

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 3rd Quarter**

Form Type

\_\_\_\_\_  
Amended Designation (If Applicable)

**September 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 September 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                       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 Third Quarter of 2019

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

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

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

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

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

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

<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	42.309	28.331	20.573	(33.038%)	(27.383%)
Less: Expenses	22.138	19.438	20.467	(12.196%)	5.294%
Net Income	20.171	8.893	0.106	(20.842%)	(32.677%)
Add: Other Income	0.380	0.463		20.573%	(60.907%)
Net Income (before tax)	20.551	9.356	0.287	(0.269%)	(93.584%)

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

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

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

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

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

### **During the Third Quarter of 2018**

The performance of the Company in terms of revenue decreased by 33.038% Sales for the quarter is P28.331 million as compared to P42.309 million of the year 2017. This performance is directly attributed to marketing strategies implemented in Year 2014, specifically the holding on of some Inventory for a much better price. This strategy will create a favorable momentum for the company's operation activities while awaiting for the right timing on the implementation of sales forecast. The Company focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company

also undertook fine-tuning the whole system, maintaining and improving *Colinas Verdes*, the subdivision's brand name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost but promoting instead effective cash management program and fund flow management.

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

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

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

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

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

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

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

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

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

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

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

### During the Third Quarter of 2017

The performance of the Company in terms of revenue increased by 21% sales for the quarter is P42.309 million as compared to P34.966 million of the same period of year 2016. This performance is directly attributed to marketing strategies being implemented, specifically the holding on of some Inventory for a much better price. This strategy will create a favorable momentum for the company's operation activities while awaiting for the right timing on the implementation of sales forecast. The Company focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also under took fine-tuning the whole system, maintaining and improving *Colinas Verdes*, the subdivision's brand name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost but promoting instead effective cash management program and fund flow management.

The above strategies is already conclusive, where some buyers have already reserved more or less 2,514 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 September 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 September 30, 2017 with comparative figures of year 2017 and 2016 for the same period

<i>In millions (Php)</i>	For the three (3) months Period			% Change	% Change
	Year 2015	Year 2016	Year 2017	2015 vs 2016	2016 vs 2017
Revenue	37.466	34.966	42.309	(07.150%)	21.000%
Expenses	26.644	20.107	21.754	(32.511%)	8.191%
Net Income (before tax)	10.822	14.859	20.555	27.169%	38.334%

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

<i>In millions (Php)</i>	For the nine (9) months Period			% Change	% Change
	Year 2015	Year 2016	Year 2017	2015 vs 2016	2016 vs 2017
Revenue	127.606	98.041	101.295	(30.156%)	3.319%
Expenses	85.467	61.578	71.616	(38.795%)	16.301%
Net Income (before tax)	42.139	36.463	29.679	(15.566%)	(18.605%)

**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 September 30, 2017 with comparative figures of year 2016 for the same period

<b>In Millions (Php)</b>	For the quarter ending September 30		% Change
	Year 2016	Year 2017	2016 vs 2017
Income from Real Estate Business	30.393	38.758	21.583%
Accretion of Interest from Installment Sales	4.573	3.551	(28.781%)
Total Revenue	34.966	42.309	17.356%

**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 September 30, 2017 with comparative figures of year 2016 for the same period

<b>In Millions (Php)</b>	For the nine (9) months ending September 30		% Change
	Year 2016	Year 2017	2016 vs 2017
Income from Real Estate Business	85.940	90.844	5.399%
Accretion of Interest from Installment Sales	12.101	10.451	(15.794%)
Total Revenue	98.041	101.295	3.213%

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

### **Results of Operation**

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

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

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

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

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

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

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

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

#### **For the nine (9) months ended**

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

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

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

#### **Liquidity and Capital Resources**

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



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

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

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

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

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

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<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	56,600,000.00	4,432,240.00
	<b>282,963</b>	<b>89,637,740.00</b>	<b>55,205,500.00</b>	<b>44,932,240.00</b>
<b>Total Land Banking</b>	<b>3,500,703</b>	<b>1,264,679,891.05</b>	<b>824,706,639.80</b>	<b>439,975,251.25</b>

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

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

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

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

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

### **Capital Expenditure**

There was no capital expenditure for the period.

### **Key Performance Indicators**

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

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

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

#### Stockholders' Equity

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

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

## Results of Operation

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

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

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

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

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

Particulars	Year 2016	Year 2017	Year 2018
Sale from Real Estate	98,041,004	101,295,318	57,300.630
Cost of Land	20,302,964	16.852,900	12,267,873
Percentage to Revenue	20.709%	16.637%	21.410%

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

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

#### For the nine (9) months ended

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

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

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

### Liquidity and Capital Resources

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

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

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

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

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

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

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
<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	56,600,000.00	4,432,240.00
	<b>282,963</b>	<b>89,637,740.00</b>	<b>55,205,500.00</b>	<b>44,932,240.00</b>
<b>Total Land Banking</b>	<b>3,500,703</b>	<b>1,264,679,891.05</b>	<b>824,706,639.80</b>	<b>439,975,251.25</b>

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

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

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

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

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

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

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

### Capital Expenditure

There was no capital expenditure for the period.

### Key Performance Indicators

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

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

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

#### Stockholders' Equity

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

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

## Results of Operation

(January – September 30, 2017 vs January –September 30, 2016)

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

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

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

Particulars	Year 2015	Year 2016	Year 2017
Sale from Real Estate	37,465,594	34,965,666	42,309,431
Cost of Land	15,735,550	8,959,686	7,939,363
Percentage to Revenue	42.00%	25.62%	18.76%

The percentage of revenues for the nine (9) months period ending September 30, 2017 with comparative figures for 2016 and 2015 with the same period

Particulars	Year 2015	Year 2016	Year 2017
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Sale from Real Estate	127,605,664	98,041,004	101,295,318
Cost of Land	47,692,252	20,302,964	16,852,900
Percentage to Revenue	37.37%	20.71%	16.64%

The Company has posted a net profit (after tax) of P20.907 Million in the nine (9) months period ending September 30, 2017 as compared with the P25.524 million in 2016, and P29.497 million in 2015 of that same period.

The deficit stands at P379.649 million and P391.550 million as of September 30, 2017 and 2016, respectively.

	For the Quarter Ended	
	September 30, 2016 (In Millions)	September 30, 2017 (In Millions)
Revenue	P34.966	P42.309
Direct Costs	8.960	7.939
Gross Profit Margin	26.016	34.370
Operating Expenses	11.157	13.815
Net Income before tax	P14.859	P20.555

	For the nine (9) months Ended	
	September 30, 2016 (In Millions)	September 30, 2017 (In Millions)
Revenue	P98.041	P101.295
Direct Costs	20.303	16.853
Gross Profit Margin	77.738	84.442
Operating Expenses	41.275	54.763
Net Income before tax	P36.463	P29.679

Revenue generated during the 3<sup>rd</sup> quarter of 2017 represents shares from sales from Joint Venture Project with SLRDI. The increased in sales was the effect of marketing strategy being implemented by the Company with some inventory put on-hold to sell market awaiting for a much better price.

#### **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 September 30, 2017.

Particulars	September 30, 2016 (In Million)	September 30, 2017 (in Million)
Total assets as at end of	P2,060.362	P2,106.254
Total liabilities as at end of	P304.999	P337.245
Ratio of assets to liabilities	14.803%	16.012%
<b><i>Financial Condition</i></b>		
Cash and cash equivalent	P93.734	P91.591
Receivable	P286.325	P393.320
Prepaid Taxes	-0-	P7.830
Real Estate Inventory	P881.024	P865.831
Land held for future development	P644.840	P647.415
Property and equipment	P15.579	P12.493
Investment property	P5.444	P5.444
Recoverable Tax	P79.216	P79.930

Other assets	P76.354	P2.400
Current liabilities	P29.443	P130.927
Noncurrent liabilities	P275.556	P206.318
Stockholders' equity	P1,755.363	P1,769.009

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

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

Movement in advances related parties account directly related to liquidation of land banking activity resulting to the conclusion of acquisition of 581,500 square meters land from Insular life Insurance Company, LTD

The decreased in real estate inventories is the result of the accounting of cost land sold during the period based on Percentage of Project Completion (PPOC).

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

Increased in prepayments is normal accounting of prepayments net of amortization of expired portion of said prepayments.

Movement in land held for future development is attributable to cost of land banking activities during the period.

The Company started land banking in year 2012 with total land acquisitions as of September 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	66,256	9,475,646.47	9,475,646.47	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
<i>Subtotal</i>	<b>2,344,683</b>	<b>902,213,297.52</b>	<b>729,254,886.27</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	226,321,200.00	Under negotiation	226,321,200.00
<i>Subtotal</i>	<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>3,185,926</b>	<b>1,264,797,097.52</b>	<b>729,254,886.27</b>	<b>535,542,211.25</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	62,396,520.00	52,464,280.00	9,932,240
	<b>282,963</b>	<b>91,002,020.00</b>	<b>81,069,780.00</b>	<b>9,932,240.00</b>
<b>Total Land Banking</b>	<b>3,468,889</b>	<b>1,355,799,117.52</b>	<b>810,324,666.27</b>	<b>545,474,451.25</b>



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

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

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

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	September 30, 2016	September 30, 2017
Current Ration (1)	12.908 : 1	09.976 : 1
Debt to Equity Ratio (2)	1 : 0.1738	1 : 0.1906
Earnings per Share (3)	1 : 0.01308	1 : 0.01071
Earnings before Income Taxes (4)	P36.463 million	P29.679 million
Return on Equity	0.01454	0.01182

- 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 P1,769,009,176.68 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

- Total Stockholders' Equity in 2016 is P1,755,362,807.36 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

## *Other Matters*

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

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

- a) No known trends, events or uncertainties with significant impact on net 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 “Investments property 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.

o) On September 24, 2019 the Board of Directors approved to enter into a Joint Venture Agreement ("Joint Venture") with Sta. Lucia Land, Inc. involving the Corporation's property located at Barangay Tungkong Mangga, San Jose Del Monte, Bulacan with a total area of 580,154 sq. m. The Board also delegated to management the determination of the terms and conditions of the Joint Venture.

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

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

	On demand
Accounts payable & accrued expenses	37,682,412
Advances related parties	27,365,481
Liability from purchase of land	116,312,477
Income tax payable	386,834
Retirement benefits	22,648,081
Deferred income tax liabilities	36,258,914
<b>Total</b>	<b>240,654,199</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.

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

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

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

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

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

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

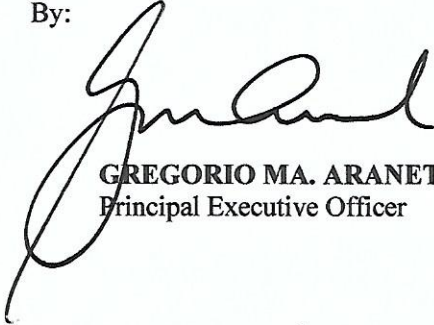
## SIGNATURES

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

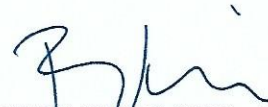
**ARANETA PROPERTIES, INC.**

(Issuer)

By:



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



**CRISANTO ROY B. ALCID**  
President



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



Date signed October 29, 2019

**ARANETA PROPERTIES, INC.**

## STATEMENTS OF FINANCIAL POSITION

		AS OF SEPTEMBER 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	6,308,204.67	P	27,360,025.00	P	(21,051,820.33)
Trade and other receivables		166,116,444.45		161,965,600.00		4,150,844.45
Real Estate Inventories		498,817,198.37		505,060,705.08		(6,243,506.71)
Input Value-added Tax (VAT) - net		73,351,765.93		75,385,116.66		(2,033,350.73)
Prepayments		7,326,896.55		6,526,408.69		800,487.86
	P	751,920,509.97	P	776,297,855.43	P	(24,377,345.46)
<b>Non-current Assets</b>						
Trade and other receivables	P	181,392,613.00	P	181,392,613.00	P	-
Property, plant and equipment		8,438,477.12		10,373,999.30		(1,935,522.18)
Investment Property		1,042,868,250.65		1,023,069,063.84		19,799,186.81
Available-for-sale (AFS) Investments		4,231,897.57		4,231,897.57		-
Other assets		-		-		-
	P	1,236,931,238.34	P	1,219,067,573.71	P	17,863,664.63
<b>TOTAL ASSETS</b>	P	1,988,851,748.31	P	1,995,365,429.14	P	(6,513,680.83)
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable and Accrued Expenses	P	37,682,411.76	P	35,649,693.95	P	2,032,717.81
Advances from related parties		27,365,481.31		13,805,286.93		13,560,194.38
Liability for purchase of land		58,156,238.30		58,156,238.30		-
Income Tax Payable		386,833.93		-		386,833.93
	P	123,590,965.30	P	107,611,219.18	P	15,979,746.12
<b>Non-current Liabilities</b>						
Liability for purchase of land	P	58,156,238.30	P	55,481,639.95	P	2,674,598.35
Accrued retirement benefit obligation		22,648,081.40		21,752,706.00		895,375.40
Deferred Income Tax Liabilities		36,258,914.32		36,258,914.32		-
	P	117,063,234.02	P	113,493,260.27	P	3,569,973.75
		240,654,199.32		221,104,479.45		19,162,885.94
<b>Stockholders' Equity</b>						
Capital Stock:						
Issued and Paid						
(Authorized - 5 Billion shares at P1.00 par value)		1,951,387,570.00		1,951,387,570.00		-
Capital Surplus		201,228,674.12		201,228,674.12		-
Unrealized valuation of gain AFS investments		1,711,897.57		1,711,897.57		-
Actuarial Gain (Losses) on Retirement Benefits		(310,430.20)		(310,430.20)		-
Deficit		(405,820,162.50)		(379,756,761.80)		(26,063,400.70)
Total		1,748,197,548.99		1,774,260,949.69		(26,063,400.70)
<b>TOTAL LIABILITIES and STOCKHOLDERS' EQUITY</b>	P	1,988,851,748.31	P	1,995,365,429.14	P	(6,900,514.76)
<b>Net Book Value per Share</b>	P	0.8959	P	0.9092	P	-

10/24/2019

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

	FOR THE NINE (9) MONTHS ENDED		FOR THE THREE (3) MONTHS ENDED	
	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
<b>REVENUES</b>				
Income from JV company-Net	P 27,592,071.27	P 48,337,102.76	P 16,811,046.94	P 24,580,985.41
Cost of sales	6,898,017.82	12,267,872.88	3,702,761.74	5,769,188.18
	<b>20,694,053.45</b>	<b>36,069,229.88</b>	<b>13,108,285.20</b>	<b>18,811,797.23</b>
<b>EXPENSES</b>				
Salaries & wages	18,482,556.74	18,976,911.86	6,046,238.11	7,072,395.00
Employees welfare & benefits	-	-	-	-
Overtime pay	150,070.37	204,692.50	37,919.80	74,070.76
SSS, philhealth, EC & pag-ibig	410,455.56	385,030.52	141,188.96	125,511.04
13th month pay	2,143,652.85	1,348,896.23	714,550.95	466,219.68
Security costs	9,529,394.90	8,039,828.22	4,326,229.46	1,721,551.71
Light, water and utilities	200,977.75	352,586.10	104,390.36	128,513.81
Repairs & maintenance	5,371,325.14	377,023.82	36,622.45	83,561.87
Medical, dental & hospitalization	354,688.85	252,240.75	115,146.96	178,900.32
Professional fees	1,470,465.31	1,135,648.36	147,470.58	164,707.20
Representation	615,800.00	664,415.95	27,000.00	29,517.74
Rental expenses	90,000.00	94,500.00	6,400.00	28,350.00
Taxes & licenses	6,571,413.51	8,304,507.02	1,351,553.82	4,268,921.51
Depreciation expense	1,994,387.36	2,408,883.37	645,219.86	759,011.45
Donations	-	20,000.00	-	-
Building dues & other charges	958,576.71	1,181,839.44	386,177.72	397,502.71
Gasoline, oil and lubes	287,103.68	245,048.07	112,368.06	99,848.29
Meals	197,066.16	142,340.25	40,023.62	50,745.70
Postage & telecommunication	450,111.51	501,493.06	156,788.71	201,468.05
Printing and office supplies	513,997.90	307,208.30	100,311.09	114,752.25
Transportation & travelling	260,751.02	327,683.64	85,150.00	111,577.72
Notarial and legal fees	4,700.00	38,500.00	900.00	34,100.00
Contractual costs	117,000.00	103,476.00	42,000.00	33,000.00
Insurance expense	18,280.83	11,149.92	9,839.10	696.91
Retirement benefits	895,375.40	1,064,250.00	211,187.70	354,750.00
Miscellaneous	1,345,535.23	165,996.84	70,487.50	(824,782.77)
	<b>52,433,686.78</b>	<b>46,654,150.22</b>	<b>14,915,164.81</b>	<b>15,674,890.95</b>
NET LOSS BEFORE OTHER INCOME	<b>(31,739,633.33)</b>	<b>(10,584,920.34)</b>	<b>(1,806,879.61)</b>	<b>3,136,906.28</b>
<b>OTHER INCOME</b>				
Accretion Interest & misc. income	8,056,942.15	38,944,049.59	3,761,967.85	4,213,019.87
Interest expenses	(1,667,729.25)	-	(1,667,729.25)	-
	<b>6,389,212.90</b>	<b>38,944,049.59</b>	<b>2,094,238.60</b>	<b>4,213,019.87</b>
NET LOSS BEFORE INCOME TAX	<b>(25,350,420.43)</b>	<b>28,359,129.25</b>	<b>287,358.99</b>	<b>7,349,926.15</b>
<b>PROVISION FOR INCOME TAX</b>				
Current	712,980.27	8,507,738.78	386,833.93	2,806,671.95
Deferred	-	-	-	-
	<b>712,980.27</b>	<b>8,507,738.78</b>	<b>386,833.93</b>	<b>2,806,671.95</b>
NET INCOME	<b>P (26,063,400.70)</b>	<b>P 19,851,390.47</b>	<b>P (99,474.94)</b>	<b>P 4,543,254.20</b>
WEIGHTED AVERAGE NO. OF SHARE	<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>
NET GAIN (LOSS) PER SHARE	<b>(0.01336)</b>	<b>0.01017</b>	<b>(0.00005)</b>	<b>0.00233</b>

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

( In Ph Pesos)	FOR THE NINE (9) MONTHS ENDED		FOR THE QUARTERS ENDED	
	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Income (Loss)	<b>(26,063,400.70)</b>	19,851,390.47	<b>(11,821,023.68)</b>	6,548,901.20
Add: Back Non-cash items				
Interest Income (net)	<b>180,904.19</b>	29,980,522.18	<b>13,027.96</b>	(4,750,507.54)
Depreciation	<b>1,994,387.36</b>	2,408,883.37	<b>645,219.86</b>	759,011.45
Retirement benefits	<b>895,375.40</b>	1,064,250.00	<b>211,187.70</b>	354,750.00
Interest expenses	-	-	-	-
Accretion Interest Income & other Income	<b>7,127,692.90</b>	8,963,527.41	-	3,750,367.85
Provision for doubtful accounts and other losses	-	-	-	-
Changes in operating assets and liabilities:	-	-	-	-
Decrease (Increase) in:				
Receivables	<b>(4,150,844.45)</b>	3,109,914.81	<b>1,048,663.38</b>	790,031.60
Input VAT	<b>2,033,350.73</b>	4,187,312.92	<b>520,752.31</b>	(329,949.96)
Prepayments	<b>(800,487.86)</b>	(1,868,983.09)	<b>975,851.86</b>	1,434,771.16
Real Estate Inventories	<b>6,243,506.71</b>	(25,047,000.00)	<b>371,170.57</b>	(31,745,381.70)
Increase (Decrease) in:				
Accounts Payable & Accruals	<b>4,592,078.31</b>	43,736,030.80	<b>3,567,766.85</b>	43,976,740.21
Net cash provided by (used in) operating activities	<b>(7,947,437.41)</b>	<b>86,385,848.87</b>	<b>(4,467,383.19)</b>	20,788,734.27
Miscellaneous revenue received	<b>(7,294,974.33)</b>	(29,071,441.59)	-	446,428.57
Income Taxes paid	<b>712,980.27</b>	(4,035,585.51)	<b>386,833.93</b>	-
Net cash provided by (used in) investing activities	<b>(14,529,431.47)</b>	<b>53,278,821.77</b>	<b>(4,080,549.26)</b>	21,235,162.84
<b>CASH FLOW FROM INVESTING &amp; OPERATING ACTIVITIES</b>				
Land Held for future development	-	(25,047,000.00)	-	-
Decrease (Increase) in Property, Plant & Equipment	<b>(150,630.42)</b>	1,682,498.94	<b>(1,470,601.49)</b>	1,677,811.83
Decrease (Increase) in Real Estate for Sale & Devt	<b>(19,799,186.81)</b>	-	<b>0.00</b>	-
Decrease (Increase) in liability from purchase of land	-	(57,652,803.75)	-	(57,652,803.75)
Decrease (Increase) in other assets	-	4,483,114.50	-	2,498,600.93
Net cash provided by (used in) investing activities	<b>(19,949,817.23)</b>	<b>(76,534,190.31)</b>	<b>(1,470,601.49)</b>	(53,476,390.99)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Advances related parties	<b>13,706,779.35</b>	32,819,698.70	-	32,819,698.70
Proceeds from issuance of new shares	-	-	-	-
Net cash provided by (used in) financing activities	<b>13,706,779.35</b>	<b>32,819,698.70</b>	-	32,819,698.70
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
<b>CASH EQUIVALENTS</b>	<b>(20,772,469.35)</b>	<b>9,564,330.16</b>	<b>(5,551,150.75)</b>	578,470.55
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER</b>				
	<b>27,080,674.02</b>	27,080,674.02	<b>11,859,355.42</b>	36,066,533.63
<b>CASH AND CASH EQUIVALENTS AT QUARTER END</b>				
	<b>6,308,204.67</b>	<b>36,645,004.18</b>	<b>6,308,204.67</b>	36,645,004.18

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## ARANETA PROPERTIES, INC.

### CASH AND CASH EQUIVALENT

	AS AT END OF	
	SEPTEMBER 30, 2019	DECEMBER 31, 2018
<b>Cash on Hand</b>		
Cash on Hand	-	20,965.00
Petty Cash fund	10,437.95	10,437.95
Revolving Fund (Bulacan field office)	21,842.52	21,842.52
<i>Total</i>	<b>32,280.47</b>	<b>53,245.47</b>
 <b>Cash in Banks</b>		
Cash in Bank - China Bank	821,354.11	4,010,609.28
Cash in Bank - CBC SFCDA	165,968.59	165,968.59
Cash in Bank - Banco de Oro	333,897.87	2,853,823.92
<i>Total</i>	<b>1,321,220.57</b>	<b>7,030,401.79</b>
 <b>Short-term Placement</b>		
CBC Special Savings Account	4,954,703.63	4,906,147.59
BDO Peso Money Mrkt Acct#304607854576	-	15,370,230.15
<i>Total</i>	<b>4,954,703.63</b>	<b>20,276,377.74</b>
 <b>TOTAL</b>	 <b>6,308,204.67</b>	 <b>27,360,025.00</b>

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## ARANETA PROPERTIES, INC.

### Receivables

	AS AT END OF	
	SEPTEMBER 30, 2019	DECEMBER 31, 2018
Accounts Receivable Trade	344,331,793.75	340,029,657.86
Advances to suppliers, officers, employees & others		
Impaired	-	-
Unimpaired	3,177,263.70	3,328,555.14
	<u>3,177,263.70</u>	<u>3,328,555.14</u>
	<u>347,509,057.45</u>	<u>343,358,213.00</u>
Less: provision for doubtful account	-	-
	<u>347,509,057.45</u>	<u>343,358,213.00</u>
Less: noncurrent portion of trade receivable	181,392,613.00	181,392,613.00
Net	<u>166,116,444.45</u>	<u>161,965,600.00</u>

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**ARANETA PROPERTIES, INC.**SCHEDULE OF RECEIVABLE  
As of SEPTEMBER 30, 2019

PARTICULARS	AMOUNT	COLLECTION / LIQUIDATION				REMARKS
		1 Months	15 Days	Overdue	Others	
Receivable from Joint Venture-SLRDI	37,711,023.07	2,161,473.32	2,377,620.65		33,171,929.10	Installment sales/Monthly amortization
Receivable from Joint Venture-Sland	27,524,645.73	3,102,944.48	2,551,472.24		21,870,229.01	Installment sales/Monthly amortization
Receivable from sale of reserved lot	97,703,511.95	1,033,456.69	1,136,802.36		95,533,252.90	Installment sales/Monthly amortization
Advances for liquidation	403,513.27	403,513.27			-	For liquidation
Salary loan of various employees	246,906.39	63,942.74	31,971.37		31,971.37	Payroll deduction
Others	2,526,844.04				2,526,844.04	Advances against retirements benefits
<b>TOTAL</b>	<b>166,116,444.45</b>	<b>6,765,330.50</b>	<b>6,097,866.62</b>	-	<b>153,134,226.42</b>	
<b>ALLOW. FOR DOUBTFUL ACCT</b>	-				-	
<b>NET CURRENT RECEIVABLE</b>	<b>166,116,444.45</b>	<b>6,765,330.50</b>	<b>6,097,866.62</b>	-	<b>153,134,226.42</b>	

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**ARANETA PROPERTIES, INC.**

## Schedule of Prepayments

Particulars	Date Issued	As of	As of
		SEPTEMBER 30, 2019	DECEMBER 31, 2018
<b><i>Taxes and Licenses</i></b>			
1 Business Permit-Makati City	01.21.19	<b>173,813.73</b>	-
2 Business Permit-Sn Jose DB	01.28.19	<b>551,288.42</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>106,154.10</b>	-
6 Real Property Tax-Laoag	03.18.19	<b>101,343.76</b>	-
7 Real Property Tax-SJDB	04.30.19	<b>53,772.52</b>	-
8 Philippine Stock Exchange	01.14.19	<b>66,954.08</b>	-
9 Pre-paid Income Taxes	12.31.16	<b>6,124,340.39</b>	6,516,959.29
		<b>7,190,367.00</b>	<b>6,516,959.30</b>
<b><i>Prepaid Insurance</i></b>			
10 Prepaid Insurance	02.12.19	<b>2,489.49</b>	-
11 TMBC Insurance for Fortuner	05.15.19	<b>19,599.00</b>	-
		<b>22,088.49</b>	-
<b><i>Other prepayment</i></b>			
12 Manila Polo Club	09.30.19	<b>40,000.00</b>	-
13 BDO-Parkings deposits	09.30.19	<b>10,000.00</b>	-
14 Alpaland Balisen	09.30.19	<b>59,753.56</b>	-
15 Othes	09.30.19	<b>4,687.50</b>	9,450.00
		<b>114,441.06</b>	9,450.00
Total		<b>7,326,896.55</b>	<b>6,526,409.30</b>

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**ARANETA PROPERTIES, INC.**

## Real Estate Inventories

	AS OF SEPTEMBER 30, 2019	AS OF DECEMBER 31, 2018
<b><i>Real Estate Inventories</i></b>		
Saleable house and lot Inventory	6,221,669.87	6,221,669.87
Land for Sale & Land Development	492,595,528.50	498,839,035.21
Saleable house and lot Inventory	498,817,198.37	505,060,705.08

***Land Held for future development***

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

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

	AS OF SEPTEMBER 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	5,253,880.81	6,420,558.19
<b>Total</b>	<b>72,694,528.48</b>	<b>84,144,542.18</b>
<b>DEPRECIATION DATA</b>		
Building	40,031,662.17	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	3,760,738.93	7,114,945.10
Heavy Machinery Equipment	-	4,486,928.72
Other Tools & Equipment	114,593.50	407,992.65
Communication Equipment	1,049,935.11	2,776,148.82
Office Furniture & Equipment	4,765,165.66	5,800,319.52
<b>Total</b>	<b>64,256,051.36</b>	<b>73,770,542.88</b>
<b>NET BOOK VALUE</b>		
Building	6,015,341.56	7,396,751.65
Building Improvements	-	-
Building and Plant Structures	756,385.02	756,385.02
Transporation Equipment	1,084,666.67	1,463,840.41
Heavy Machinery Equipment	-	-
Other Tools & Equipment	8,747.35	13,009.21
Communication Equipment	84,621.37	123,774.34
Office Furniture & Equipment	488,715.15	620,238.67
<b>Total</b>	<b>8,438,477.12</b>	<b>10,373,999.30</b>

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# ARANETA PROPERTIES, INC.

## SCHEDULE OF OTHER ASSETS

	AS OF SEPTEMBER 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>
<b><u>(AFS) Investments Available for Sale - Net</u></b>		
Subic Yacht Club Shares	1,500,000.00	1,500,000.00
Tagaytay Highlands	1,000,000.00	1,000,000.00
Alphaland Balesin Island Club, Inc.	1,000,000.00	1,000,000.00
Colinas Country Club, Inc.	700,000.00	700,000.00
Total	4,200,000.00	4,200,000.00
Allow for Decline AFS Investments	4,200,000.00	4,200,000.00
Net	-	-
Equity instrument at fair value through other comprehensive income (FVOCI)	4,231,897.57	4,231,897.57

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## ARANETA PROPERTIES, INC.

### SCHEDULE OF LIABILITIES

	AS OF SEPTEMBER 30, 2019	AS OF DECEMBER 31, 2018
<b>ACCOUNTS PAYABLE &amp; ACCRUALS</b>		
Accounts Payable to Suppliers	24,058,165.57	22,622,143.15
Advances from related parties	27,365,481.31	13,805,286.93
SSS Salary Loan Payable	20,190.49	19,888.09
SSS Calamity Loan Payable	-	738.32
Pag-ibig Salary Loan Payable	25,985.59	33,393.60
Pag-ibig Fund Contribution	7,700.00	9,050.00
SSS, Medicare & EC Payable	55,500.00	45,840.00
Philhealth Payable	17,892.46	18,619.82
Withholding Tax Payable	414,260.33	243,649.57
Retentions & Deposits	8,693,193.05	8,693,193.05
Accrued Operating	5,396,393.37	3,963,178.35
	<i>66,054,762.17</i>	<i>49,454,980.88</i>
<b>LIABILITY FROM PURCHASE OF LAND</b>	<b>115,305,607.50</b>	<i>113,637,878.25</i>
<b>ACCRUED RETIREMENT BENEFITS</b>	<i>22,648,081.40</i>	<i>21,752,706.00</i>
<b>DEFERRED INCOME TAX LIABILITIES</b>	<i>36,258,914.32</i>	<i>36,258,914.32</i>
<b>INCOME TAX PAYABLE</b>	<i>386,833.93</i>	-
<b>TOTAL</b>	<b>240,654,199.32</b>	<b>221,104,479.45</b>

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

	AS AT END OF	
	SEPTEMBER 30, 2019	SEPTEMBER 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	(310,430.20)	(30,000.00)
<b>Total</b>	<b>2,154,017,711.49</b>	<b>2,150,858,431.92</b>
Deficit as at December 31,	(379,756,761.80)	(411,216,644.33)
Net Income for the nine months ended September 30	(26,063,400.70)	19,851,390.47
<b>Balances</b>	<b>1,748,197,548.99</b>	<b>1,759,493,178.06</b>

	AS AT END OF	
	SEPTEMBER 30, 2019	SEPTEMBER 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	(1,727,812.20)
Unrealized valuation of gain on AFS Investments	(310,430.20)	(30,000.00)
<b>Total</b>	<b>2,154,017,711.49</b>	<b>2,150,858,431.92</b>
Deficit as at December 31,	(379,756,761.80)	(411,216,644.33)
Net Income for the quarter ended March 31	(16,243,515.02)	6,864,218.44
Net Income for the quarter ended June 30	(9,720,410.74)	6,438,270.83
Net Income for the quarter ended Sept 30	(99,474.94)	6,548,901.20
<b>Balances</b>	<b>1,748,197,548.99</b>	<b>1,759,493,178.06</b>