



**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**, Chief Finance Officer/Treasurer/Compliance Officer and Chief Information 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 September 30, 2020, submitted on November 6, 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 November 6, 2020 to attest to the truthfulness of the foregoing facts and for whatever legal purpose it may serve.

**KERWIN MAX S. TAN**  
Chief Finance Officer/Treasurer/  
Compliance Officer/Chief Information Officer

SEC Number  
File Number

CS200704758

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

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(Company's Full Name)

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

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(Company's Address)

**8397-1888**

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(Telephone Number)

**September 30, 2020**

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(Quarter Ended)

**SEC Form 17Q**

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Form Type

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Amendment Designation (if applicable)

**Not Applicable**

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(Secondary License Type and File Number)

# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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**COMPANY NAME**

A	L	T	U	S		P	R	O	P	E	R	T	Y		V	E	N	T	U	R	E	S	,		I	N	C	.	
(	F	o	r	m	e	r	l	y		A	l	t	u	s		S	a	n		N	i	c	o	l	a	s		C	o
r	p	.	)																										

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

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o	l	a	s	,		I	l	o	c	o	s		N	o	r	t	e													

Form Typef

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Department requiring the report

S	E	C
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Secondary License Type, If Applicable

N	/	A
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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	last Friday of May of each year	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**

<b>14<sup>th</sup> Floor Robinsons Cyberscape Alpha cor. Garnet and Sapphire Road, Ortigas Center, Pasig City</b>
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**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 : **September 30, 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:

The Philippine Stock Exchange

Common Stock

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  
11/06/2020

Issuer  
Signature and Title  
Date

  
**KERWIN MAX S. TAN**  
Chief Finance Officer/Treasurer/Compliance Officer/  
Chief Information Officer  
11/06/2020

**ALTUS PROPERTY VENTURES, INC.**  
**(Formerly Altus San Nicolas Corp.)**  
**3rd Quarter CY 2020 PERFORMANCE**

**I. Operations**

With the easing of movement restrictions and quarantine measures, APVI saw signs of recovery as trends continued to improve in the third quarter compared to the second quarter of the year, albeit still lower than pre-pandemic level.

The increase in footfall and number of operating tenants caused a 63% boost in rental revenues in the third quarter compared to the second quarter to ₱13.58 million. Close control of cost of rental services at ₱7.24 million and general and administrative expenses at ₱2.86 million resulted to the doubling of earnings before interest, depreciation and amortization (EBITDA) quarter-on-quarter to ₱12.70 million. Earnings before interest (EBIT), on the other hand, rose by more than six-fold from the second quarter at ₱6.37 million owing to a flattish growth in depreciation expense quarter-on-quarter.

For the nine months ending September 30, 2020, rental income posted a -44.2% decline versus same period last year. This significant decline was due to the temporary and partial closure of the areas of the mall save for those areas that are occupied by tenants providing essential services such as the supermarkets, bank and pharmacies; and waived rental for non-operational tenants during the community quarantine period. Despite this, the Company still managed to yield a positive EBITDA of ₱44.07 million. This is a -45.0% dip from the previous year with cost of rental services and general and administrative expenses, combined, declining at the same pace as revenues. Meanwhile, additional depreciation expense from new asset acquisitions caused EBIT to slide by 61.0% to ₱25.29 million. APVI finished the period with a -62.9% decrease in net income to ₱18.58 million.

**II. Financial Resources and Liquidity**

APVI's financial position remains solid with total assets at ₱699.53 million as of September 30, 2020, posting a 1.8% growth from December 31, 2019. This expansion was mainly attributable to a significant 20.4% increase in cash and cash equivalents on the back of the internally-generated funds that the Company was able to generate amid a bleak business environment. These internally-generated funds sufficiently covered APVI's tightly managed working capital and capital expenditure disbursements during the period. Furthermore, the Company was able to collect from its affiliates which resulted to a -98.7% decline in the amounts due from affiliates to ₱0.03 million as of September 30, 2020. Meanwhile, other current assets dropped by -13.0% to ₱7.60 million mainly due to the timing of the advance payment of real property taxes. Net book value of investment properties, on the other hand, decreased by -5.1% to ₱267.22 million due to additional depreciation during the period while additions to property and equipment yielded a 4.3% increase in its net book value.

The Company continued to exhibit prudence in debt and capital management with accounts payable and accrued expenses decreasing by -11.7% to ₱54.70 million, bank debt amounting to nil and total equity posting at ₱603.75 million.

Current ratio improved to 4.64:1 from last year end's 4.17:1. Earnings per share for the nine months of this year posted to ₱0.19 per share while as of December 31, 2019 it was at ₱0.64 per share. Book value ended at ₱6.04 per share as of September 30, 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  
September 30, 2020 and for the Nine Months Ended September 30, 2020 and 2019  
*(With Comparative Audited Statement of Financial Position  
as of December 31, 2019)*

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

	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	₱211,478,531	₱175,668,658
Receivables (Note 5)	168,973,572	176,614,511
Due from affiliates (Note 13)	26,333	2,012,844
Other current assets (Note 6)	7,599,773	8,737,000
Total Current Assets	388,078,209	363,033,013
<b>Noncurrent Assets</b>		
Investment properties - net (Note 7)	267,221,640	281,494,986
Property and equipment - net (Note 8)	44,231,392	42,389,172
Total Noncurrent Assets	311,453,032	323,884,158
	₱699,531,241	₱686,917,171
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses (Note 9)	₱54,700,653	₱61,983,198
Current portion of deposits and other liabilities (Note 10)	28,948,617	25,161,728
Total Current Liabilities	83,649,270	87,144,926
<b>Noncurrent Liabilities</b>		
Noncurrent portion of deposits and other liabilities (Note 10)	8,938,647	11,075,429
Pension liabilities	978,431	834,866
Deferred tax liabilities - net	2,218,087	2,695,186
Total Noncurrent Liabilities	12,135,165	14,605,481
Total Liabilities	95,784,435	101,750,407
<b>Equity</b>		
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)	53,558,784	34,978,742
Remeasurement of net defined benefit liabilities - net of tax	188,022	188,022
Total Equity	603,746,806	585,166,764
	₱699,531,241	₱686,917,171

*See accompanying Notes to Unaudited Interim Financial Statements.*

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

**INTERIM STATEMENTS OF COMPREHENSIVE INCOME**

	For the Period July to September		For the Period January to September	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
<b>RENTAL REVENUES</b> (Note 14)	<b>₱13,584,847</b>	₱31,522,616	<b>₱55,515,837</b>	₱99,470,680
<b>COSTS OF RENTAL SERVICES</b> (Note 12)	<b>7,241,798</b>	5,352,097	<b>20,580,537</b>	16,741,021
<b>GROSS INCOME</b>	<b>6,343,049</b>	26,170,519	<b>34,935,300</b>	82,729,659
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Professional, management and consultancy fees	760,494	5,042,098	5,727,815	19,092,042
Salaries, wages and employee benefits	1,430,124	1,207,980	4,313,171	3,661,537
Taxes and licenses	426,059	1,228,123	2,176,829	2,413,927
Insurance	–	–	2,323,705	1,215,295
Advertising	167,760	253,225	1,214,640	573,801
Others	72,790	78,680	636,852	191,406
	<b>2,857,227</b>	7,810,106	<b>16,393,012</b>	27,148,008
<b>OPERATING INCOME</b>	<b>3,485,822</b>	18,360,413	<b>18,542,288</b>	55,581,651
<b>OTHER INCOME (EXPENSES)</b>				
Interest income (Note 4)	168,361	718,095	1,048,870	2,712,768
Interest expense	(46,082)	234,032	(153,967)	–
Other income – net	2,888,115	3,772,925	6,750,781	9,216,171
	<b>3,010,394</b>	4,725,052	<b>7,645,684</b>	11,928,939
<b>INCOME BEFORE INCOME TAX</b>	<b>6,496,216</b>	23,085,465	<b>26,187,972</b>	67,510,590
<b>PROVISION FOR INCOME TAX</b>	<b>1,785,588</b>	5,528,093	<b>7,607,930</b>	17,396,131
<b>NET INCOME</b>	<b>4,710,628</b>	17,557,371	<b>18,580,042</b>	50,114,459
<b>OTHER COMPREHENSIVE INCOME</b>	–	–	–	–
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱4,710,628</b>	₱17,557,371	<b>₱18,580,042</b>	₱50,114,459
<b>Basic and Diluted Earnings Per Share</b> (Note 11)	<b>₱0.05</b>	₱0.18	<b>₱0.19</b>	₱0.50

*See accompanying Notes to Unaudited Interim Financial Statements.*

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

**INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

For the Nine Months Ended September 30, 2020 (Unaudited)

	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
<b>Balances at January 1, 2020</b>	<b>₱100,000,000</b>	<b>₱450,000,000</b>	<b>₱188,022</b>	<b>₱34,978,742</b>	<b>₱585,166,764</b>
Total comprehensive income for the period	-	-	-	<b>18,580,042</b>	<b>18,580,042</b>
<b>Balances at September 30, 2020</b>	<b>₱100,000,000</b>	<b>₱450,000,000</b>	<b>₱188,022</b>	<b>₱53,558,784</b>	<b>₱603,746,806</b>

For the Nine Months Ended September 30, 2019 (Unaudited)

	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	-	-	-	50,114,459	50,114,459
Cash dividends	-	-	-	(101,000,000)	(101,000,000)
Balances at September 30, 2019	₱100,000,000	₱450,000,000	₱188,022	₱20,608,609	₱570,796,631

*See accompanying Notes to Unaudited Interim Financial Statements.*

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

**INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱26,187,972</b>	₱67,510,590
Adjustments for:		
Depreciation expense (Notes 7 and 8)	<b>18,771,991</b>	15,333,209
Interest income (Note 4)	<b>(1,048,870)</b>	(2,712,768)
Pension expense	<b>143,565</b>	130,514
Operating income before working capital changes	<b>44,054,658</b>	80,261,545
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables	<b>7,649,867</b>	126,048,437
Due from affiliates	<b>1,986,511</b>	(253,352)
Other current assets	<b>(2,748,647)</b>	20,171,290
Increase (decrease) in:		
Accounts payable and accrued expenses	<b>(4,049,400)</b>	(2,715,146)
Deposits and other liabilities	<b>1,650,107</b>	1,921,750
Net cash generated from operations	<b>48,543,096</b>	225,434,524
Interest received from cash in banks	<b>4,226</b>	622
Cash paid for income taxes	<b>(7,432,299)</b>	(1,958,129)
Net cash flows provided by operating activities	<b>41,115,023</b>	223,477,017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Property and equipment (Note 8)	<b>(5,724,794)</b>	(26,790,181)
Investment properties (Note 7)	<b>(616,071)</b>	-
Interest received from short-term investments (Note 4)	<b>1,035,715</b>	2,712,146
Net cash flows used in investing activities	<b>(5,305,150)</b>	(24,078,035)
<b>CASH FLOW FROM A FINANCING ACTIVITY</b>		
Dividends paid (Note 11)	-	(101,000,000)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>35,809,873</b>	98,398,982
<b>CASH AND CASH EQUIVALENTS AS AT JANUARY 1</b>	<b>175,668,658</b>	77,269,676
<b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30</b>	<b>₱211,478,531</b>	₱175,668,658

*See accompanying Notes to Unaudited Interim Financial Statements.*

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

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**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 Venvi Holdings 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 that are 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 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.

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## 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 nine months ended September 30, 2020 (with comparative figures as at December 31, 2019 and for the nine months ended September 30, 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 (₱), 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.

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### 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 audited financial statements as of and for the year ended December 31, 2019.

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### 4. Cash and Cash Equivalents

	<b>September 30, 2020</b>	December 31, 2019
Cash on hand and in banks	<b>₱7,118,736</b>	₱11,872,912
Short-term investments	<b>204,359,795</b>	163,795,746
	<b>₱211,478,531</b>	₱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 ₱1.05 million and ₱2.71 million for the nine months ended September 30, 2020 and 2019, respectively.

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### 5. Receivables

	<b>September 30, 2020</b>	December 31, 2019
Receivable from sale of assets (Note 13)	<b>₱149,570,040</b>	₱164,261,052
Trade	<b>17,777,883</b>	9,295,710
Accrued rent receivable	<b>1,095,170</b>	2,395,843
Others	<b>530,479</b>	661,906
	<b>₱168,973,572</b>	₱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 30-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 September 30, 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 September 30, 2020 and December 31, 2019 follows:

	September 30, 2020						
	Total	Neither Past Due Nor Impaired	Past Due But Not Impaired				Past Due and Impaired
			Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	
Receivables	₱168,973,572	₱1,874,839	₱833,941	₱-	₱-	₱166,264,792	₱-
Due from affiliates (Note 13)	26,333	26,333	-	-	-	-	-
	<b>₱168,999,905</b>	<b>₱1,901,172</b>	<b>₱833,941</b>	<b>₱-</b>	<b>₱-</b>	<b>₱166,264,792</b>	<b>₱-</b>

	December 31, 2019						
	Total	Neither Past Due Nor Impaired	Past Due But Not Impaired				Past Due 30 to 60 Days
			Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	
Receivables	₱176,614,511	₱3,673,738	₱-	₱171,859	₱-	₱172,768,914	₱-
Due from affiliates (Note 13)	2,012,844	2,012,844	-	-	-	-	-
	<b>₱178,627,355</b>	<b>₱5,686,582</b>	<b>₱-</b>	<b>₱171,859</b>	<b>₱-</b>	<b>₱172,768,914</b>	<b>₱-</b>

### 6. Other Current Assets

	September 30, 2020	December 31, 2019
Creditable withholding tax	<b>₱4,193,621</b>	₱4,417,088
Utility deposits	<b>2,004,000</b>	2,004,000
Prepaid expenses	<b>837,405</b>	2,022,583
Advances to suppliers and contractors	<b>370,000</b>	186,000
Others	<b>194,747</b>	107,329
	<b>₱7,599,773</b>	<b>₱8,737,000</b>

Utility deposits consist primarily of meter deposits.

Prepaid expenses are mainly composed of advance payment of 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.

	September 30,		December 31,
	2020	2019	2019
Balance at beginning of period	<b>₱281,494,986</b>	₱300,375,578	₱300,375,578
Additions	<b>616,071</b>	-	-
Depreciation expense	<b>(14,889,417)</b>	(14,299,432)	(18,880,592)
Balance at end of period	<b>₱267,221,640</b>	<b>₱286,076,146</b>	<b>₱281,494,986</b>

Rental revenue from investment properties amounted to ₱55.52 million and ₱99.47 million for the nine months ended September 30, 2020 and 2019, respectively.

The fair value as of September 30, 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.

	September 30,		December 31,
	2020	2019	2019
Balance at beginning of period	₱42,389,172	₱3,319,510	₱3,319,510
Additions	5,724,794	39,706,663	40,159,527
Depreciation expense	(3,882,574)	(1,033,777)	(1,089,865)
Balance at end of period	₱44,231,392	₱41,992,396	₱42,389,172

## 9. Accounts Payable and Accrued Expenses

	September 30, 2020	December 31, 2019
Accounts payable	₱39,800,895	₱49,165,029
Accrued contracted services	8,667,252	3,227,197
Accrued utilities expense	2,570,543	3,388,852
Deferred output VAT payable	2,478,247	–
Income tax payable	987,264	4,220,409
Taxes and licenses payable	196,452	82,310
Output VAT payable	–	1,899,401
	₱54,700,653	₱61,983,198

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

	September 30, 2020	December 31, 2019
Deposits from lessees	₱35,284,059	₱34,988,473
Others	2,603,205	1,248,684
	37,887,264	36,237,157
Current portion of deposits from lessees	(28,948,617)	(25,161,728)
	₱8,938,647	₱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. The accretion expense on these deposits, recognized as Interest expense under Other Income (Expenses) in the statement of comprehensive income, amounted to ₱0.15 million and nil for the nine months ended September 30, 2020 and 2019, respectively.

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 September 30, 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 provides 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 nine months ending September 30 is computed as follows:

	2020	2019
Net income	₱18,580,042	₱50,114,459
Divided by weighted average number of outstanding common shares	100,000,000	100,000,000
Basic and diluted EPS	₱0.19	₱0.50

The Company has no potential dilutive common shares as of September 30, 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 nine months ending September 30 are shown below.

	2020	2019
Depreciation expense (Notes 7 and 8)	₱18,771,991	₱15,333,209
Maintenance cost	1,808,546	1,407,812
	<b>₱20,580,537</b>	<b>₱16,741,021</b>

Maintenance cost pertains to cost of 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 nine months ended September 30, 2020 and 2019 and the related outstanding balances as of September 30, 2020 and December 31, 2019 is presented below.

		September 30, 2020			
		Amount/ Volume	Receivable (Payable)	Terms	Conditions
<b>Former Parent Company</b>					
a)	Receivable from sale of assets (Note 5)	₱-	₱149,570,040	Non-interest bearing; due and demandable	Unsecured; no impairment
<b>Related Parties under Common Ownership</b>					
b)	Due from affiliates				
	• Rental revenue	31,987,574	26,333	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	6,959,035	4,465,114	Interest bearing at prevailing market rate; due and demandable	Unsecured; no impairment
	• Interest income on cash in banks	4,226	-	-	-
	• Short-term investments	40,564,049	204,359,795	Interest bearing at prevailing market rate; due and demandable	Unsecured; no impairment
	• Interest income on short-term investments	104,644	8,929	-	-
		December 31, 2019			
		Amount/ Volume	Receivable (Payable)	Terms	Conditions
<b>Former Parent Company</b>					
a)	Receivable from sale of assets (Note 5)	₱-	₱164,261,052	Non-interest bearing; due and demandable	Unsecured; no impairment
<b>Under common control of the Ultimate Parent Company</b>					
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	Unsecured; no impairment

		December 31, 2019			
		Amount/ Volume	Receivable (Payable)	Terms	Conditions
c) Cash (Note 4)				lease term Interest bearing at prevailing market rate; due and demandable	Unsecured; no impairment
• Cash in banks		5,574,948	11,424,149		
• Interest income on cash in banks		853	-	-	-
• Short-term investments		92,773,649	163,795,746	Interest bearing at prevailing market rate; due and demandable	Unsecured; no impairment
• Interest income on short-term investments		3,165,094	87,590	-	-

Outstanding balances consist of the following:

	September 30, 2020	December 31, 2019
Cash and cash equivalents (Note 4)	<b>₱208,824,909</b>	₱175,219,895
Receivable from sale of assets (Note 5)	<b>149,570,040</b>	164,261,052
Due from affiliates	<b>26,333</b>	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 unimpaired by 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 ₱55.52 million and ₱99.47 million for the nine months ended September 30, 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

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

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.

With public health and safety in mind and in full cooperation with the government's protocols to stem the spread of the virus, during the community quarantine period, the Company has temporarily closed the North Wing of Robinsons Place Ilocos except those areas that are being occupied by tenants providing essential services such as the supermarkets, banks and pharmacies. The Company has also waived rent for non-operational tenants during the period.

In addition to complying with the guidelines, rules and regulations that the Philippine government has laid out, the Company has also 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 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. Lastly, the Company has calibrated its re-entry strategies and workplace re-integration plans focused on rebuilding workplace and business confidence by providing a safe environment for its customers and employees.

The Company shall actively monitor developments, assess the impact of the foregoing in its operations and financial performance and respond accordingly.

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## 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 ₱32.28 million and ₱35.90 million as of September 30, 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 September 30, 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 September 30, 2020 and December 31, 2019.

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

	<u>September 30, 2020</u>		<u>December 31, 2019</u>	
<b>Current Ratio</b>				
<u>Current Assets</u>	<u>₱388,078,209</u>	<b>4.64</b>	<u>₱363,033,013</u>	<b>4.17</b>
Current Liabilities	₱83,649,270		₱87,144,926	
<b>Solvency Ratio</b>				
<u>Net Income after Tax + Non-cash Expenses</u>	<u>₱37,252,033</u>	<b>0.39</b>	<u>₱84,925,009</u>	<b>0.83</b>
Total Liabilities	₱95,784,435		₱101,750,407	
<b>Debt-to-Equity Ratio</b>				
<i>Not applicable. The Company has no borrowings as of September 30, 2020 and December 31, 2019.</i>				
<b>Asset-to-Equity Ratio</b>				
<u>Total Assets</u>	<u>₱699,531,241</u>	<b>1.16</b>	<u>₱686,917,171</u>	<b>1.17</b>
Total Equity	₱603,746,806		₱585,166,764	
<b>Book Value Per Share</b>				
<u>Total Equity</u>	<u>₱603,746,806</u>	<b>₱6.04</b>	<u>₱585,166,764</u>	<b>₱5.85</b>
Number of Shares Outstanding	100,000,000		100,000,000	
<b>Interest Coverage Ratio</b>				
<i>Not applicable. The Company has no borrowings as of September 30, 2020 and December 31, 2019.</i>				
<b>Gross Profit Ratio</b>				
<u>Gross Profit</u>	<u>₱34,935,300</u>	<b>0.63</b>	<u>₱82,729,659</u>	<b>0.83</b>
Total Revenues	₱55,515,837		₱99,470,680	
<b>EBITDA Margin</b>				
<u>EBITDA</u>	<u>₱44,065,061</u>	<b>0.79</b>	<u>₱80,131,031</u>	<b>0.81</b>
Total Revenues	₱55,515,837		₱99,470,680	
<b>Net Profit Margin Ratio</b>				
<u>Net Profit</u>	<u>₱18,580,042</u>	<b>0.33</b>	<u>₱50,114,459</u>	<b>0.50</b>
Total Revenues	₱55,515,837		₱99,470,680	



**Operating Margin Ratio**

$\frac{\text{Operating Profit}}{\text{Total Revenues}}$	$\frac{\text{₱18,542,288}}{\text{₱55,515,837}}$	<b>0.33</b>	$\frac{\text{₱55,581,651}}{\text{₱99,470,680}}$	0.56
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**Earnings Per Share**

$\frac{\text{Net Profit}}{\text{Weighted Average No. of Shares}}$	$\frac{\text{₱18,580,042}}{\text{100,000,000}}$	<b>₱0.19</b>	$\frac{\text{₱50,114,459}}{\text{100,000,000}}$	<b>₱0.50</b>
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