



ALTUS PROPERTY VENTURES, INC.

(Formerly: Altus San Nicolas Corp.)

National Highway, Brgy. 1, San Francisco, San Nicolas, Ilocos Norte

Telephone No. (028) 8397-1888 loc. 36201

CERTIFICATION

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

I, **KERWIN MAX S. TAN**, Treasurer and Compliance Officer, is a duly authorized representative of **Altus Property Ventures, Inc.** with SEC registration CS200704758 with principal office address at Brgy. 1, San Francisco, San Nicolas, Ilocos Norte, Philippines, do hereby certify that:

Altus Property Ventures, Inc. will comply with the guidelines for the alternative filing of reports and/or documents online with the Securities and Exchange Commission (SEC) in light of the imposition of the Community Quarantine and Stringent Social Distancing Measures over Luzon to prevent the spread of the 2019 Coronavirus Disease (COVID-2019).

The information contained in 2020 SEC Form 17-Q (Quarterly Report) with attached unaudited interim financial statements for the period ended March 31, 2020, submitted on June 30, 2020 online is true and correct to the best of my knowledge.

On behalf of Altus Property Ventures, Inc. I hereby undertake to (1) submit hard or physical copies of 2020 SEC Form 17-Q (Quarterly Report) with proper notarization and certification; (2) pay the filing fees (where applicable); (3) pay the penalties due (where applicable) and (4) other impositions (where applicable), within ten (10) calendar days from the date of the lifting of the Community Quarantine period and resumption of SEC's normal working hours.

I am fully aware that non-submission of hard/physical copies of reports as well as certification that they refer to one and the same document submitted online, within ten (10) calendar days from the lifting of the Community Quarantine period and resumption of SEC's normal working hours, shall invalidate the reports, applications, compliance, requests and other documents submitted via email. Hence, the corresponding penalties under existing rules and regulations of the Commission shall apply without prejudice to the imposition of penalties under Section 54 of the Securities Regulation Code and other applicable existing rules and regulations for failure to comply with the orders of the Commission.

I am executing this certification on June 30, 2020 to attest to the truthfulness of the foregoing facts and for whatever legal purpose it may serve.

KERWIN MAX S. TAN

Treasurer and Compliance Officer

SEC Number
File Number

CS200704758

**ALTUS PROPERTY VENTURES, INC.
(Formerly Altus San Nicolas Corp.)**

(Company's Full Name)

Brgy. 1, San Francisco, San Nicolas, Ilocos Norte

(Company's Address)

8397-1888

(Telephone Number)

March 31, 2020

(Quarter Ended)

SEC Form 17Q

Form Type

Amendment Designation (if applicable)

Not Applicable

(Secondary License Type and File Number)

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

| | | |
|-------------------------|------------------------------|---------------------------|
| Company's Email Address | Company's Telephone Number | Mobile Number |
| N/A | 8397-1888 | N/A |
| No. of Stockholders | Annual Meeting (Month / Day) | Fiscal Year (Month / Day) |
| 1,503 | March 10 | 12/31 |

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

| | | | |
|------------------------|---|--------------------|---------------|
| Name of Contact Person | Email Address | Telephone Number/s | Mobile Number |
| Mr. Kerwin Max S. Tan | Kerwin.Tan@altuspropertyventures.com.ph | 8397-1888 | N/A |

CONTACT PERSON'S ADDRESS

| |
|--|
| 14 th Floor Robinsons Cyberscape Alpha cor. Garnet and Sapphire Road, Ortigas Center, Pasig City |
|--|

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended : **March 31, 2020**

2. SEC Identification Number : **CS200704758**

3. BIR Tax Identification No. **006-199-192-000**

4. Exact name of issuer as specified in its charter

ALTUS PROPERTY VENTURES, INC. (Formerly Altus San Nicolas Corp.)

5. **Ilocos Norte, Philippines**

Province, Country or other jurisdiction
of incorporation or organization

SEC Use Only)
Industry Classification Code:

7. **Brgy. 1, San Francisco, San Nicolas, Ilocos Norte**

Address of principal office

2901

Postal Code

8. **8397-1888**

Issuer's telephone number, including area code

9. **Not Applicable**.....

Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

| <u>Title of Each Class</u> | <u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u> |
|----------------------------|--|
| Common Stock | 100,000,000 shares |

11. Are any or all of these securities listed on a Stock Exchange.

Yes [] No [✓]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Not Applicable

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 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 ninety (90) days.

Yes [☒] No [☐]

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein. **See Exhibit II**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

See Exhibit I


PART II—OTHER INFORMATION

Not applicable.

SIGNATURES

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

Issuer
Signature and Title
Date



FREDERICK D. GO
Chairman and President
06/30/2020

Issuer
Signature and Title
Date



KERWIN MAX S. TAN
Treasurer and Compliance Officer
06/30/2020

ALTUS PROPERTY VENTURES, INC.
(Formerly Altus San Nicolas Corp.)
1st Quarter CY 2020 PERFORMANCE

I. Operations

The Company generated total gross revenues of ₱33.62 million for the three months ended March 31, 2020, a slight increase of 0.8% from ₱33.34 million total gross revenues for the three months ended March 31, 2019. EBIT decreased by 14.6% to ₱19.34 million while EBITDA posted a decrease of 14.4% to ₱25.39 million. The slight decrease was due to the temporary and partial closure of the mall except those areas that are being occupied by tenants providing essential services such as the supermarkets, bank and pharmacies; and waived rental for non-operational tenants during the Enhanced Community Quarantine (ECQ).

Costs of rental services were down by 13.6% to ₱6.79 million due to various fixed assets that have become fully depreciated during the period. General and administrative expenses grew by 73.8% to ₱7.74 million because of higher professional, management and consultancy fees, taxes and licenses and salaries and wages, among others. Other income (expenses) were down by 69.5% to ₱0.74 million due to lower billings of utilities - net as a result of the temporary and partial mall closure during the ECQ.

II. Financial Resources and Liquidity

As of March 31, 2020, cash and cash equivalents increased by 11.0% mainly due to net cash generated from operations, which was partially offset by capital spending on property improvements.

Other current assets decreased by 10.6% to ₱7.81 million due to the application of creditable withholding tax as tax credits against the Company's income tax payments.

Property and equipment - net increased by 12.8% to ₱47.82 million due to additional capital spending on property improvements.

Accounts payable and accrued expenses increased by 10.9% to ₱64.09 million due to timing of disbursements during the ECQ. Deposits from lessees were up by 5.1% to ₱38.10 million arising from the additional deposits from new mall tenants. Income tax payable is lower by 41.7% to ₱2.46 million due to timing of income tax payment.

APVI's financial position remains solid with total assets at ₱708.18 million and total equity ending at ₱600.0 million as of March 31, 2020. As of December 31, 2019, total assets ended at ₱686.92 million while total equity finished at ₱585.17 million. Cash registered at ₱195.04 million and ₱175.67 million as of March 31, 2020 and December 31, 2019, respectively. Current ratio ended at 4.07:1 from last year end's 4.17:1. Earnings per share for the three months of this year posted to ₱0.15 per share while as of December 31, 2019 it was at ₱0.64 per share. Book value stood at ₱6.00 per share as of March 31, 2020 compared to ₱5.85 per share as of December 31, 2019.

ALTUS PROPERTY VENTURES, INC.
(Formerly Altus San Nicolas Corp.)

Unaudited Interim Condensed Financial Statements
March 31, 2020 and for the Three Months Ended March 31, 2020 and 2019
*(With Comparative Audited Statement of Financial Position
as of December 31, 2019)*

ALTUS PROPERTY VENTURES, INC. (Formerly Altus San Nicolas Corp.)
UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION

| | March 31, 2020 (Unaudited) | December 31, 2019 (Audited) |
|--|---|--|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents (Note 4) | ₱195,036,996 | ₱175,668,658 |
| Receivables (Note 5) | 179,243,968 | 176,614,511 |
| Due from affiliates (Note 13) | 1,920,543 | 2,012,844 |
| Other current assets (Note 6) | 7,811,219 | 8,737,000 |
| Total Current Assets | 384,012,726 | 363,033,013 |
| Noncurrent Assets | | |
| Investment properties - net (Note 7) | 276,349,482 | 281,494,986 |
| Property and equipment - net (Note 8) | 47,823,456 | 42,389,172 |
| Total Noncurrent Assets | 324,172,938 | 323,884,158 |
| | ₱708,185,664 | ₱686,917,171 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses (Note 9) | ₱64,087,018 | ₱57,762,789 |
| Current portion of deposits and other liabilities (Note 10) | 27,712,332 | 25,161,728 |
| Income tax payable | 2,459,637 | 4,220,409 |
| Total Current Liabilities | 94,258,987 | 87,144,926 |
| Noncurrent Liabilities | | |
| Noncurrent portion of deposits and other liabilities (Note 10) | 10,388,338 | 11,075,429 |
| Pension liabilities | 834,866 | 834,866 |
| Deferred tax liabilities - net | 2,695,186 | 2,695,186 |
| Total Noncurrent Liabilities | 13,918,390 | 14,605,481 |
| Total Liabilities | 108,177,377 | 101,750,407 |
| Equity | | |
| Capital stock (Note 11) | 100,000,000 | 100,000,000 |
| Additional paid-in capital (Note 11) | 450,000,000 | 450,000,000 |
| Retained earnings (Note 11) | 49,820,265 | 34,978,742 |
| Remeasurement of net defined benefit liabilities - net of tax | 188,022 | 188,022 |
| Total Equity | 600,008,287 | 585,166,764 |
| | ₱708,185,664 | ₱686,917,171 |

See accompanying Notes to Unaudited Interim Financial Statements.

ALTUS PROPERTY VENTURES, INC. (Formerly Altus San Nicolas Corp.)
UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

| | For Three Months Ended March 31 | |
|---|--|--------------------|
| | 2020 | 2019 |
| RENTAL REVENUES (Note 14) | ₱33,616,621 | ₱33,345,645 |
| COSTS OF RENTAL SERVICES (Note 12) | 6,788,607 | 7,858,286 |
| GROSS INCOME | 26,828,014 | 25,487,359 |
| GENERAL AND ADMINISTRATIVE EXPENSES | | |
| Professional, management and consultancy fees (Note 13) | 4,376,549 | 2,347,109 |
| Salaries, wages and employee benefits | 1,407,156 | 1,206,628 |
| Taxes and licenses | 1,295,209 | 754,837 |
| Advertising | 173,813 | 66,478 |
| Supplies | 182,706 | 20,893 |
| Travel and communication | 306,029 | 58,456 |
| | 7,741,462 | 4,454,401 |
| OPERATING INCOME | 19,086,552 | 21,032,958 |
| OTHER INCOME (EXPENSES) | | |
| Interest income (Note 4) | 490,130 | 818,656 |
| Billings of utilities - net | (49,949) | 1,615,237 |
| Other income - net (Note 9) | 303,345 | 4,234 |
| | 743,526 | 2,438,127 |
| INCOME BEFORE INCOME TAX | 19,830,078 | 23,471,085 |
| PROVISION FOR INCOME TAX | 4,988,555 | 4,797,398 |
| NET INCOME | 14,841,523 | 18,673,687 |
| OTHER COMPREHENSIVE INCOME | — | — |
| TOTAL COMPREHENSIVE INCOME | ₱14,841,523 | ₱18,673,687 |
| Basic and Diluted Earnings Per Share (Note 11) | ₱0.15 | ₱0.19 |

See accompanying Notes to Unaudited Interim Financial Statements.

ALTUS PROPERTY VENTURES, INC. (Formerly Altus San Nicolas Corp.)
UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2020 AND 2019

For the Three Months Ended March 31, 2020

| | Capital Stock (Note 11) | Additional Paid-in Capital (Note 11) | Remeasurement of net defined benefit liabilities - net of tax | Retained Earnings (Note 11) | Total Equity |
|---|-----------------------------------|--|--|---|---------------------|
| Balances at January 1, 2020 | ₱100,000,000 | ₱450,000,000 | ₱188,022 | ₱34,978,742 | ₱585,166,764 |
| Total comprehensive income for the period | – | – | – | 14,841,523 | 14,841,523 |
| Balances at March 31, 2020 | ₱100,000,000 | ₱450,000,000 | ₱188,022 | ₱49,820,265 | ₱600,008,287 |

For the Three Months Ended March 31, 2019

| | Capital Stock (Note 11) | Additional Paid-in Capital (Note 11) | Remeasurement of net defined benefit liabilities - net of tax | Retained Earnings (Note 11) | Total Equity |
|---|-----------------------------------|--|--|---|---------------------|
| Balances at January 1, 2019 | ₱100,000,000 | ₱450,000,000 | ₱188,022 | ₱71,494,150 | ₱621,682,172 |
| Total comprehensive income for the year | – | – | – | 18,673,687 | 18,673,687 |
| Cash dividends | – | – | – | (50,000,000) | (50,000,000) |
| Balances at March 31, 2019 | ₱100,000,000 | ₱450,000,000 | ₱188,022 | ₱40,167,837 | ₱590,355,859 |

See accompanying Notes to Unaudited Interim Financial Statements.

ALTUS PROPERTY VENTURES, INC. (Formerly Altus San Nicolas Corp.)**UNAUDITED INTERIM STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | ₱19,830,078 | ₱23,471,085 |
| Adjustments for: | | |
| Depreciation expense (Notes 7 and 8) | 6,052,093 | 7,009,764 |
| Interest income (Note 4) | (490,130) | (818,656) |
| Operating income before working capital changes | 25,392,041 | 29,662,193 |
| Changes in operating assets and liabilities | | |
| Decrease (increase) in: | | |
| Receivables | (2,629,457) | 54,394,272 |
| Due from affiliates | 92,301 | (99,865) |
| Other current assets | 925,781 | 4,364,439 |
| Increase in: | | |
| Accounts payable and accrued expenses | 6,324,229 | 3,252,105 |
| Deposits and other liabilities | 1,863,513 | 3,496,604 |
| Net cash generated from operations | 31,968,408 | 95,069,748 |
| Interest received from cash in banks | 1,537 | 170 |
| Cash paid for income taxes | (6,749,327) | (4,797,398) |
| Net cash flows provided by operating activities | 25,220,618 | 90,272,520 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisitions of: | | |
| Property and equipment (Note 8) | (5,724,799) | (116,561) |
| Investment properties (Note 7) | (616,074) | — |
| Interest received from short-term investments (Note 4) | 488,593 | 818,486 |
| Net cash flows provided by (used in) investing activities | (5,852,280) | 701,925 |
| CASH FLOW FROM A FINANCING ACTIVITY | | |
| Dividends paid (Note 11) | — | (50,000,000) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 19,368,338 | 40,974,445 |
| CASH AND CASH EQUIVALENTS AT JANUARY 1 | 175,668,658 | 75,314,587 |
| CASH AND CASH EQUIVALENTS AT MARCH 31 | ₱195,036,996 | ₱116,289,032 |

See accompanying Notes to Unaudited Interim Financial Statements.

ALTUS PROPERTY VENTURES, INC. (Formerly Altus San Nicolas Corp.)
NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

1. Corporate Information

Altus Property Ventures, Inc. (formerly Altus San Nicolas Corp.) (the Company or APVI) is a stock corporation incorporated and registered with the Philippine Securities and Exchange Commission (the SEC). It was incorporated on March 28, 2007 as a real estate company with an initial authorized capital stock of 40,000,000 Common Shares at a par value of ₱1.00 per share. The Company's primary purpose is to engage in the business of selling, acquiring, building, constructing, developing, leasing and disposing of real estate properties and property development of all kinds and nature.

On February 24, 2009, Robinsons Land Corporation (the Former Parent Company or RLC) subscribed and paid 1,998 Common Shares of APVI at ₱1.00 per share. RLC is 60.97% owned by JG Summit Holdings, Inc. (the Parent Company or JGSHI). It is primarily engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, shopping malls, commercial centers and housing projects, hotels and other variants and mixed-used property projects. JGSHI is one of the country's largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation, real estate and financial services. Both the Parent Company and RLC are publicly listed in the Philippine Stock Exchange (the PSE).

In 2010, the SEC approved the increase in the Company's authorized capital stock to 100,000,000 Common Shares with a par value of ₱1.00. In the same year, RLC bought additional shares in APVI ending up with an 80% controlling stake in the Company. On March 7, 2013, RLC acquired the remaining 20% non-controlling interest from VVH Realty Corporation and VenviHoldings Corporation, increasing its ownership interest from 80% to 100%.

On July 31, 2019, the Board of Directors of RLC approved the declaration of RLC's shares in APVI as property dividend (the Property Dividend) to its common shareholders (the RLC Common Shareholders) which, following the approval of the SEC, will result in the distribution to RLC Common Shareholders of one (1) common share for approximately every fifty-one and 9384/10000 (51.9384) RLC common Shares owned and registered in the name of the RLC Common Shareholders as of August 15, 2019.

On August 23, 2019, the SEC approved the amendment of some of the provisions of the Company's Articles of Incorporation and By-laws including the change of its corporate name from "Altus San Nicolas Corp." to "Altus Property Ventures, Inc."

On September 19, 2019, the Company filed with the SEC a registration statement covering its 100,000,000 common shares. The common shares subject of the registration statement are covered by (i) the application for the approval of the Property Dividend which was approved by the SEC on November 15, 2019 and (ii) the Certificate Authorizing Registration issued by the Bureau of Internal Revenue on December 6, 2019.

On December 26, 2019, the Company applied for the listing of its 100,000,000 common shares by way of introduction under the Small, Medium and Emerging (the SME) Board of the Philippine Stock Exchange (the PSE), representing 100% of the issued and outstanding common shares of the Company.

The registered office and principal place of business of the Company is located at Brgy. 1 San Francisco, San Nicolas, Ilocos Norte. RLC's registered office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila. The Parent Company's registered office is located at 43rd Floor, Robinsons-Equitable Tower, ADB Avenue corner Poveda Road, Pasig City.

2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these interim condensed financial statements are summarized in the succeeding pages. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of Preparation of Interim Condensed Financial Statements

These interim condensed financial statements as at and for the three months ended March 31, 2020 (with comparative figures as at December 31, 2019 and for the three months ended March 31, 2019) have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. They do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial statements of the Company as at and for the year ended December 31, 2019.

The preparation of interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

These interim condensed financial statements are presented in Philippine Pesos (P), the functional and presentation currency of the Company, and all values represent absolute amounts except when otherwise stated.

2.2 Adoption of New and Amended PFRS

The Company has adopted new accounting pronouncements which are mandatorily effective for annual periods beginning on or after January 1, 2019, however, except for PFRS 16, *Leases*, these amendments, interpretations and annual improvements to standards do not have a significant impact on the Company's interim condensed financial statements, and the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these pronouncements.

PFRS 16 replaces PAS 17, *Leases*, and related interpretations IFRIC 4, *Determining Whether an Arrangement Contains a Lease*, Standing Interpretations Committee (SIC) 5, *Operating Lease - Incentives* and SIC 27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. For lessors, lease accounting is similar to PAS 17's approach. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially similar to PAS 17. The basic accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

The Company's adoption of PFRS 16 has not resulted in changes in its accounting policies with respect to leases and did not result into any adjustments to the amounts recognized in the Company's

unaudited interim financial statements. The Company, as a lessor, continues to classify its leases as either operating or finance leases. Rental income is recognized on a straight-line basis over the term of the lease. The new standard has been applied using the modified retrospective approach; thus, for contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from PAS 17 and IFRIC 4 and has not applied PFRS 16 to arrangements that were previously not identified as lease under PAS 17 and IFRIC 4.

3. Significant Accounting Judgments, Estimates and Assumptions

In preparing the interim condensed financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates and assumptions applied in the interim condensed financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements as of and for the year ended December 31, 2019.

4. Cash and Cash Equivalents

| | March 31, 2020 | December 31, 2019 |
|---------------------------|-----------------------|-------------------|
| Cash on hand and in banks | ₱6,901,962 | ₱11,872,912 |
| Short-term investments | 188,135,034 | 163,795,746 |
| | ₱195,036,996 | ₱175,668,658 |

Cash in banks earn annual interest at the respective bank deposit rates. Interest income earned from cash in banks and short-term investments amounted to ₱0.49 million and ₱0.82 million for the three months ended March 31, 2020 and 2019, respectively.

5. Receivables

| | March 31, 2020 | December 31, 2019 |
|--|-----------------------|-------------------|
| Receivable from sale of assets (Note 13) | ₱162,709,419 | ₱164,261,052 |
| Trade | 13,532,522 | 9,295,710 |
| Accrued rent receivable | 2,395,843 | 2,395,843 |
| Others | 606,184 | 661,906 |
| | ₱179,243,968 | ₱176,614,511 |

Receivable from sale of assets pertains to unpaid balance of the total consideration of the sale in 2016 of the Company's assets to its former Parent Company.

Trade receivables are non-interest bearing and are generally on a thirty-day term.

Accrued rent receivable represents the portion of the lease as a consequence of recognizing income on a straight-line basis to comply with PFRS 16 and PAS 17 as of March 31, 2020 and December 31, 2019, respectively.

Others include receivable from insurance company and from officers and employees.

Aging Analysis

The aging analysis of the Company's receivables and due from affiliates as of March 31, 2020 and December 31, 2019 follows:

| | | March 31, 2020 | | | | | |
|---|--------------|-------------------------------|---------------------------|---------------|---------------|--------------|-----------------------|
| | | Neither Past Due Nor Impaired | Past Due But Not Impaired | | | | Past Due and Impaired |
| | Total | | Less than 30 Days | 30 to 60 Days | 61 to 90 Days | Over 90 Days | |
| Receivables Due from affiliates (Note 13) | ₱179,243,968 | ₱5,645,924 | ₱– | ₱3,113,993 | ₱483,944 | ₱170,000,107 | ₱– |
| | 1,920,543 | 1,920,543 | – | – | – | – | – |
| | ₱181,164,511 | ₱7,566,467 | ₱– | ₱3,113,993 | ₱483,944 | ₱170,000,107 | ₱– |
| | | | | | | | |
| | | December 31, 2019 | | | | | |
| | | Neither Past Due Nor Impaired | Past Due But Not Impaired | | | | Past Due and Impaired |
| | Total | | Less than 30 Days | 30 to 60 Days | 61 to 90 Days | Over 90 Days | 30 to 60 Days |
| Receivables Due from affiliates (Note 13) | ₱176,614,511 | ₱3,673,738 | ₱– | ₱171,859 | ₱– | ₱172,768,914 | ₱– |
| | 2,012,844 | 2,012,844 | – | – | – | – | – |
| | ₱10,896,499 | ₱8,595,342 | ₱– | ₱37,379 | ₱64,377 | ₱2,199,401 | ₱– |

6. Other Current Assets

| | March 31, 2020 | December 31, 2019 |
|---------------------------------------|-------------------|-------------------|
| Creditable withholding tax | ₱3,886,365 | ₱4,417,088 |
| Utility deposits | 2,004,000 | 2,004,000 |
| Prepaid taxes | 1,189,101 | 1,584,159 |
| Advances to suppliers and contractors | 186,000 | 186,000 |
| Others | 545,753 | 545,753 |
| | ₱7,811,219 | ₱8,737,000 |

Utility deposits consist primarily of meter deposits.

Prepaid taxes pertain to the advance payments made for real property taxes.

Advances to suppliers and contractors consist of advance payment, which will be applied against progress billings.

Others consist of advances to SSS, cleaning and maintenance supplies and construction materials.

7. Investment Properties - net

The reconciliation of the carrying amounts of investment properties is shown below.

| | March 31, | | December 31, |
|--------------------------------|---------------------|---------------------|---------------------|
| | 2020 | 2019 | 2019 |
| Balance at beginning of period | ₱281,494,986 | ₱300,375,578 | ₱300,375,578 |
| Additions | 616,074 | – | – |
| Depreciation expense | (5,761,578) | (6,651,998) | (18,880,592) |
| Balance at end of period | ₱276,349,482 | ₱293,723,580 | ₱281,494,986 |

Rental revenue from investment properties amounted to ₱33.62 million and ₱33.34 million for the three months ended March 31, 2020 and 2019, respectively.

The fair value as of March 31, 2020 amounted to ₱1,483.00 million, which is based on independent third party appraisal report, dated June 30, 2019.

8. Property and Equipment - net

The reconciliation of the carrying amounts of property and equipment is shown below.

| | March 31, | | December 31, |
|--------------------------------|-------------|------------|--------------|
| | 2020 | 2019 | 2019 |
| Balance at beginning of period | ₱42,389,172 | ₱3,319,510 | ₱3,319,510 |
| Additions | 5,724,799 | 116,561 | 40,159,527 |
| Depreciation expense | (290,515) | (357,766) | (1,089,865) |
| Balance at end of period | ₱47,823,456 | ₱3,078,305 | ₱42,389,172 |

9. Accounts Payable and Accrued Expenses

| | March 31, 2020 | December 31, 2019 |
|-----------------------------|----------------|-------------------|
| Accounts payable | ₱55,931,314 | ₱49,165,029 |
| Accrued utilities expense | 1,832,739 | 3,388,852 |
| Accrued contracted services | 5,033,597 | 3,227,197 |
| Output VAT payable | 1,201,111 | 1,899,401 |
| Taxes and licenses payable | 88,257 | 82,310 |
| | ₱64,087,018 | ₱57,762,789 |

Accounts payable mainly includes unpaid billings from suppliers and contractors, including retention payable.

Accrued utilities expense, accrued contracted services and taxes and licenses payable are normally settled within one year. Accrued contracted services pertain to housekeeping, security and engineering services that are yet to be billed by the contractors.

10. Deposits and Other Liabilities

| | March 31, 2020 | December 31, 2019 |
|--|----------------|-------------------|
| Deposits from lessees | ₱36,044,449 | ₱34,988,473 |
| Others | 2,056,221 | 1,248,684 |
| | 38,100,670 | 36,237,157 |
| Current portion of deposits from lessees | (27,712,332) | (25,161,728) |
| | ₱10,388,338 | ₱11,075,429 |

Deposits from lessees represent cash received from tenants representing three to six months of rent which shall be refunded to tenants at the end of lease term. These are initially recorded at fair value, which is obtained by discounting its future cash flows using the applicable rates of similar type of instruments at the date of receipt of deposits.

Others include accruals for goods purchased and/or services received which have yet to be billed by the suppliers as of period end.

11. Equity

11.1 Capital Stock

The details of the number of shares as of March 31, 2020 and December 31, 2019 follow:

| | Common Stock | | Additional |
|---|---------------|--------------|---------------------------|
| | No. of shares | Amount | Paid-in Capital Amount |
| Authorized, issued and outstanding, ₱1 par value | 100,000,000 | ₱100,000,000 | ₱450,000,000 |

11.2 Retained Earnings

The details of the dividends approved and declared by the Board of Directors are as follows:

| Date of Approval | Date of Record | Date of Payment | Type of Dividend | Amount | Dividend per Share |
|---------------------|-------------------|--------------------|---------------------|-------------|-----------------------|
| March 22, 2019 | February 28, 2019 | March 29, 2019 | Cash | ₱50,000,000 | ₱0.50 |
| June 24, 2019 | May 31, 2019 | June 28, 2019 | Cash | ₱51,000,000 | ₱0.51 |

The Company's By-laws provide that dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them, as often and at such times as the Board may determine and in accordance with law and applicable rules and regulations.

11.3 Earnings Per Share (EPS)

EPS for the three months ending March 31 were computed as follows:

| | 2020 | 2019 |
|--|-------------|-------------|
| Net income | ₱14,841,523 | ₱18,673,687 |
| Divided by weighted average number of outstanding common shares | 100,000,000 | 100,000,000 |
| Basic and diluted EPS | ₱0.15 | ₱0.19 |

The Company has no potential dilutive common shares as of March 31, 2020 and 2019.

11.4 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

12. Cost of Rental Services

The breakdown of the cost of rental services for the three months ending March 31 are shown below.

| | 2020 | 2019 |
|--------------------------------------|-------------------|------------|
| Depreciation expense (Notes 7 and 8) | ₱6,052,093 | ₱7,009,764 |
| Maintenance cost | 736,514 | 848,522 |
| | ₱6,788,607 | ₱7,858,286 |

Maintenance cost pertains to supplies and repairs and maintenance on building and equipment.

13. Related Party Transactions

This Company's related parties include the former Parent Company and related parties under common ownership.

The summary of the Company's transactions with its related parties for the three months ended March 31, 2020 and 2019 and the related outstanding balances as of March 31, 2020 and December 31, 2019 is presented below.

| March 31, 2020 | | | | |
|--|-------------------|-------------------------|--|-----------------------------|
| | Amount/ Volume | Receivable (Payable) | Terms | Conditions |
| Former Parent Company | | | | |
| a) Receivable from sale of assets (Note 5) | ₱– | ₱162,709,419 | Non-interest bearing; due and demandable | Unsecured; no impairment |
| Related Parties under Common Ownership | | | | |
| b) Due from affiliates | | | | |
| • Rental revenue | 7,257,540 | 1,920,543 | Three to five-year lease terms at prevailing market lease rate; renewable at the end of lease term | Unsecured; no impairment |
| c) Cash (Note 4) | | | | |
| • Cash in banks | 2,551,970 | 2,551,970 | Interest bearing at prevailing market rate; due and demandable | Unsecured; no impairment |
| • Interest income | 1,537 | – | – | – |
| • Short-term investments | 24,339,288 | 188,135,034 | Interest bearing at prevailing market rate; due and demandable | Unsecured; no impairment |
| • Interest income | 488,593 | 70,780 | – | – |
| December 31, 2019 | | | | |
| | Amount/ Volume | Receivable (Payable) | Terms | Conditions |
| Former Parent Company | | | | |
| a) Receivable from sale of assets (Note 5) | ₱– | ₱164,261,052 | Non-interest bearing; due and demandable | Unsecured; no impairment |
| Under common control of the Ultimate Parent Company | | | | |
| b) Due from affiliates | | | | |
| • Rental revenue | 43,827,588 | 2,012,844 | Three to five-year lease terms at prevailing market lease rate; renewable at the end of lease term | Unsecured; no impairment |
| c) Cash (Note 4) | | | | |
| • Cash in banks | 5,574,948 | 11,424,149 | Interest bearing at prevailing market rate; due and demandable | Unsecured; no impairment |

| December 31, 2019 | | | | |
|--------------------------|-------------------|-------------------------|--|-----------------------------|
| | Amount/ Volume | Receivable (Payable) | Terms | Conditions |
| • Interest income | 853 | – | – | – |
| • Short-term investments | 92,773,649 | 163,795,746 | Interest bearing at prevailing market rate; due and demandable | Unsecured; no impairment |
| • Interest income | 3,165,094 | 87,590 | – | – |

Outstanding balances consist of the following:

| | March 31, 2020 | December 31, 2019 |
|---|---------------------|-------------------|
| Cash and cash equivalents (Note 4) | ₱190,687,004 | ₱175,219,895 |
| Receivable from sale of assets (Note 5) | 162,709,419 | 164,261,052 |
| Due from affiliates | 1,920,543 | 2,012,844 |

The Company's outstanding receivables from and payables to related parties arising from the above transactions are payable or collectible on demand, unsecured and noninterest-bearing. Such receivables were deemed not impaired by the management.

14. Commitments and Contingencies

Operating lease commitments - Company as lessor

The Company is a lessor under non-cancellable operating lease agreements covering investment properties. The leases have a term of at least one year with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates. The total rentals from these operating leases amounted to ₱33.62 million and ₱33.34 million for the three months ended March 31, 2020 and 2019, respectively, and is presented as Rental Revenues in the interim condensed statements of comprehensive income.

There are other commitments and contingent liabilities that may arise in the normal course of the Company's operations that are not reflected in the interim condensed financial statements. Management is of the opinion that losses, if any, from these items will not have a material effect on the Company's interim condensed financial statements.

15. Events after the Reporting Period

Listing By Way of Introduction

On June 26, 2020, the Company's application for listing by way of introduction of its 100,000,000 common shares under the SME Board was approved by the PSE.

Impact of COVID-19 Outbreak on the Company's Operations

Amid COVID-19 and in compliance with the Philippine government's enhanced community quarantine ("ECQ") guidelines, malls, hotels, and other businesses, except those providing essential goods and services have temporarily closed until the ECQ is lifted or relaxed. The Company has felt the impact on its mall operations.

With public health and safety in mind and in full cooperation with the government, the Company has temporarily closed its operations except those areas that are being occupied by tenants providing essential services such as the supermarkets, banks and pharmacies. The Company has also waived rental for non-operational tenants during the ECQ.

The Company is cognizant of COVID-19's potential material impact on its financial performance, the execution of its plans and strategies, and its customers and employees should the situation persist in the longer-term.

The Company is fully committed to cooperate and support the Philippine government's efforts to control the spread of the virus. In addition to complying with the guidelines, rules and regulations that the Philippine government has laid out, the Group has rolled out robust plans to ascertain business continuity and have taken immediate actions to ensure that the Company's services remain available to its customers. Skeleton workforces have been deployed and contingency measures such as flexible personnel resourcing and off-site working facilities have been employed.

The Company has implemented appropriate and enhanced measures in an effort to contain the spread of the virus within its properties and workplace. To ensure adequate social distancing, mall operating hours have been adjusted for operational stores, social distancing floor markers have been strategically placed and entry of customers is closely monitored. Infrared non-contact thermal scanners are being used and hand sanitizers and foot baths have been installed in all the entry points to the Company's properties. All its front liners are required to conduct frequent handwashing, wear protective masks or gear, and implement effective cleaning procedures in its properties.

Moreover, sanitation teams have been reinforced to carry out deep disinfection procedures especially in high-touch areas such as elevators and escalators in its properties. In the workplace, corporate policies have been established to use digital or online platforms for corporate communications and virtual meetings in order to limit physical contact. Decentralized and/or remote-working arrangements for the Company's employees have also been instituted. As early as January 2020, the Company has launched information campaigns apprising and educating its stakeholders of the risks of COVID-19 and the ways to prevent its transmission. As of this report date, the mall has already been reopened.

Lastly, the Company has calibrated its re-entry strategies and workplace re-integration in preparation for business resumption once the ECQ is lifted. The Company's main focus is to ensure a safe environment for its customers and employees in order to rebuild workplace and business confidence.

As the Company actively monitors developments and assess the impact of the foregoing in its operations and financial performance, the Company remains confident that it will continue to deliver a solid financial performance given the aforementioned mitigation efforts it has adopted.

16. Categories and Fair Values of Financial Assets and Financial Liabilities

16.1 Carrying Amounts and Fair Values by Category

The fair values of cash and cash equivalents, receivables, due from affiliates, utility deposits under other current assets and deposits and other liabilities, accounts payable and accrued expenses (excluding taxes and licenses payable) and due to affiliates are approximately equal to their carrying amounts as of the reporting date due to the short-term nature of the transactions.

The fair value of deposits and other liabilities amounting to ₱38.96 million and ₱35.90 million as of March 31, 2020 and December 31, 2019, respectively, are based on the discounted value of future cash flows using the applicable rates for similar types of financial liabilities. The discount rates used range from 2.04% to 10.05% and 2.04% to 11.70% for the periods ended March 31, 2020 and December 31, 2019, respectively.

16.2 Fair Value Hierarchy

The Company uses the following hierarchy level in determining the fair values that will be disclosed for its financial statements:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally accepted pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument is observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has no financial assets or financial liabilities measured at fair value as of March 31, 2020 and December 31, 2019.

ALTUS PROPERTY VENTURES, INC. (Formerly Altus San Nicolas Corp.)
FINANCIAL SOUNDNESS INDICATORS

| | March 31, 2020 | | December 31, 2019 | |
|--|----------------|-------|-------------------|-------|
| Current Ratio | | | | |
| Current Assets | 384,012,726 | 4.07 | 363,033,013 | 4.17 |
| Current Liabilities | 94,258,987 | | 87,144,926 | |
| Solvency Ratio | | | | |
| Net Income after Tax + Non-cash Expenses | 20,893,616 | 0.19 | 84,925,009 | 0.83 |
| Total Liabilities | 108,177,377 | | 101,750,407 | |
| Debt-to-Equity Ratio | | | | |
| Not applicable. The Company has no borrowings as of March 31, 2020 and December 31, 2019 | | | | |
| Asset-to-Equity Ratio | | | | |
| Total Assets | 708,185,664 | 1.18 | 686,917,171 | 1.17 |
| Total Equity | 600,008,287 | | 585,166,764 | |
| Book Value Per Share | | | | |
| Total Equity | 600,008,287 | ₱6.00 | 585,166,764 | ₱5.85 |
| Number of Shares Outstanding | 100,000,000 | | 100,000,000 | |
| | March 31, 2020 | | March 31, 2019 | |
| Interest Coverage Ratio | | | | |
| Not applicable. The Company has no borrowings as of March 31, 2020 and December 31, 2019 | | | | |
| Gross Profit Ratio | | | | |
| Gross Profit | 26,828,014 | 0.80 | 25,487,359 | 0.76 |
| Total Revenues | 33,616,621 | | 33,345,645 | |
| EBITDA Margin | | | | |
| EBITDA | 25,392,041 | 0.76 | 29,662,193 | 0.89 |
| Total Revenues | 33,616,621 | | 33,345,645 | |
| Net Profit Margin Ratio | | | | |
| Net Profit | 14,841,523 | 0.44 | 18,673,687 | 0.56 |
| Total Revenues | 33,616,621 | | 33,345,645 | |

Operating Margin Ratio

| | | | | |
|-------------------------|-------------------|------|-------------------|------|
| <u>Operating Profit</u> | <u>19,086,552</u> | 0.57 | <u>21,032,958</u> | 0.63 |
| Total Revenues | 33,616,621 | | 33,345,645 | |

Earnings Per Share

| | | | | |
|-----------------------------------|-------------------|-------|-------------------|-------|
| <u>Net Profit</u> | <u>14,841,523</u> | ₱0.15 | <u>18,673,687</u> | ₱0.19 |
| Weighted Average No. of Shares | 100,000,000 | | 100,000,000 | |