equity	P1,745.834	P1,754.505

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

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

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

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

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

The Company started land banking in year 2012 with total land acquisitions as of June 30, 2017 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<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.,	581,500	430,474,268.00	199,863,053.00	230,611,215.00
<b>Subtotal</b>	<b>2,326,403</b>	<b>899,934,051.05</b>	<b>669,322,836.05</b>	<b>230,611,215.00</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	226,321,200.00	Under negotiation	226,321,200.00
<b>Subtotal</b>	<b>841,243</b>	<b>362,583,800.00</b>	<b>-0-</b>	<b>362,583,800.00</b>
<b>Total (San Jose Del Monte)</b>	<b>3,167,646</b>	<b>1,262,517,851.05</b>	<b>669,322,836.05</b>	<b>593,195,015.00</b>
<b>Add; Northern Luzon Area</b>				
Manuel Bonoan	57,211	28,605,500.00	28,605,500.00	-0-
Almazan et. Al	225,752	61,032,240.00	33,964,280.00	27,067,960.00
<b>Subtotal</b>	<b>282,963</b>	<b>89,637,740.00</b>	<b>62,569,780.00</b>	<b>27,067,960.00</b>
<b>Total Land Banking</b>	<b>3,450,609</b>	<b>1,352,155,591.05</b>	<b>731,892,616.05</b>	<b>620,262,975.00</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.

#### Capital Expenditure

There was no capital expenditure for the period.

#### Key Performance Indicators

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

For the six (6) months period ending	June 30, 2016	June 30, 2017
Current Ration (1)	17.2094 : 1	12.4851 : 1



Debt to Equity Ratio (2)	1 : 0.0445	1 : 0.1749
Earnings per Share (3)	1 : 0.0087	1 : 0.00195
Earnings before Income Taxes (4)	P21.604 million	P5.440 million
Return on Equity	0.00792	0.00328

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

#### Stockholders' Equity

-Total Stockholders' Equity in 2017 is P1,754,505,139.28 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

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

### **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) No known trends, events or uncertainties with significant impact on net sales or income, except for the abovementioned *“ground-breaking project made by the national government for the launching of the construction of MRT 7 rail road project connection from Quezon City to Norzagaray, Bulacan”*, this scenario gives positive signal for a much better trend in the real estate business in the northern portion of Metro Manila.
- b) Significant elements of income or loss that did not arise from the Company's continuing operations other than what was mentioned in the revenues.
- c) All accounting policies and methods of computation and estimates are followed in the interim financial statement as compared with the most recent annual financial statement report.
- d) There were no seasonality or 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.
- 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 periods.

***Financial Risk Management Objectives and Policies***

The Company's principal financial instruments comprise of cash and bank loans. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial instruments such as receivables, accounts payable and accrued expenses which arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk, credit risk, and interest rate risk. As of June 30, 2019, 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, 2019**

	On demand
Accounts payable & accrued expenses	38,070,563
Advances related parties	27,512,066
Liability from purchase of land	113,637,878
Income tax payable	-0-
Retirement benefits	22,436,894
Deferred income tax liabilities	36,258,914
<b>Total</b>	<b>237,916,316</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 from one counter-party. The credit risk of the Company is controlled by the approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with creditworthy parties to mitigate any significant concentration of credit risk. The Company ensures that credit transactions are made to parties with appropriate credit history and has internal mechanism to monitor granting of credit and management of credit exposures. The Company's maximum exposure to credit risk is equal to the carrying amount of its financial assets.

The Company sets up provision for impairment of accounts receivables equal to the balance of long-outstanding accounts receivables. The balance of long-outstanding accounts receivables subjected to the full allowance for doubtful accounts amounted to P55.301 million and P55.301 million at end of June 30, 2019 and 2018, respectively.

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

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

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

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

The Company manages its capital structure and makes adjustments to it, in light of the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the quarters ended June 30, 2019 and 2018.

The following table pertains to the account balance the Company considers as its core capital as at end of June 30, 2019

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

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

**Cash and Receivables** – The carrying amounts of cash and receivables approximate fair values primarily due to the relatively short-term maturity of these financial instruments. In the case of long-term receivables, the fair value is based on the present value of expected future cash flows using the

applicable discount rates. The discount rates used range from 6.45% to 5.66% in 2019 and 5.66% to 5.66% in 2018.

## **PART II - OTHER INFORMATION**

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

Date of Report

Item Reported

**None**

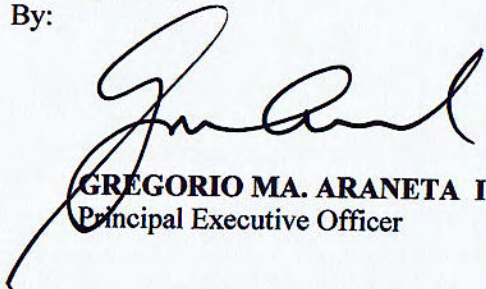
# SIGNATURES

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

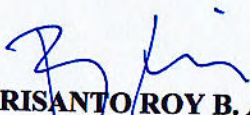
**ARANETA PROPERTIES, INC.**

(Issuer)


By:



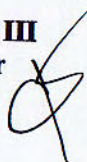
**GREGORIO MA. ARANETA III**  
Principal Executive Officer



**CRISANTO ROY B. ALCID**  
President



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



Date signed August 08, 2019

**ARANETA PROPERTIES, INC.****STATEMENTS OF FINANCIAL POSITION**

		AS OF JUNE 30, 2019 un-audited		AS OF DECEMBER 31, 2018 Audited		CHANGES INCREASED (DECREASED)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P	11,859,355	P	27,360,025	P	(15,500,670)
Trade and other receivables		167,165,108		161,965,600		5,199,508
Real Estate Inventories		499,188,369		505,060,705		(5,872,336)
Input Value-added Tax (VAT) - net		73,872,518		75,385,117		(1,512,598)
Prepayments		8,302,748		6,526,409		1,776,340
	P	760,388,099	P	776,297,855	P	(15,909,757)
<b>Non-current Assets</b>						
Trade and other receivables	P	181,392,613	P	181,392,613	P	-
Property, plant and equipment		9,054,028		10,373,999		(1,319,971)
Investment Property		1,042,868,251		1,023,069,064		19,799,187
Available-for-sale (AFS) Investments		4,231,898		4,231,898		-
Other assets		-		-		-
	P	1,237,546,789	P	1,219,067,574	P	18,479,216
<b>TOTAL ASSETS</b>	P	<b>1,997,934,888</b>	P	<b>1,995,365,429</b>	P	<b>2,569,459</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable and Accrued Expenses	P	38,070,563	P	35,649,694	P	2,420,869
Advances from related parties		27,512,066		13,805,287		13,706,779
Liability for purchase of land		58,156,238		58,156,238		-
Income Tax Payable		-		-		-
	P	123,738,868	P	107,611,219	P	16,127,648
<b>Non-current Liabilities</b>						
Liability for purchase of land	P	55,481,640	P	55,481,640	P	-
Accrued retirement benefit obligation		22,436,894		21,752,706		684,188
Deferred Income Tax Liabilities		36,258,914		36,258,914		-
	P	114,177,448	P	113,493,260	P	684,188
		237,916,316		221,104,479		16,811,836
<b>Stockholders' Equity</b>						
<b>Capital Stock:</b>						
Issued and Paid						
(Authorized - 5 Billion shares at P1.00 par value)		1,951,387,570		1,951,387,570		-
Capital Surplus		201,228,674		201,228,674		-
Unrealized valuation of gain AFS investments		1,711,898		1,711,898		-
Actuareal Gain (Losses) on Retirement Benefits		(310,430)		(310,430)		-
Deficit		(393,999,139)		(379,756,762)		(14,242,377)
Total		1,760,018,573		1,774,260,950		(14,242,377)
<b>TOTAL LIABILITIES and STOCKHOLDERS' EQUITY</b>	P	<b>1,997,934,888</b>	P	<b>1,995,365,429</b>	P	<b>2,569,459</b>
<b>Net Book Value per Share</b>	P	<b>0.902</b>	P	<b>0.909</b>	P	<b>-</b>

08/07/2019

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

	FOR THE SIX (6) MONTHS ENDED				FOR THE THREE (3) MONTHS ENDED			
	JUNE 30, 2019		JUNE 30, 2018		JUNE 30, 2019		JUNE 30, 2018	
<b>REVENUES</b>								
Income from JV company-Net	P	22,781,024.33	P	23,756,117.35	P	11,288,146.88	P	15,808,814.23
Cost of sales		6,473,707.37		8,504,331.70		4,634,846.98		4,111,858.92
		<b>16,307,316.96</b>		<b>15,251,785.65</b>		<b>6,653,299.90</b>		<b>11,696,955.31</b>
<b>EXPENSES</b>								
Salaries & wages		12,436,318.63		11,904,516.86		6,271,004.08		5,299,127.74
Overtime pay		112,150.57		130,621.74		63,483.34		71,219.86
SSS, philhealth, EC & pag-ibig		269,266.60		259,519.48		144,984.85		129,090.93
13th month pay		1,429,101.90		882,676.55		714,550.95		466,218.96
Security costs		5,203,165.44		6,318,276.51		2,408,560.63		3,174,981.27
Light, water and utilities		96,587.39		224,072.29		49,773.83		137,264.73
Repairs & maintenance		5,334,702.69		293,461.95		1,257,774.38		215,336.88
Medical, dental & hospitalization		239,541.89		73,340.43		108,129.93		28,625.66
Professional fees		1,322,994.73		970,941.16		671,595.58		297,470.58
Representation		588,800.00		634,898.21		526,500.00		29,400.00
Rental expenses		83,600.00		66,150.00		34,100.00		37,800.00
Taxes & licenses		5,219,859.69		4,035,585.51		1,916,603.67		1,957,878.14
Depreciation expense		1,349,167.50		1,649,871.92		542,284.41		837,458.78
Building dues & other charges		572,398.99		784,336.73		158,517.17		386,145.57
Gasoline, oil and lubes		174,735.62		145,199.78		110,307.76		90,986.15
Meals		157,042.54		91,594.55		85,316.77		73,663.11
Postage & telecommunication		293,322.80		300,025.01		159,750.91		184,720.03
Printing and office supplies		413,686.81		192,456.05		291,769.88		101,328.62
Transportation & travelling		175,601.02		216,105.92		91,282.42		135,437.92
Notarial and legal fees		3,800.00		4,400.00		1,300.00		1,600.00
Contractual costs		75,000.00		70,476.00		33,000.00		26,742.50
Insurance expense		8,441.73		10,453.01		7,611.91		9,059.27
Retirement benefits		684,187.70		709,500.00		329,437.70		354,750.00
Miscellaneous		1,275,047.73		1,010,779.61		630,639.32		921,446.99
		<b>37,518,521.97</b>		<b>30,979,259.27</b>		<b>16,608,279.49</b>		<b>14,967,753.69</b>
NET LOSS BEFORE OTHER INCOME		<b>(21,211,205.01)</b>		<b>(15,727,473.62)</b>		<b>(9,954,979.59)</b>		<b>(3,270,798.38)</b>
<b>OTHER INCOME</b>								
Accretion Interest & misc. income		7,294,974.33		34,731,029.72		3,733,597.07		11,849,894.34
Interest expenses		-		-		-		-
		<b>7,294,974.33</b>		<b>34,731,029.72</b>		<b>3,733,597.07</b>		<b>11,849,894.34</b>
NET LOSS BEFORE INCOME TAX		<b>(13,916,230.68)</b>		<b>19,003,556.10</b>		<b>(6,221,382.52)</b>		<b>8,579,095.96</b>
<b>PROVISION FOR INCOME TAX</b>								
Current		326,146.34		5,701,066.83		61,838.45		2,140,825.13
Deferred		-		-		-		-
		<b>326,146.34</b>		<b>5,701,066.83</b>		<b>61,838.45</b>		<b>2,140,825.13</b>
NET INCOME	P	<b>(14,242,377.02)</b>	P	<b>13,302,489.27</b>	P	<b>(6,283,220.97)</b>	P	<b>6,438,270.83</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>1,951,387,570.00</b>
<b>NET GAIN (LOSS) PER SHARE</b>								
		<b>(0.00730)</b>		<b>0.00682</b>		<b>(0.00322)</b>		<b>0.00330</b>

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

( In Ph Pesos)	FOR THE SIX (6) MONTHS ENDED		FOR THE QUARTERS ENDED	
	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2019	JUNE 30, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Income (Loss)	<b>(14,242,377.02)</b>	13,302,489.27	<b>(6,283,220.97)</b>	4,995,258.65
Add: Back Non-cash items				
Interest Income (net)	<b>167,876.23</b>	34,731,029.72	<b>5,679.21</b>	34,707,301.32
Depreciation	<b>1,349,167.50</b>	1,649,871.92	<b>542,284.41</b>	837,458.78
Retirement benefits	<b>684,187.70</b>	709,500.00	<b>329,437.70</b>	354,750.00
Interest expenses	-	-	-	-
Accretion Interest Income & other Income	<b>7,127,692.90</b>	5,213,159.56	<b>3,728,512.66</b>	1,998,609.72
Provision for doubtful accounts and other losses	-	-	-	-
Changes in operating assets and liabilities:				
Decrease (Increase) in:				
Receivables	<b>(5,199,507.83)</b>	2,319,883.21	<b>(557,568.08)</b>	(5,533,998.47)
Input VAT	<b>1,512,598.42</b>	4,517,262.88	<b>905,063.05</b>	1,497,293.07
Prepayments	<b>(1,776,339.72)</b>	(3,303,754.25)	<b>1,001,033.22</b>	1,696,517.86
Real Estate Inventories	<b>5,872,336.14</b>	6,698,381.70	<b>5,264,800.77</b>	1,265,355.21
Increase (Decrease) in:				
Accounts Payable & Accruals	<b>1,024,311.46</b>	(240,709.41)	<b>4,302,982.58</b>	4,573,774.75
Net cash provided by (used in) operating activities	<b>(3,480,054.22)</b>	<b>65,597,114.60</b>	<b>9,239,004.55</b>	46,392,320.89
Miscellaneous revenue received	<b>(7,294,974.33)</b>	(29,517,870.16)	<b>(10,856,351.59)</b>	(29,541,598.56)
Income Taxes paid	<b>326,146.34</b>	(4,035,585.51)	<b>61,838.45</b>	(475,343.81)
Net cash provided by (used in) investing activities	<b>(10,448,882.21)</b>	32,043,658.93	<b>(1,555,508.59)</b>	16,375,378.52
<b>CASH FLOW FROM INVESTING &amp; OPERATING ACTIVITIES</b>				
Land Held for future development	-	(25,047,000.00)	-	(25,047,000.00)
Decrease (Increase) in Property, Plant & Equipment	<b>1,319,971.07</b>	4,687.11	<b>538,534.41</b>	(747,458.18)
Decrease (Increase) in Real Estate for Sale & Devt	<b>(19,799,186.81)</b>	-	<b>(17,960,326.42)</b>	(905,574.97)
Decrease (Increase) in liability from purchase of land	-	-	-	-
Decrease (Increase) in other assets	-	1,984,513.57	-	2,154,768.26
Net cash provided by (used in) investing activities	<b>(18,479,215.74)</b>	(23,057,799.32)	<b>(17,421,792.01)</b>	(24,545,264.89)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Advances related parties	<b>13,706,779.35</b>	-	<b>18,836,078.24</b>	3,988,555.16
Proceeds from issuance of new shares	-	-	-	-
Net cash provided by (used in) financing activities	<b>13,706,779.35</b>	-	<b>18,836,078.24</b>	3,988,555.16
<b>NET INCREASE (DECREASE) IN CASH AND</b>				
<b>CASH EQUIVALENTS</b>	<b>(15,221,318.60)</b>	8,985,859.61	<b>(141,222.36)</b>	(4,181,331.21)
<b>CASH AND CASH EQUIVALENTS AT</b>				
<b>BEGINNING OF QUARTER</b>	<b>27,080,674.02</b>	27,080,674.02	<b>12,000,577.78</b>	40,247,864.84
<b>CASH AND CASH EQUIVALENTS</b>				
<b>AT QUARTER END</b>	<b>11,859,355.42</b>	36,066,533.63	<b>11,859,355.42</b>	36,066,533.63

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# ARANETA PROPERTIES, INC.

## CASH AND CASH EQUIVALENT

	AS AT END OF	
	JUNE 30, 2019	DECEMBER 31, 2018
<b>Cash on Hand</b>		
Cash on Hand	<b>20,965.00</b>	20,965.00
Petty Cash fund	<b>10,437.95</b>	10,437.95
Revolving Fund (Bulacan field office)	<b>21,842.52</b>	21,842.52
<i>Total</i>	<b>53,245.47</b>	<b>53,245.47</b>
<b>Cash in Banks</b>		
Cash in Bank - China Bank	<b>1,182,068.68</b>	4,010,609.28
Cash in Bank - CBC SFCDA	<b>165,968.59</b>	165,968.59
Cash in Bank - Banco de Oro	<b>5,503,369.05</b>	2,853,823.92
<i>Total</i>	<b>6,851,406.32</b>	<b>7,030,401.79</b>
<b>Short-term Placement</b>		
CBC Special Savings Account	<b>4,954,703.63</b>	4,906,147.59
BDO Peso Money Mrkt Acct#304607854576	<b>0.00</b>	15,370,230.15
<i>Total</i>	<b>4,954,703.63</b>	<b>20,276,377.74</b>
<b>TOTAL</b>	<b>11,859,355.42</b>	<b>27,360,025.00</b>

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## ARANETA PROPERTIES, INC.

### Receivables

	AS AT END OF	
	JUNE 30, 2019	DECEMBER 31, 2018
Accounts Receivable Trade	345,440,128.93	340,029,657.86
Advances to suppliers, officers, employees & others		
Impaired	-	-
Unimpaired	3,117,591.90	3,328,555.14
	<u>3,117,591.90</u>	<u>3,328,555.14</u>
	<i>348,557,720.83</i>	<i>343,358,213.00</i>
Less: provision for doubtful account	-	-
	<u>348,557,720.83</u>	<u>343,358,213.00</u>
Less: noncurrent portion of trade receivable	181,392,613.00	181,392,613.00
Net	<u>167,165,107.83</u>	<u>161,965,600.00</u>

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**ARANETA PROPERTIES, INC.**

SCHEDULE OF RECEIVABLE

As of JUNE 30, 2019

PARTICULARS	AMOUNT	COLLECTION / LIQUIDATION				REMARKS
		1 Months	15 Days	Overdue	Others	
Receivable from Joint Venture-SLRDI	41,993,022.52	2,161,473.32	2,377,620.65		37,453,928.55	Installment sales/Monthly amortization
Receivable from Joint Venture-Stand	26,659,025.83	3,102,944.48	2,551,472.24		21,004,609.11	Installment sales/Monthly amortization
Receivable from sale of reserved lot	95,395,467.58	1,033,456.69	1,136,802.36		93,225,208.53	Installment sales/Monthly amortization
Advances for liquidation	416,789.16	416,789.16			-	For liquidation
Salary loan of various employees	202,758.52	63,942.74	31,971.37		31,971.37	Payroll deduction
Others	2,498,044.22				2,498,044.22	Advances against retirements benefits & others
<b>TOTAL</b>	<b>167,165,107.83</b>	<b>6,778,606.39</b>	<b>6,097,866.62</b>	<b>-</b>	<b>154,213,761.78</b>	
ALLOW. FOR DOUBTFUL ACCT	-				-	
<b>NET CURRENT RECEIVABLE</b>	<b>167,165,107.83</b>	<b>6,778,606.39</b>	<b>6,097,866.62</b>	<b>-</b>	<b>154,213,761.78</b>	

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**ARANETA PROPERTIES, INC.**

## Schedule of Prepayments

As at end of June 30, 2019

Particulars	Date Issued	As of JUNE 30, 2019	As of DECEMBER 31, 2018
<b><i>Taxes and Licenses</i></b>			
1 Business Permit-Makati City	01.21.19	<b>347,627.49</b>	-
2 Business Permit-Sn Jose DB	01.28.19	<b>1,102,576.82</b>	-
3 Community Tax Certificate	04.12.19	<b>10,500.00</b>	-
4 Barangay Clearance	04.11.19	<b>2,200.00</b>	-
5 Real Property Tax-Manticao	01.04.19	<b>212,308.20</b>	-
6 Real Property Tax-Laoag	03.18.19	<b>202,687.32</b>	-
7 Real Property Tax-SJDB	04.30.19	<b>134,672.52</b>	-
8 Philippine Stock Exchange	01.14.19	<b>133,908.08</b>	-
9 Pre-paid Income Taxes	12.31.16	<b>6,124,340.39</b>	6,516,959.29
		<b>8,270,820.82</b>	<b>6,516,959.30</b>
<b><i>Prepaid Insurance</i></b>			
10 Prepaid Insurance	02.12.18	<b>4,978.98</b>	-
11 TMBC Insurance for Fortuner	05.15.19	<b>26,948.61</b>	-
		<b>31,927.59</b>	-
<b><i>Other prepayment</i></b>			
12 BDO-Parkings deposits	12.28.19	-	9,450.00
		-	9,450.00
Total		<b>8,302,748.41</b>	<b>6,526,409.30</b>

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**ARANETA PROPERTIES, INC.**

## Real Estate Inventories

	AS OF JUNE 30, 2019	AS OF DECEMBER 31, 2018
<b><i>Real Estate Inventories</i></b>		
Saleable house and lot Inventory	<b>6,221,669.87</b>	6,221,669.87
Land for Sale & Land Development	<b>492,966,699.07</b>	498,839,035.21
Saleable house and lot Inventory	<b>499,188,368.94</b>	505,060,705.08

***Investments Property***

Undevelope land	<b>82,522,392.00</b>	82,522,392.00
Investments in Land (Acquired from GASDF Property)	<b>6,618,779.27</b>	6,618,779.27
Investments in Land (Acquired from Universal Rightfield)	<b>78,201,917.21</b>	78,201,917.21
Investments in Land (acquired from BDOSHI)	<b>248,183,035.71</b>	248,183,035.71
Investments in Land (acquired from Marga)	<b>104,671,995.50</b>	104,671,995.50
Investments in Land (acquired from Insular 850,154 sq.m. )	<b>384,352,025.00</b>	384,352,025.00
Investments in Land (acquired from Bonoan 57,211 sq.m. )	<b>31,180,002.50</b>	31,180,002.50
Investments in Land (Almazan's Contract #1 )	<b>29,600,000.00</b>	29,600,000.00
Investments in Land (Almazan's Contract #2)	<b>50,959,106.81</b>	31,432,240.00
Paramount Finance Corp (10,000 sq.m.)	<b>3,724,000.00</b>	3,724,000.00
Rodolfo Cuenca (50,094 sq.m.)	<b>12,523,500.00</b>	12,523,500.00
Hugo Nat D. Juan (13,186 sq.m.)	<b>4,615,100.00</b>	4,615,100.00
Investments in Land (Almazan's Contract #3)	<b>272,320.00</b>	-
Manticao Property	<b>5,444,076.65</b>	5,444,076.65
Total	<b>1,042,868,250.65</b>	<b>1,023,069,063.84</b>

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

	AS OF JUNE 30, 2019	AS OF DECEMBER 31, 2018
<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	3,146,943.13	3,146,943.13
Transporation Equipment	4,845,405.60	8,578,785.51
Heavy Machinery Equipment	-	4,486,928.72
Other Tools & Equipment	123,340.85	421,001.86
Communication Equipment	1,134,556.48	2,899,923.16
Office Furniture & Equipment	5,224,212.06	6,420,558.19
<b>Total</b>	<b>72,664,859.73</b>	<b>84,144,542.18</b>
<b>DEPRECIATION DATA</b>		
Building	39,571,192.14	38,650,252.08
Building Improvements	12,143,397.88	12,143,397.88
Building and Plant Structures	2,390,558.11	2,390,558.11
Transporation Equipment	3,651,592.61	7,114,945.10
Heavy Machinery Equipment	-	4,486,928.72
Other Tools & Equipment	113,172.88	407,992.65
Communication Equipment	1,039,701.72	2,776,148.82
Office Furniture & Equipment	4,701,216.16	5,800,319.52
<b>Total</b>	<b>63,610,831.50</b>	<b>73,770,542.88</b>
<b>NET BOOK VALUE</b>		
Building	6,475,811.59	7,396,751.65
Building Improvements	-	-
Building and Plant Structures	756,385.02	756,385.02
Transporation Equipment	1,193,812.99	1,463,840.41
Heavy Machinery Equipment	-	-
Other Tools & Equipment	10,167.97	13,009.21
Communication Equipment	94,854.76	123,774.34
Office Furniture & Equipment	522,995.90	620,238.67
<b>Total</b>	<b>9,054,028.23</b>	<b>10,373,999.30</b>

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**ARANETA PROPERTIES, INC.**  
SCHEDULE OF OTHER ASSETS

	AS OF JUNE 30, 2019	AS OF DECEMBER 31, 2018
<b>Investments Property</b>	<b>1,042,868,250.65</b>	<b>1,023,069,063.84</b>
Equity instrument at fair value through other comprehensive income (FVOCI)	<b>4,231,897.57</b>	<b>4,231,897.57</b>

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**ARANETA PROPERTIES, INC.**  
SCHEDULE OF LIABILITIES

	AS OF JUNE 30, 2019	AS OF DECEMBER 31, 2018
<b>ACCOUNTS PAYABLE &amp; ACCRUALS</b>		
Accounts Payable to Suppliers	24,064,276.08	22,622,143.15
Advances from related parties	27,512,066.28	13,805,286.93
SSS Salary Loan Payable	20,052.06	19,888.09
SSS Calamity Loan Payable	-	738.32
Pag-ibig Salary Loan Payable	22,433.94	33,393.60
Pag-ibig Fund Contribution	8,800.00	9,050.00
SSS, Medicare & EC Payable	57,480.00	45,840.00
Philhealth Payable	17,469.87	18,619.82
Withholding Tax Payable	446,696.02	243,649.57
Retentions & Deposits	8,693,193.05	8,693,193.05
Accrued Operating	4,740,162.05	3,963,178.35
	<b>65,582,629.35</b>	<b>49,454,980.88</b>
<b>LIABILITY FOR PURCHASE OF LAND-current</b>	<b>58,156,238.30</b>	<b>58,156,238.30</b>
<b>LIABILITY FOR PURCHASE OF LAND-noncurrent</b>	<b>55,481,639.95</b>	<b>55,481,639.95</b>
<b>ACCRUED RETIREMENT BENEFITS</b>	<b>22,436,893.70</b>	<b>21,752,706.00</b>
<b>DEFERRED INCOME TAX LIABILITIES</b>	<b>36,258,914.32</b>	<b>36,258,914.32</b>
<b>INCOME TAX PAYABLE</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>237,916,315.62</b>	<b>221,104,479.45</b>

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

	AS AT END OF	
	JUNE 30, 2019	JUNE 30, 2018
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	1,711,897.57	(1,727,812.20)
Adjustments Actuarial gain (losses) on retirement benefits	(310,430.00)	(30,000.00)
<b>Total</b>	<b>2,154,017,711.69</b>	<b>2,150,858,431.92</b>
Deficit as at December 31,	(379,756,762.00)	(411,216,644.33)
Net Income for the quarter ended June 30	(14,242,377.02)	13,302,489.27
<b>Balances</b>	<b>1,760,018,572.67</b>	<b>1,752,944,276.86</b>

	AS AT END OF	
	JUNE 30, 2019	JUNE 30, 2018
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	1,711,897.57	(30,000.00)
Unrealized valuation of gain on AFS Investments	(310,430.00)	(1,727,812.20)
<b>Total</b>	<b>2,154,017,711.69</b>	<b>2,150,858,431.92</b>
Deficit as at December 31,	(379,756,762.00)	(411,216,644.33)
Net Income for the quarter ended March 31	(7,959,156.05)	6,864,218.44
Net Income for the quarter ended June 30	(6,283,220.97)	6,438,270.83
<b>Balances</b>	<b>1,760,018,572.67</b>	<b>1,752,944,276.86</b>