DMCI Project Developers, Inc.
and Subsidiaries

Interim Consolidated Financial Statements
March 31, 2020 and December 31, 2019 and
Three Months Ended March 31, 2020 and 2019

C O V E R   S H E E T
for
INTERIM FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	5	-	0	0	4	1	3	7

C O M P A N Y   N A M E

DMCI PROJECT DEVELOPERS, INC.
AND SUBSIDIARIES

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

DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	NA

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	555-7777	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
13	May 6	December 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
Evangeline H. Atchioco	enhernandez@dmcihomes.com	555-7777	N/A

CONTACT PERSON's ADDRESS

DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati 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.*

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 No. **AS095-004137**

3. BIR Tax Identification No. **004-659-091-000**

4. Exact name of issuer as specified in its charter: **DMCI PROJECT DEVELOPERS, INC.**

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. **DMCI Homes Corporate Center, 1321 Apolinario Street, Bangkal, Makati City 1233**
   Address of issuer's principal office Postal Code

8. **(02) 555-7777**
   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 Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Deferred Coupon-Paying Homesaver Bonds	P1.0 Billion with an initial offer of P500 million and the other P500 million under shelf registration covered under SEC MSRD Order No. 54

11. Are any or all of the securities listed on a Stock Exchange?
    Yes [ ] No [x]
    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    ____________________ ____________________

12. Indicate by check mark whether the registrant:
    (a) has filed all reports required to be filed by Section 17 of the Code 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 the registrant was required to file such reports)
    Yes [x] No [ ]
    (b) has been subject to such filing requirements for the past ninety (90) days.
    Yes [x] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The Interim Unaudited Condensed Consolidated Financial Statements for the period ended March 31, 2020 are included herein.

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

THREE (3) MONTHS PERIOD ENDED MARCH 31, 2020 v. MARCH 31, 2019

I. Results of Operations

The Company's net income fell from ₱501.47 million net income for the first quarter of 2019 to a net loss of ₱669.63 million for the first quarter of 2020. Excluding the nonrecurring loss from the sales cancellations of Verdon Parc in Davao, core net loss amounted to ₱184.70 million for the first three months of 2020

Revenues for the period amounted to ₱1.65 billion, a 63% dip from ₱4.41 billion last year following the reversal made due to sales cancelation. The timing of collections and lower accomplishment due to the ECQ also contributed to the slowdown in revenue recognition. Further to the decline of revenues, lower margins due to higher construction costs related to the dress-up of units completed in prior years resulted to a gross loss of ₱412.37 million from a gross profit of ₱1.28 billion last year.

Finance income decreased by 19% from ₱112.14 million to ₱91.33 million in 2020 mainly due to lesser income earned from money market placements and decrease in interest income earned from inhouse financing accounts.

II. Financial Position

The Company's total assets increased by 4% from ₱71.07 billion to ₱74.01 billion due to 10% increase in real estate inventories which pertains to development cost incurred and land acquisitions during the quarter. Increase of 11% in property and equipment due to additional purchases of construction equipment also contributed to the increase.

Total liabilities increased from ₱47.97 billion to ₱52.80 billion brought about by ₱3.00 billion additional loan availed this quarter. Advance collection received from customers compared to actual construction accomplishment also contributed to the increase in Customers Deposit and Contract Liabilities of 16%.

III. Performance Indicators

Financial Data	March 2020	March 2019
Gross Revenues	₱1.65 billion	₱4.41 billion
EBIT	(0.98 billion)	0.73 billion
EBITDA	(0.87 billion)	0.80 billion
Net Income	(0.67 billion)	0.50 billion
Earnings per share	(0.192)	0.143
Current ratio	2.41:1	3.92:1
Debt-to-equity ratio	2.49:1	2.02:1
Asset-to equity ratio	3.49:1	3.02:1
Return on Assets	(0.92%)	0.82%
Return on Equity	(3.03%)	2.37%
Solvency Ratio	(0.01):1	0.01:1
Interest Coverage Ratio	(2.82):1	2.69:1
Debt Service Coverage Ratio	(3.54):1	1.36:1

The manner by which the Company calculates the foregoing indicators is as follows:

Current Ratio means the Issuer's current assets divided by the current liabilities as reflected in the Issuer's latest unaudited financial statements ending March 31. This ratio is used as a test of the Company's liquidity.

Debt to Equity Ratio means the ratio of the Issuer's total liabilities to its total stockholders' equity, as reflected in the latest unaudited financial statements ending March 31. The ratio reveals the proportion of liability and equity the Company is using to finance its business. It also measures a Company's borrowing capacity.

Asset to Equity Ratio means the ratio of the Issuer's total assets to its total stockholders' equity, as reflected in the latest unaudited financial statements ending March 31. The ratio reveals the proportion of an entity's assets that has been funded by shareholders. It is an indicator of the Company's leverage used to finance the firm.

Return on Assets means the ratio obtained by dividing the Company's net income by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.

Return on Equity means the ratio obtained by dividing the Company's net income by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.

Earnings per Share means the portion of the Company's profit allocated to each outstanding share of common stock. Earnings per Share serves as an indicator of the Company's profitability.

Solvency Ratio means the ratio obtained by dividing the Company's net income and depreciation and amortization by its total liabilities. It measures the Company's ability to meet its short-term and long-term obligations.

Interest Coverage Ratio means the ratio calculated by dividing the Company's earnings before interest and taxes by interest expense. This ratio determines the Company's ability to pay interest on its outstanding debt.

Debt Service Coverage Ratio means the ratio obtained by dividing the earnings before interest and taxes (net operating income) by the total debt service costs which includes payment of loans and interest expense. This ratio measures the Company's ability to maintain its current debt levels.

PART II--OTHER INFORMATION

1. The Company's operation is a continuous process. It is not dependent on any cycle or season.
2. Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry.
3. COVID-19 Pandemic
   The COVID-19 containment measures and emergency powers declared by the Philippine government have resulted in work disruptions, lower demand and the extension on payment due dates in real estate industry. The pandemic imposes an impact on sales due to the potential decline in confidence of buyers to commit to large purchases such as residential units as well as a possible decline in sales to foreign investors.
   We are unable to determine at this time the full effect of the COVID-19 pandemic on our consolidated financial position, performance and cash flows given the country's gradual transition to the new normal. We will continue to monitor, assess and adapt to the situation as it stabilizes.
4. There were no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the company have knowledge of.
5. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
6. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
7. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. – None
8. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
9. All necessary disclosures were made under SEC Form 17-C.

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	DMCI Project Developers, Inc.
Signature and Title	**Evangeline H. Atchioco** VP - Finance
Signature and Title	**Sarah Kae L. Gonzales** Senior Accounting Manager

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31	December 31
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 26)	**₱5,191,399,507**	₱5,897,171,374
Receivables (Notes 5 and 26)	**5,633,067,350**	3,951,303,199
Current portion of contract assets (Note 6)	**8,381,034,265**	11,140,903,240
Real estate inventories (Note 7)	**40,749,302,102**	36,901,428,819
Other current assets (Notes 8 and 26)	**3,121,978,405**	2,409,588,317
Total Current Assets	**63,076,781,629**	60,300,394,949
Noncurrent Assets		
Contract assets - net of current portion (Note 6)	**5,473,866,429**	5,104,620,980
Investments in associates and joint venture (Note 9)	**993,504,133**	910,537,984
Investment properties (Note 10)	**113,283,145**	116,508,744
Property and equipment (Note 12)	**1,777,577,505**	1,605,554,615
Software cost (Note 11)	**61,580,418**	57,042,073
Net pension asset	**–**	–
Other noncurrent assets (Notes 8, 13 and 26)	**2,517,429,009**	2,971,395,416
Total Noncurrent Assets	**10,937,240,639**	10,765,659,812
	₱74,014,022,268	₱71,066,054,761
LIABILITIES AND EQUITY		
Current Liabilities		
Current portion of loans payable (Notes 14 and 26)	**₱10,431,280,868**	₱8,262,019,417
Accounts and other payables (Notes 16 and 26)	**5,513,258,814**	5,106,377,994
Customers' advances and deposits (Note 17)	**3,586,503,965**	3,239,591,378
Current portion of contract liabilities (Note 17)	**5,215,545,409**	3,554,447,551
Payables to related parties (Notes 24 and 26)	**56,811,419**	325,986,603
Current portion of liabilities for purchased land (Notes 15 and 26)	**1,237,451,825**	673,024,791
Income tax payable	**166,622,209**	166,316,005
Total Current Liabilities	**26,207,474,509**	21,327,763,739
Noncurrent Liabilities		
Contract liabilities – net of current portion (Note 17)	**2,323,140,420**	2,789,395,750
Loans payable – net of current portion (Notes 14 and 26)	**18,139,195,317**	17,524,109,345
Liabilities for purchased land – net of current portion (Notes 15 and 26)	**1,306,328,343**	1,223,137,775
Net pension liability	**75,374,330**	131,397,843
Deferred tax liabilities – net (Note 23)	**3,472,047,654**	3,668,310,801
Other noncurrent liability (Notes 16 and 26)	**1,275,193,421**	1,304,305,455
Total Noncurrent Liabilities	**26,591,279,485**	26,640,656,969
Total Liabilities	**52,798,753,994**	47,968,420,708

(Forward)

	March 31 2020	December 31 2019
Equity (Note 18)		
Attributable to equity holders of the Parent Company		
Capital stock	**₱3,487,727,331**	₱3,487,727,331
Additional paid-in capital	**15,260,664**	15,260,664
Appropriated retained earnings	**15,417,900,000**	13,719,000,000
Unappropriated retained earnings	**2,091,069,960**	5,658,918,153
Remeasurement gain on defined benefit plans – net of tax	**116,841,237**	116,841,237
	21,128,799,192	22,997,747,385
Non-controlling interest in consolidated subsidiaries	**86,469,082**	99,886,668
Total Equity	**21,215,268,274**	23,097,634,053
	₱74,014,022,268	₱71,066,054,761

See accompanying Notes to Consolidated Financial Statements.

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

	Three Months Ended 31	
	2020	2019
REVENUE		
Real estate sales	**₱1,562,270,793**	₱4,265,803,452
Hotel services	**20,078,307**	85,094,135
Property management services	**51,614,274**	43,834,840
Elevator and maintenance services	**12,193,452**	19,212,932
	1,646,156,826	4,413,945,359
COSTS		
Real estate sales (Notes 7 and 12)	**2,002,051,103**	3,072,726,630
Hotel services (Note 12)	**29,922,651**	40,223,982
Property management services	**18,077,260**	16,681,733
Elevator and maintenance services	**8,475,252**	8,142,328
	2,058,526,266	3,137,774,673
GROSS PROFIT (LOSS)	**(412,369,440)**	1,276,170,686
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	**756,856,918**	743,328,826
OPERATING INCOME (LOSS)	**(1,169,226,358)**	532,841,860
OTHER INCOME (EXPENSE)		
Finance income (Notes 4, 5 and 19)	**91,325,675**	112,137,060
Finance costs (Note 22)	**(24,384,230)**	(116,915,855)
Equity in net earnings of associates (Note 9)	**13,394,410**	16,527,229
Other income (Note 20)	**179,236,829**	184,256,543
	259,572,684	196,004,977
INCOME (LOSS) BEFORE INCOME TAX	**(909,653,674)**	728,846,837
PROVISION FOR INCOME TAX (Note 23)	**(240,027,895)**	227,373,933
NET INCOME (LOSS)	**(₱669,625,779)**	₱501,472,904
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**(₱668,948,193)**	₱497,938,593
Non-controlling interests	**(677,586)**	3,534,311
	(₱669,625,779)	₱501,472,904
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**(₱0.192)**	₱0.143

See accompanying Notes to Consolidated Financial Statements.

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended March 31	
	2020	2019
NET INCOME (LOSS)	**(₱669,625,779)**	₱501,472,904
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on defined benefit plans	–	–
Income tax effect	–	–
	–	–
TOTAL COMPREHENSIVE INCOME (LOSS)	**(₱669,625,779)**	₱501,472,904
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**(₱668,948,193)**	₱497,938,593
Non-controlling interests	**(677,586)**	3,534,311
	(₱669,625,779)	₱501,472,904

See accompanying Notes to Consolidated Financial Statements.

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent Company							
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Remeasurement Gain on Defined Benefit Plans	Retained Earnings Unappropriated (Note 18)	Retained Earnings Appropriated (Note 18)	Total	Non-controlling Interest	Total Equity
	For the year ended March 31, 2020							
Balances as at January 1, 2020	**₱3,487,727,331**	**₱15,260,664**	**₱116,841,237**	**₱5,658,918,153**	**₱13,719,000,000**	**₱22,997,747,385**	**₱99,886,668**	**₱23,097,634,053**
Net income (loss)	–	–	–	**(668,948,193)**	–	**(668,948,193)**	**(677,586)**	**(669,625,779)**
Other comprehensive loss	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	**(668,948,193)**	–	**(668,948,193)**	**(677,586)**	**(669,625,779)**
Appropriation for project development (Note 18)	–	–	–	**(5,200,000,000)**	**5,200,000,000**	–	–	–
Reversal of appropriation (Note 18)	–	–	–	**3,501,100,000**	**(3,501,100,000)**	–	–	–
Dividends declared (Note 18)	–	–	–	**(1,200,000,000)**	–	**(1,200,000,000)**	**(12,740,000)**	**(1,212,740,000)**
Balances as at March 31, 2020	**₱3,487,727,331**	**₱15,260,664**	**₱116,841,237**	**₱2,091,069,960**	**₱15,417,900,000**	**₱21,128,799,192**	**₱86,469,082**	**₱21,215,268,274**

	Attributable to Equity Holders of the Parent Company							
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Remeasurement Gain on Defined Benefit Plans	Retained Earnings Unappropriated (Note 18)	Retained Earnings Appropriated (Note 18)	Total	Non-controlling Interest	Total Equity
	For the year ended December 31, 2019							
Balances as at January 1, 2019	**₱3,487,727,331**	**₱15,260,664**	**₱268,012,187**	**₱7,171,047,120**	**₱10,396,000,000**	**₱21,338,047,302**	**₱99,242,236**	**₱21,437,289,538**
Net income	–	–	–	**3,086,484,447**	–	**3,086,484,447**	**8,484,432**	**3,094,968,879**
Other comprehensive loss	–	–	**(151,170,950)**	–	–	**(151,170,950)**	–	**(151,170,950)**
Total comprehensive income	–	–	**(151,170,950)**	**3,086,484,447**	–	**2,935,313,497**	**8,484,432**	**2,943,797,929**
Appropriation for project development (Note 18)	–	–	–	**(4,500,000,000)**	**4,500,000,000**	–	–	–
Reversal of appropriation (Note 18)	–	–	–	**1,177,000,000**	**(1,177,000,000)**	–	–	–
Dividends declared (Note 18)	–	–	–	**(1,275,613,414)**	–	**(1,275,613,414)**	**(7,840,000)**	**(1,283,453,414)**
Balances as at December 31, 2019	**₱3,487,727,331**	**₱15,260,664**	**₱116,841,237**	**₱5,658,918,153**	**₱13,719,000,000**	**₱22,997,747,385**	**₱99,886,668**	**₱23,097,634,053**

	Attributable to Equity Holders of the Parent Company							
			Remeasurement Gain on Defined Benefit Plans	Retained Earnings				
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)		Unappropriated (Note 18)	Appropriated (Note 18)	Total	Non-controlling Interest	Total Equity
	For the year ended March 31, 2019							
Balances as at January 1, 2019	**₱3,487,727,331**	**₱15,260,664**	**₱268,012,187**	**₱7,171,047,120**	**₱10,396,000,000**	**₱21,338,047,302**	**₱99,242,236**	**₱21,437,289,538**
Net income	–	–	–	**497,938,593**	–	**497,938,593**	**3,534,311**	**501,472,904**
Other comprehensive loss	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	**497,938,593**	–	**497,938,593**	**3,534,311**	**501,472,904**
Appropriation for project development (Note 18)	–	–	–	**(4,500,000,000)**	**4,500,000,000**	–	–	–
Reversal of appropriation (Note 18)	–	–	–	**1,177,000,000**	**(1,177,000,000)**	–	–	–
Dividends declared (Note 18)	–	–	–	**(1,225,500,000)**	–	**(1,225,500,000)**	**(7,840,000)**	**(1,233,340,000)**
Balances as at December 31, 2019	**₱3,487,727,331**	**₱15,260,664**	**₱116,841,237**	**₱3,120,485,713**	**₱13,719,000,000**	**₱20,610,485,895**	**₱94,936,547**	**₱20,705,422,442**

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	**(₱909,653,674)**	₱728,846,837
Adjustments for:		
Depreciation and amortization (Notes 10, 11, 12 and 21)	**128,843,949**	110,923,959
Finance costs (Note 22)	**22,678,329**	116,915,855
Unrealized foreign exchange gain	**(9,823)**	(18,592)
Equity in net earnings of associates (Note 9)	**(13,394,410)**	(16,527,229)
Finance income (Notes 4, 5 and 19)	**(91,325,675)**	(112,137,060)
Gain on sale of undeveloped parcel of land	**–**	–
Gain on sale of shares of investments in associates	**–**	–
Operating income (loss) before changes in working capital	**(862,861,304)**	828,003,770
Decrease (increase) in:		
Receivables and contract assets (Note 5)	**708,859,375**	(436,883,593)
Real estate inventories (Note 7)	**(3,526,407,467)**	(681,364,050)
Other current assets (Note 8)	**(712,390,090)**	(531,426,848)
Increase (decrease) in:		
Accounts and other payables (Note 16)	**(480,180,913)**	131,145,087
Liabilities for purchased land (Notes 15 and 26)	**647,617,603**	246,823,064
Net pension asset/liability	**(56,023,513)**	–
Contract liabilities and customers' advances and deposits (Note 17)	**1,541,755,115**	202,531,357
Payables to related parties	**(269,175,184)**	(208,354,539)
Net cash generated from (used in) operations	**(3,008,806,378)**	(449,525,752)
Interest received	**91,325,675**	112,137,060
Income tax paid (Note 23)	**44,070,953**	(306,811,903)
Interest paid and capitalized as cost of inventory	**(321,465,816)**	–
Net cash used in operating activities	**(3,194,875,566)**	(644,200,595)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend from an associate	**–**	–
Proceeds from disposals of:		
Property and equipment	**–**	–
Undeveloped land	**–**	–
Share in investments in associate	**–**	–
Additions to:		
Investment properties (Note 10)	**–**	–
Software cost (Note 11)	**(14,999,182)**	(13,395,748)
Investments in associates (Note 9)	**(69,571,739)**	(500,000,000)
Property and equipment (Note 12)	**(287,180,403)**	(142,797,894)
Net decrease (increase) in other noncurrent assets (Note 13)	**453,966,407**	(23,928,580)
Net cash provided by (used in) investing activities	**82,215,083**	(680,122,222)

(Forward)

	Three Months Ended March 31	
	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans (Note 14)	**₱2,982,930,000**	₱2,496,670,000
Payments of loans (Note 14)	**(203,140,859)**	(273,687,794)
Dividends paid (Note 18)	**(300,000,000)**	(325,500,000)
Interest paid	**(72,910,348)**	(265,703,805)
Net cash provided by financing activities	**2,406,878,793**	1,631,778,401
EFFECT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**9,823**	18,592
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(705,771,867)**	307,474,176
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**5,897,171,374**	6,176,441,815
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱5,191,399,507**	₱6,483,915,991

See accompanying Notes to Consolidated Financial Statements.

DMCI PROJECT DEVELOPERS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Project Developers, Inc. (the Parent Company) was incorporated and domiciled in the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on April 27, 1995. The Parent Company has a corporate life of 50 years from and after the date of incorporation. The Parent Company is organized to deal and engage in the development of residential subdivisions and construction of condominium and housing units. The Parent Company offers range of products from middle-income to high-end housing and condominium projects.

The Parent Company is majority-owned by DMCI Holdings, Inc. (DMCI-HI), its ultimate parent company, partially-owned by D.M. Consunji, Inc. and the rest by its directors and officers.

The Parent Company has four (4) wholly owned subsidiaries namely: Hampstead Gardens Corporation, DMCI Homes, Inc., DMCI Homes Property Management Corporation and DMCI-PDI Hotels, Inc., and two (2) majority owned subsidiaries namely: Riviera Land Corporation and Zenith Mobility Solutions Services, Inc.

The Parent Company's registered office and principal place of business is at DMCI Homes Corporate Center, 1321 Apolinario St., Bangkal, Makati City.

2. Basis of Preparation

The accompanying interim unaudited condensed consolidated financial statements of the Group have been prepared using the historical cost basis. The interim unaudited condensed consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional and presentation currency. All amounts are rounded off to the nearest Peso unless otherwise indicated.

<u>Statement of Compliance</u>
The interim unaudited condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), which include the availment of the relief granted by the SEC under Memorandum Circular No. 14, Series of 2018, Memorandum Circular No. 3, Series of 2019 and Memorandum Circular No. 4, Series of 2020.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

<u>Basis of Consolidation</u>
The interim unaudited condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of March 31, 2020 and December 31, 2019, and for the two months ended March 31, 2020 and 2019.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the interim unaudited condensed consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. The interim unaudited condensed consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any noncontrolling-interests and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The interim unaudited condensed consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated and domiciled in the Philippines). The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

Subsidiaries	Percentage of ownership **2020**	2019	2018
Hampstead Gardens Corporation (HGC)	**100.00**	100.00	100.00
DMCI Homes, Inc. (DHI)	**100.00**	100.00	100.00
DMCI Homes Property Management Corporation (DPMC)	**100.00**	100.00	100.00
DMCI-PDI Hotels, Inc. (DPHI)	**100.00**	100.00	100.00
Riviera Land Corporation (RLC)	**62.62**	62.62	62.62
Zenith Mobility Services Solutions, Inc. (ZMSSI)	**51.00**	51.00	51.00

All of Parent Company's subsidiaries have started commercial operations. The related principal activity of these subsidiaries are summarized below:

a) HGC – real estate developer
b) DHI – real estate brokerage
c) RLC – real estate developer
d) DPMC – property management
e) DPHI – hotel operator
f) ZMSSI – mobility services provider of the Group

Non-controlling Interests
Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Non-controlling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interest even if this results to the non-controlling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interest is recognized in equity of the parent in transactions where the non-controlling interest are acquired or sold without loss of control.

3. Changes in Accounting Policies

The accounting policies adopted in the preparation of the Group's interim unaudited condensed consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements which became effective January 1, 2019.

- PFRS 16, *Leases*
  PFRS 16 supersedes PAS 17, *Leases*, Philippine Interpretation IFRIC 4, *Determining whether an Arrangement contains a Lease*, Philippine Interpretation SIC-15, *Operating Leases-Incentives* and Philippine Interpretation SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases. PFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted PFRS 16 using the modified retrospective approach upon adoption of PFRS 16 in 2019 and elected to apply the standard to contracts that were previously identified as leases applying PAS 17 and Philippine Interpretation IFRIC-4. The Group did not apply the standard to contracts that were not previously identified as containing a lease applying PAS 17 and Philippine Interpretation IFRIC-4.

A lessee may elect not to apply PFRS 16 to (a) short-term leases and (b) leases for which underlying asset is of low value. The lease arrangements of the Group for its sales office and printer have remaining lease term of one (1) year, thus, qualified as short-term lease recognition exemption criteria under PFRS 16 as of January 1 and December 31, 2019. Accordingly, the adoption of PFRS 16 has no significant impact on the consolidated financial statements of the Group.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*
  The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The Interpretation specifically addresses the following:
  - Whether an entity considers uncertain tax treatments separately;
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities;
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and,
  - How an entity considers changes in facts and circumstances.

  The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

  Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions. The Group determined that it is probable that its tax treatments will be accepted by the taxation authorities. The adoption of the Interpretation did not have a significant on the consolidated financial statements of the Group.

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*
- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*
- *Annual Improvements to PFRSs* 2015-2017 Cycle
  - Amendments to PFRS 3, *Business Combinations,* and PFRS 11, *Joint Arrangements*, *Previously Held Interest in a Joint Operation*
  - Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*
  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

  Upon adoption, the amendment did not have an impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*
  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted. These amendments will apply on future business combinations of the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, *Definition of Material*
  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted. The Group does not expect the amendments to have significant impact to the consolidated financial statements.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Group is currently assessing the impact of adopting these amendments.

- *PIC updates on PFRS 15 implementation issues*
  On August 27, 2019, the real estate industry sent a position paper to PIC requesting the latter to revisit its position on certain issues relating to the adoption of PFRS 15 and some other industry issues. In line with this, the PIC issued two (2) response letters to the industry dated September 13 and 27, 2019. While the PIC finalizes its position on the matters raised by the industry, PIC has provided the following options for accounting treatment or financial statement presentation on the following:

  - Conclusion of PIC Q&A 2018-12H, *Accounting for Common Usage Service Area (CUSA),* recommends the industry to consider an alternative presentation wherein CUSA may be presented outside of topline revenues if these are not considered as main source of revenue and are not material. This is not applicable to the Group as the entity does not earn revenues from CUSA.

- *March 2019 IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost) for the Real Estate Industry*
  In March 2019, the IFRIC issued an Agenda Decision clarifying the criteria for the capitalization of borrowing costs in relation to the construction of residential multi-unit real estate development which are sold to customers prior to the start of construction or completion of the development.

  Paragraph 8 of PAS 23 allows the capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Paragraph 5 of PAS 23 defines a qualifying asset as an asset that takes a substantial period of time to get ready for its intended use or sale. The IFRIC Agenda Decision clarified that the related assets namely, installment contracts receivable, contract asset or real estate inventory, are not considered qualifying assets and therefore the corresponding borrowing cost may not be capitalized.

  On February 11, 2020, the Philippine SEC issued Memorandum Circular No. 4, Series of 2020, providing relief to the real estate industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 1, 2021, real estate companies shall adopt the IFRIC Agenda Decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

  For real estate companies that avail of the deferral, the SEC requires disclosure in the notes to the consolidated financial statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred. This adjustment should have been applied retrospectively and would have resulted to restatement of prior year financial statements. A restatement would have impacted interest expense, cost of real estate sales, provision for deferred income tax, real estate inventories, deferred tax liability and opening balance of retained earnings.

4. Cash and Cash Equivalents

This account consists of:

	March 31, 2020	December 31, 2019	March 31, 2019
Cash on hand and in banks	**₱3,895,101,758**	₱2,846,205,804	₱2,244,408,110
Cash equivalents	**1,296,297,749**	3,050,965,570	4,239,507,881
	₱5,191,399,507	₱5,897,171,374	₱6,483,915,991

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Group, and earn interest at the prevailing short-term investment rates ranging from 1.87% to 3.25% in 2020 and 0.13% to 7.00% in 2019.

Interest income earned on bank deposits and cash equivalents amounted to ₱24.78 million and ₱42.61 million for the three months ended March 31, 2020 and 2019, respectively (see Note 19).

5. Receivables

This account consists of:

	March 31, 2020	December 31, 2019
Trade		
Installment contracts receivable	**₱4,050,188,437**	₱2,361,747,510
Receivables from buyers	**889,075,408**	889,554,775
Property management services	**133,064,745**	115,124,851
Hotel operations	**42,671,238**	40,413,516
Elevator and maintenance	**16,067,893**	15,246,991
Receivables from:		
Condominium corporations	**307,493,994**	316,973,531
Related parties (Note 27)	**33,584,125**	33,584,125
Employees	**33,178,455**	27,886,955
Rental	**19,407,571**	23,612,897
Others	**118,851,235**	137,673,799
	5,643,583,101	3,961,818,950
Less allowance for expected credit losses	**10,515,751**	10,515,751
	₱5,633,067,350	₱3,951,303,199

Installment contracts receivable
Installment contracts receivable consists of accounts collectible in equal monthly principal installments with various terms up to a maximum of 10 years. These are recognized at amortized cost using the effective interest method. The corresponding titles to the residential units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Installment contracts receivable are collateralized by the related property sold. In 2020 and 2019, annual interest rates on installment contract receivable range from 9.00% to 19.00%. Interest income from installment contracts receivable amounted to ₱66.54 million and ₱69.53 million in 2020 and 2019, respectively (see Note 19).

The Group retains the assigned receivables in the "Installment contracts receivable" account and records the proceeds from these sales as loans payable. The carrying value of installment contracts receivable sold on a with recourse basis and the corresponding outstanding loan obligation amounted to ₱86.25 million and ₱118.91 million as of March 31, 2020 and December 31, 2019, respectively (see Note 14).

Receivables from buyers
Receivable from buyers pertain to advances for real estate taxes, deposits and other chargeable expenses to buyers which are normally collectible within one (1) year. This also includes receivable on the unpaid consideration from the sale of undeveloped land amounting to ₱124.73 million as of December 31, 2019.

Receivables from property management services
Receivables from property management services arise from reimbursable and management fees charged to various condominium corporations and homeowners association for the administration and management of condominiums for the benefit of the unit owners and the occupants. These are collectible from various condominium corporations within one (1) year.

Receivables from hotel operations
Receivables from hotel operations pertain to unpaid customer billings for charges from room accommodations, sale of food and beverage, and transportation services.

Receivables from elevator and maintenance services
Receivables from elevator and maintenance services refers to outstanding billings for services rendered arising from maintenance of elevators. This account is noninterest-bearing and generally collectible within one (1) year.

Receivable from condominium corporations
Receivables from condominium corporations are due and demandable.

Receivable from rental
Receivables from rental arising from lease of investment properties are due and demandable.

Receivable from employees
Receivables from employees pertain to salary and other loans granted to the Group's employees that are collectible through salary deduction, are noninterest-bearing and has various maturity dates and advances for liquidation to be used for operations.

Others
Others include advances to brokers which are expected to be collected within one (1) year.

6. Contract Assets

This account consists of:

	March 31, 2020	December 31, 2019
Current portion	**₱8,381,034,265**	₱11,140,903,240
Noncurrent portion	**5,473,866,429**	5,104,620,980
	₱13,854,900,694	₱16,245,524,220

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. These are initially recognized for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified as installment contracts receivable.

The movement in contract assets is mainly due to new real estate sales recognized during the period, increase in percentage of completion of projects, less reclassification of installment contracts receivable.

7. Real Estate Inventories

This account consists of:

	March 31, 2020	December 31, 2019
Condominium units and subdivision land for sale	**₱22,582,903,232**	₱21,496,011,733
Land - at cost	**18,166,398,870**	15,405,417,086
	₱40,749,302,102	₱36,901,428,819

Real estate inventories are carried at cost which is lower than their respective net recoverable value.

Inventories recognized as costs of real estate sales amounted to ₱1,733.93 million and ₱2,882.63 million in March 31, 2020 and 2019, respectively, and are shown as "Costs of real estate sales" in the interim unaudited condensed consolidated statements of comprehensive income. Costs of real estate sales include acquisition cost of land, cost of land improvements, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real state inventories to its intended condition.

Borrowing costs capitalized on March 31, 2020, December 31, 2019 and March 31, 2019 amounted to ₱321.47 million, ₱1,186.17 million and ₱155.81 million, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization on March 31, 2020, December 31, 2019 and March 31, 2019 are 4.60%, 5.59% and 1.43%, respectively (see Note 14).

No provision for impairment and reversal were recognized in March 31, 2020 and December 31, 2019. There are no real estate inventories used as collateral or pledged as security to secure liabilities.

A summary of the movement in real estate inventories is set out below:

	March 31, 2020	December 31, 2019
Balance at beginning of year	**₱36,901,428,819**	₱29,429,735,511
Construction/development cost incurred	**2,558,771,368**	11,752,403,718
Land acquired	**2,701,570,427**	6,649,655,052
Borrowing costs capitalized (Note 14)	**321,465,816**	1,186,166,054
Cost of undeveloped land/housing sold	**–**	–
Cost of real estate sales	**(1,733,934,328)**	(12,116,531,516)
Balance at end of year	**₱40,749,302,102**	₱36,901,428,819

8. **Other Current Assets**

This account consists of:

	March 31, 2020	December 31, 2019
Advances to contractors and suppliers	**₱1,386,909,749**	₱1,237,594,768
Cost to obtain a contract - current portion	**1,085,574,218**	798,667,885
Deposit in escrow fund	**181,177,931**	181,177,931
Creditable withholding tax	**384,729,649**	111,028,951
Prepaid expenses	**35,091,896**	34,512,548
Input VAT - net	**22,690,271**	22,733,194
Others	**25,804,691**	23,873,040
	₱3,121,978,405	₱2,409,588,317

Advances to contractors and suppliers
Advances to contractors and suppliers are advance payments in relation to the Group's project development (part of real estate inventories).

Cost to obtain a contract
Following the adoption of PFRS 15 starting January 1, 2018, the Group recognized as an asset the costs to obtain a contract with customer. These pertain to commissions paid to brokers and marketing agents on the sale of real estate units.

The balance below pertains to the cost to obtain contracts included in the other current and noncurrent assets:

	March 31, 2020	December 31, 2019
Balance at beginning of the year	**₱3,421,818,201**	₱3,203,788,854
Additions	**159,885,075**	969,725,405
Amortization	**(250,141,233)**	(751,696,058)
Balance at end of the year	**3,331,562,043**	3,421,818,201
Less noncurrent portion	**2,245,987,825**	2,623,150,316
	₱1,085,574,218	₱798,667,885

Amortization of capitalized commission and advance commissions which are expensed as incurred totaling to ₱268.12 million and ₱190.10 million are presented under "Costs of real estate sales" account in the interim unaudited condensed consolidated statements of income for the three months ended March 31, 2020 and 2019 respectively.

Deposit in escrow fund
Deposit in escrow fund pertains to fund deposits for securing license to sell (LTS) of the Group's real estate projects.

Creditable withholding tax
Creditable withholding tax is attributable to taxes withheld by third parties arising from the real estate sales and will be applied against future taxes payable. The amounts as of March 31, 2020 and December 31, 2019 represent the residual after application as credit against income tax payable.

Prepaid expenses
Prepaid expenses consist mainly of prepayments for taxes and insurance.

Input VAT
Input VAT represents taxes imposed to the Group by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is applied against output VAT.

Others
Others include deposits for escrow funds and various types of advances which will be recovered within one (1) year.

9. Investments in Associates and Joint Venture

The details of the Group's investments in associates and joint venture are as follow:

	March 31, 2020						
	CSN	**Subic Water**	**Acotec**	**CSPI**	**RDPVI**	**UPDI**	**Total**
Acquisition cost							
Balance at beginning of year	**₱1,752,265**	**₱27,467,400**	**₱4,485,715**	**₱16,900,000**	**₱500,000,000**	**₱–**	**₱550,605,380**
Additions	–	–	–	–	–	**69,571,739**	**69,571,739**
Balance at end of year	**1,752,265**	**27,467,400**	**4,485,715**	**16,900,000**	**500,000,000**	**69,571,739**	**620,177,119**
Accumulated equity in net earnings:							
Balance at beginning of year	–	**366,937,781**	–	**597,019**	**(1,364,216)**	–	**366,170,584**
Equity in net earnings (losses)	–	**13,394,410**	–	–	–	–	**13,394,410**
Dividends	–	–	–	–	–	–	**0**
Balance at end of year	–	**380,332,191**	–	**597,019**	**(1,364,216)**	–	**379,564,994**
Subtotal	**1,752,265**	**407,799,591**	**4,485,715**	**17,497,019**	**498,635,784**	**69,571,739**	**999,742,113**
Allowance for impairment loss	**(1,752,265)**	–	**(4,485,715)**	–	–	–	**(6,237,980)**
	₱–	**₱407,799,591**	**₱–**	**₱17,497,019**	**₱498,635,784**	**₱69,571,739**	**₱993,504,133**

	December 31, 2019					
	CSN	Subic Water	Acotec	CSPI	RDPVI	Total
Acquisition cost						
Balance at beginning of year	₱1,752,265	₱27,467,400	₱4,485,715	₱16,900,000	₱–	₱50,605,380
Additions	–	–	–	–	500,000,000	500,000,000
Balance at end of year	1,752,265	27,467,400	4,485,715	16,900,000	500,000,000	550,605,380
Accumulated equity in net earnings:						
Balance at beginning of year	–	333,136,944	–	662,580	–	333,799,524
Equity in net earnings (losses)	–	59,300,837	–	(65,561)	(1,364,216)	57,871,060
Dividends	–	(25,500,000)	–	–	–	(25,500,000)
Balance at end of year	–	366,937,781	–	597,019	(1,364,216)	366,170,584
Subtotal	1,752,265	394,405,181	4,485,715	17,497,019	498,635,784	916,775,964
Allowance for impairment loss	(1,752,265)	–	(4,485,715)	–	–	(6,237,980)
	₱–	₱394,405,181	₱–	₱17,497,019	₱498,635,784	₱910,537,984

The details of the Group's acquisition of investments in associates and the corresponding percentages of ownership follow:

	March 31, 2020		December 31, 2019	
	Percentages of Ownership	**Acquisition Cost**	Percentages of Ownership	Acquisition Cost
Associates:				
Subic Water and Sewerage Company (Subic Water)	**30.00%**	**₱27,467,400**	30.00%	₱27,467,400
CSPI	**4.62%**	**16,900,000**	4.62%	16,900,000
Contech Products South (Acotec)	**33.00%**	**4,485,715**	33.00%	4,485,715
CSN Properties, Inc. (CSN)	**45.00%**	**1,752,265**	45.00%	1,752,265
		50,605,380		50,605,380
Joint venture:				
RLC DMCI Property Ventures, Inc. (RDPVI)	**50.00%**	**500,000,000**	50.00%	500,000,000
DMC Urban Property Developers Inc (UPDI)		**69,571,739**		–
		569,571,739		500,000,000
Total investment		**620,177,119**		550,605,380
Less allowance for impairment losses		**(6,237,980)**		(6,237,980)
		₱613,939,139		₱544,367,400

CSPI
In 2015, the Group made investments to CSPI amounting ₱13.40 million.

In 2016, the Group disposed two (2) shares of CSPI with par value of ₱100,000 per share at ₱0.14 million and ₱0.12 million. The Parent Company acquired additional 37 shares of CSPI with par value of ₱100,000 per share at ₱3.70 million. These transactions resulted to increase of percentage of ownership in the associate to 4.62% in 2016 from 3.94% in 2015. No additional acquisition or disposal was made subsequent to 2016.

Subic Water
On January 22, 1997, the Group subscribed to 3,662,320 shares for an aggregate value of ₱36.62 million in Subic Water, a then joint venture company with Subic Bay Metropolitan Authority (a government-owned corporation), Olongapo City Water District and Cascal Services Limited (a company organized under the laws of England). The agreement executed by the parties on November 24, 1996 stipulated, among others, that the Group shall have an equity participation

equivalent to 40% in Subic Water amounting ₱74.80 million (based on the initial subscribed and paid-up capital of ₱187.00 million). The balance of the Group's committed subscription to Subic Water of ₱38.00 million (net of additional subscription payment of ₱4.00 million in 1998) is expected to be paid on or before the second anniversary of the date of effectivity. As of March 31, 2020 and December 31, 2019, such committed subscription has not yet been paid.

On April 1, 2016, the Group disposed its 915,580 shares of Subic Water with par value of ₱10.00 per share at ₱190.70 million, net of capital gains tax of ₱20.14 million, with a gain on sale of ₱181.28 million. This resulted to decrease in Parent Company's percentage of ownership in the associate to 30%. In 2019, 2018 and 2017, dividends received from Subic Water amounted to ₱25.50 million, ₱40.50 million and ₱35.00 million, respectively.

CSN and Acotec
In previous years, allowance for impairment losses was provided for the Group's investments in CSN and Acotec amounting ₱1.75 million and ₱4.49 million, respectively.

RDPVI
In October 2018, the Group and Robinsons Land Corporation (RLC) entered into a joint venture agreement to develop a condominium project. Each party will hold a 50% ownership interest in the joint venture.

In March 2019, RDPVI, the joint venture entity, was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Piñas City and to operate, manage, sell and/or lease the resulting condominium units and parking spaces therein. The Group contributed ₱500.00 million for the capital of RDPVI.

DMC Urban Property Developers Inc. (UPDI)
In February 2020, The Company invested ₱69.57 million for socialized housing program with UPDI.

The following table summarizes the significant financial information on the Group's investments in associates and joint venture that are material to the Group:

	March 31, 2020			
	Subic Water	**CSPI**	**RDPVI**	**Total**
Assets				
Current assets	**₱430,191,856**	**₱94,790,049**	**₱1,989,930,461**	**₱2,514,912,366**
Noncurrent assets	**1,433,127,672**	**1,301,152,834**	**43,184,564**	**2,777,465,070**
	₱1,863,319,528	**1,395,942,883**	**₱2,033,115,025**	**₱5,292,377,436**
Liabilities				
Current liabilities	**₱209,954,509**	**₱58,428,275**	**₱53,162,175**	**₱321,544,959**
Noncurrent liabilities	**180,570,190**	**354,203,551**	**992,681,286**	**1,527,455,027**
	₱390,524,699	**₱412,631,826**	**₱1,045,843,461**	**₱1,848,999,986**
Equity	**₱1,472,794,829**	**₱983,311,057**	**₱987,271,564**	**₱3,443,377,450**
Revenue	**₱195,720,199**	**₱–**	**₱–**	**₱195,720,199**
Net income (loss)	**₱44,648,034**	**₱–**	**₱–**	**₱44,648,034**

	December 31, 2019			
	Subic Water	CSPI	RDPVI	Total
Assets				
Current assets	₱427,301,490	₱94,790,049	₱1,989,930,461	₱2,512,022,000
Noncurrent assets	1,522,476,223	1,301,152,834	43,184,564	2,866,813,621
	₱1,949,777,713	1,395,942,883	₱2,033,115,025	₱5,378,835,621
Liabilities				
Current liabilities	₱275,302,232	₱58,428,275	₱53,162,175	₱386,892,682

Noncurrent liabilities	252,504,705	354,203,551	992,681,286	1,599,389,542
	₱527,806,937	₱412,631,826	₱1,045,843,461	₱1,986,282,224
Equity	₱1,421,970,776	₱983,311,057	₱987,271,564	₱3,392,553,397
Revenue	₱784,978,383	₱96,532,703	₱–	₱881,511,086
Net income (loss)	₱197,669,456	(₱1,419,074)	(₱2,728,433)	₱193,521,949

The reconciliation of the net assets to the carrying amounts of the interests in associates and joint venture are recognized in the consolidated financial statements as follows:

	March 31, 2020				
	Subic Water	**CSPI**	**RDPVI**	**UPDI**	**Total**
Net assets of associates and joint venture	**₱1,472,794,829**	**₱983,311,057**	**₱987,271,564**	**₱ 69,571,739**	**₱3,512,949,189**
Proportionate ownership in the associates and joint venture	**30.00%**	**4.62%**	**50.00%**		
Share in net identifiable assets of common control	**441,838,449**	**45,428,971**	**493,635,782**	**69,571,739**	**1,050,474,941**
Notional goodwill and other adjustments	**(34,038,858)**	**(27,931,952)**	**5,000,002**	**–**	**(56,970,808)**
Carrying value of investments	**₱407,799,591**	**₱17,497,019**	**₱498,635,784**	**₱69,571,739**	**₱993,504,133**

	December 31, 2019			
	Subic Water	CSPI	RDPVI	Total
Net assets of associates and joint venture	₱1,421,970,776	₱983,311,057	₱987,271,564	₱3,392,553,397
Proportionate ownership in the associates and joint venture	30.00%	4.62%	50.00%	
Share in net identifiable assets of common control	426,591,233	45,428,971	493,635,782	965,655,986
Notional goodwill and other adjustments	(32,186,052)	(27,931,952)	5,000,002	(55,118,002)
Carrying value of investments	₱394,405,181	₱17,497,019	₱498,635,784	₱910,537,984

10. Investment Properties

The rollforward analysis on this account follows:

	March31, 2020	December 31, 2019
Cost at December 31	**₱209,584,207**	₱209,584,207
Accumulated Depreciation		
At January 1	**93,075,463**	80,173,065
Depreciation (Note 21)	**3,225,599**	12,902,398
At December 31	**96,301,062**	93,075,463
Net Book Value	**₱113,283,145**	₱116,508,744

Investment properties mostly consist of condominium units and office space held for rental.

There are no investment properties as of March 31, 2020 and December 31, 2019 that are pledged as security to liabilities. The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancements.

11. **Software Cost**

The rollforward analysis on this account follows:

	March 31, 2020	December 31, 2019
Cost		
At January 1	**₱333,374,468**	₱296,518,069
Additions	**14,999,182**	36,856,399
At December 31	**348,373,650**	333,374,468
Accumulated Amortization		
At January 1	**276,332,395**	231,955,734
Amortization (Note 21)	**10,460,837**	44,376,661
At December 31	**286,793,232**	276,332,395
Net Book Value	**₱61,580,418**	₱57,042,073

The total costs of fully amortized software cost that are still in use amounted to ₱218.27 million and ₱211.99 million as of March 31, 2020 and December 31, 2019, respectively.

12. **Property and Equipment**

The rollforward analysis of this account follows:

	March 31, 2020					
	Land, building and building improvements	**Office machines and equipment**	**Office furniture and fixtures**	**Transportation equipment**	**Construction machinery and equipment**	**Total**
Cost						
Balance at beginning of year	**₱618,954,484**	**₱299,174,000**	**₱118,732,584**	**₱255,101,020**	**₱2,632,284,883**	**₱3,924,246,971**
Additions	**–**	**15,944,108**	**813,786**	**5,549,821**	**264,872,688**	**287,180,403**
Balance at end of year	**618,954,484**	**315,118,108**	**119,546,370**	**260,650,841**	**2,897,157,571**	**4,211,427,374**
Accumulated Depreciation						
Balance at beginning of year	**285,629,957**	**241,437,752**	**116,061,606**	**200,533,114**	**1,475,029,927**	**2,318,692,356**
Depreciation (Notes 7 and 21)	**6,907,442**	**8,561,433**	**531,087**	**6,127,814**	**93,029,737**	**115,157,513**
Balance at end of year	**292,537,399**	**249,999,185**	**116,592,693**	**206,660,928**	**1,568,059,664**	**2,433,849,869**
Net Book Value	**₱326,417,085**	**₱65,118,923**	**₱2,953,677**	**₱53,989,913**	**₱1,329,097,907**	**₱1,777,577,505**

	December 31, 2019					
	Land, building and building improvements	Office machines and equipment	Office furniture and fixtures	Transportation equipment	Construction machinery and equipment	Total
Cost						
Balance at beginning of year	₱569,280,485	₱254,709,849	₱117,199,026	₱252,994,734	₱2,005,686,368	₱3,199,870,462
Additions	49,673,999	44,464,151	1,533,558	2,106,286	626,598,515	724,376,509
Balance at end of year	618,954,484	299,174,000	118,732,584	255,101,020	2,632,284,883	3,924,246,971
Accumulated Depreciation						
Balance at beginning of year	257,999,961	212,319,313	113,720,537	174,063,647	1,177,442,060	1,935,545,518
Depreciation (Notes 7 and 21)	27,629,996	29,118,439	2,341,069	26,469,467	297,587,867	383,146,838
Balance at end of year	285,629,957	241,437,752	116,061,606	200,533,114	1,475,029,927	2,318,692,356
Net Book Value	₱333,324,527	₱57,736,248	₱2,670,978	₱54,567,906	₱1,157,254,956	₱1,605,554,615

Depreciation expense included under general and administrative expenses amounted to ₱22.14 million and ₱21.27 million for the three months ended March 31, 2020 and 2019, respectively (see Note 21).

Depreciation and amortization expenses attributable to direct costs for hotel services rendered for the three months period ended March 31, 2020 and 2019 amounted to ₱0.41 million and ₱0.49 million, respectively.

Depreciation expense attributable to direct costs for real estate sales amounted to ₱67.54 million and ₱25.88 million in March 31, 2020 and March 31, 2019, respectively.

The total costs of fully depreciated property and equipment that are still in use amounted to ₱1,225.03 million and ₱1,182.45 million as of March 31, 2020 and December 31, 2019, respectively.

There are no property and equipment items that are pledged as security to liabilities as of March 31, 2020 and December 31, 2019.

13. Other Noncurrent Assets

This account consists of:

	March 31, 2020	December 31, 2019
Cost to obtain a contract - net of current portion (Note 8)	**₱2,245,987,825**	₱2,623,150,316
Recoverable deposits (Note 26)	**271,441,184**	348,245,100
	₱2,517,429,009	₱2,971,395,416

Recoverable deposits pertain to bill and guaranty deposits for the installation of utilities to residential condominium units, and houses and lots to be covered upon transfer of title to buyers. Such deposits are necessary for the development of real estate projects of the Group.

14. Loans Payable

This account consists of:

	March 31, 2020	December 31, 2019
Term loans and corporate notes	**₱28,268,771,750**	₱25,456,713,468
Liabilities on installment contracts receivable sold to banks with recourse (Note 5)	**86,246,195**	118,910,294
HomeSaver Bonds	**215,458,240**	210,505,000
	28,570,476,185	25,786,128,762
Less current portion of bank loans	**10,431,280,868**	8,262,019,417
	₱18,139,195,317	₱17,524,109,345

The current portion of bank loans consists of:

	March 31, 2020	December 31, 2019
Term loans and corporate notes	**₱10,376,467,904**	₱8,203,536,656
Liabilities on installment contracts receivable	**26,004,724**	30,507,761
HomeSaver Bonds	**28,808,240**	27,975,000
	₱10,431,280,868	₱8,262,019,417

Term Loans and Corporate Notes

Movement of the term loans and corporate notes follows:

	March 31, 2020	December 31, 2019
Balance as of January 1	**₱25,456,713,468**	₱17,979,008,548
Availments	**2,977,500,000**	9,000,000,000
Payments	**(170,000,000)**	(1,557,500,000)
Amortization of bank loans transaction costs (Note 22)	**4,558,282**	35,204,920
Balance as of December 31	**28,268,771,750**	25,456,713,468
Less current portion	**10,376,467,904**	8,203,536,656
	₱17,892,303,846	₱16,516,428,316

Philippine Peso 7.5-Year Term Loans due in 2026

In 2019, the Group entered into three (3) term loan facilities with local banks totaling to ₱16,000.00 million, of which ₱9,000.00 million was availed during the year. The proceeds from the loan shall be used to fund the capital expenditures such as acquisition of land and other general corporate expenditures in relation to the construction of ongoing projects.

Term Loan	Quarter from Issue Date	Total
1st Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
2nd Term Loan	10th to 29th Quarter	10.00% (.50% per quarter)
	Final Maturity	90.00%
3rd Term Loan	11th to 29th Quarter	9.50% (.50% per quarter)
	Final Maturity	90.50%

1st Term Loan

The first term loans with aggregate principal of ₱5,000.00 million were issued on March 22, 2019 and June 10, 2019, with principal amount of ₱2,500.00 million each. As of March 31, 2020 and December 31, 2019, the carrying value of the first term loan amounted to ₱4,966.71 million and ₱ 4,965.67 million, respectively.

The term loans shall bear interest from Philippine (PHP) BVAL reference rate with a tenor of three (3) months and every three (3) months thereafter. The interest rate shall initially be the PHP BVAL reference rate for 90-day treasury securities on banking day immediately preceding an Issue Date, plus the margin (75 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly and is equivalent to 4.00% to 6.58% in 2020 and 2019.

2nd Term Loan

The second term loans has an aggregate principal amounting to ₱9,000.00 million, ₱6,000.00 million of that loan facility were issued on September 4, 2019 and January 20, 2020 with principal amount of ₱3,000.00 million each. As of March 31, 2020 and December 31, 2019, the carrying value of the second term loan amounted to ₱5,956.38 million and ₱2,978.38 million, respectively.

The second term loan shall bear interest of 5.00% payable quarterly from the date of drawdown.

3rd Term Loan

On September 17, 2019, the first drawdown amounting to ₱1,000.00 million out of the ₱5,000.00 million loan facility was released. As of March 31, 2020 and December 31, 2019, the carrying value of the first drawdown of the third term loan amounted to ₱992.96 million and ₱992.79 million, respectively.

The interest rate of the third term loan of 5.08% is fixed for five (5) years and payable every quarter from date of drawdown. The interest is subject to repricing after five (5) years for the remaining two (2) years of the loan term.

Philippine Peso 5-Year and 7-Year Corporate Notes due in 2020 to 2024
In December 2015, the Group signed a corporate notes facility agreement on the issuance of Peso-denominated notes in the aggregate principal amount of ₱10,000.00 million with local banks. Proceeds of the note facility were used to fund its acquisition of real estate properties, fund its project development costs, refinance its existing indebtedness and fund other general corporate expenditures.

The notes will be issued in six (6) tranches and payments shall be made in each tranche as follows:

Series	Quarter from Issue Date	Payment for Each Quarter; Computed Based on Aggregate % of Issue Amount of each Series	Total
Series F	4th to 19th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series H	4th to 19th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series J	4th to 19th Quarter	0.5%	(8% + 92%)
	Final Maturity	92.0%	100%
Series G	4th to 27th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series I	4th to 27th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%
Series K	4th to 27th Quarter	0.5%	(12% + 88%)
	Final Maturity	88.0%	100%

Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued on December 18, 2015 with principal amount of ₱1,000.00 million each. Tranches 3 (Series H) and 4 (Series I) were issued in January 2016 with principal amount of ₱2,500.00 million each. Tranches 5 (Series J) and 6 (Series K) were issued in February 2017 with principal amount of ₱1,500.00 million each.

In February 2017, Tranches 5 (Series J) and 6 (Series K) were issued in the aggregate principal amount of ₱1,500.00 million each. As of March 31, 2020, the outstanding balance of Tranches 5 (Series J) and 6 (Series K) amounted to ₱1,424.53 million and ₱1,421.40 million, respectively. As of December 31, 2019, the outstanding balance of Tranches 5 (Series J) and 6 (Series K) amounted to ₱1,431.42 million and ₱1,428.46 million, respectively.

In January 2016, Tranches 3 (Series H) and 4 (Series I) were issued in January 2016 in the aggregate principal amount of ₱2,500.00 million each. As of March 31, 2020, the outstanding balance of Tranches 3 (Series H) and 4 (Series I) amounted to ₱2,332.22 million and ₱2,326.09 million, respectively. As of December 31, 2019, the outstanding balance of Tranches 3 (Series H) and 4 (Series I) amounted to ₱2,344.32 million and ₱2,338.31 million, respectively.

In December 2015, Tranches 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued in the aggregate principal amount of ₱1,000.00 million each. As of December 31, 2019, the outstanding balance of Tranches 1 (Series F) and 2 (Series G) amounted to ₱928.42 million and ₱925.85 million, respectively. As of December 31, 2019, the outstanding balance of Tranches 1 (Series F) and 2 (Series G) amounted to ₱932.98 million and ₱930.53 million, respectively.

The note is issued in registered form in the minimum denominations of ₱75.00 million and multiples of ₱25.00 million each. The interest rate shall be the PDST-R2 rate for five (5)-year (Tranche 1) and seven (7)-year treasury securities on banking day immediately preceding an Issue Date plus the

Margin (150 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Philippine Peso 7-year Corporate Notes due in 2020
In October 2012, the Group signed corporate notes facility agreement on the issuance of 7-year peso-denominated notes in the aggregate amount of ₱10,000.00 million with local banks. Proceeds of the notes facility were used to fund land acquisition, general operations and project development and construction.

The notes will be issued in three (3) tranches and payments shall be made in each tranche as follows:

Quarter from Issue Date	Based on aggregate % of issue amount of each Series (Equally divided over the applicable quarters)
7th to 10th Quarter	2%
11th to 14th Quarter	4%
15th to 18th Quarter	5%
19th to 27th Quarter	12%
Final Maturity	77%
Total	100%

Tranche 2 (Series D) and 3 (Series E) were issued on April 10, 2013 and July 30, 2013 in the aggregate principal amount of ₱4,000.00 million and ₱5,000.00 million, respectively. As of March 31, 2020, the outstanding balance of Tranche 2 (Series D) and 3 (Series E) amounted to ₱3,079.30 million and ₱3,914.92 million, respectively. As of December 31, 2019, the outstanding balance of Tranche 2 (Series D) and 3 (Series E) amounted to ₱3,132.56 million and ₱3,981.29 million, respectively.

Tranche 1 of the ₱10,000.00 million Series C was issued on October 31, 2012 in the aggregate amount principal amount of ₱1,000.00 million. The tranche was settled in full on October 31, 2019.

The note is issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each. The interest rate shall be the PDST-F rate for seven-year treasury securities on banking day immediately preceding an Issue Date plus the Margin (125 basis points) for each of the Tranche, gross any applicable withholding taxes. Interest is payable quarterly.

Debt Issue Costs
Unamortized debt issuance costs included in term loans and corporate notes as of March 31, 2020 and December 31, 2019 amounted to ₱127.89 million and ₱109.95 million, respectively.

The rollforward analysis of unamortized debt issuance cost follows:

	March 31, 2020	December 31, 2019
Balance as of January 1	**₱109,953,199**	₱77,658,119
Availments	**22,500,000**	67,500,000
Amortization of debt issue cost (Note 25)	**(4,558,282)**	(35,204,920)
Balance as of December 31	**₱127,894,917**	₱109,953,199

Interest
In March 31, 2020, December 31, 2019 and March 31, 2019, interest expense incurred amounted to ₱ 339.58 million, ₱1,274.86 million and ₱268.30 million, of which capitalized interest amounted to ₱ 321.47 million, ₱1,186.17 million and ₱155.81 million, respectively (see Notes 3, 7 and 22). The

average capitalization rates used are 4.60%, 5.59% and 1.43% of the average expenditures in March 2020, December 2019 and March 2020, respectively.

Liabilities on Installment Contracts Receivable
Movement of the liabilities on installment contracts receivable notes follows:

	March 31, 2020	December 31, 2019
Balance as of January 1	**₱118,910,294**	₱372,443,892
Payments	**(32,664,099)**	(253,533,598)
Balance as of December 31	**86,246,195**	118,910,294
Less current portion	**26,004,724**	30,507,761
	₱60,241,471	₱88,402,533

As discussed in Note 5, the installment contracts receivable under the receivable purchase agreements are used as collaterals for the related loans availed. These amounted to ₱86.25 million and ₱118.91 million as of March 31, 2020 and December 31, 2019, respectively, and these represent net proceeds from sale of portion of Group's installment contracts receivable to local banks pursuant to the receivable purchase agreements entered into by Group on various dates. The agreements also provide the submission of condominium certificates of title and their related postdated checks issued by the buyers. These loans bear interest at prevailing market rates and are payable in in equal and continuous monthly payment not exceeding 120 days commencing one (1) month from date of execution. The average effective annual interest rate ranges from 4.00% to 6.50% and 4.00% to 6.63% in March 2020 and December 31, 2019, respectively.

HomeSaver Bonds
Movement of the HomeSaver Bonds follows:

	March 31, 2020	December 31, 2019
Balance as of January 1	**₱210,505,000**	₱420,035,000
Issuance	**5,430,000**	37,740,000
Payments	**(476,760)**	(247,270,000)
Balance as of December 31	**215,458,240**	210,505,000
Less current portion	**28,808,240**	27,975,000
	₱186,650,000	₱182,530,000

Philippine Peso 3-Year and 5-Year Bonds due in 2019 and 2021
On March 21, 2016, the Group offered and issued the second bonds of up to ₱500.00 million to the public through four (4) investment options, namely, Tranche D, Tranche E, Tranche F, and Tranche G.

Tranche D was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱3.60 million and less over a period of 36 months, beginning on the Initial Issue Date at a fixed interest rate of 4.75% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche D has been fully paid.

Tranche E was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱6.00 million and less over a period of 60 months, beginning on the Initial Issue Date at a fixed interest rate of 5.25% per annum and shall mature five (5) years from the Initial Issue Date. As of March 31, 2020 and December 31, 2019, outstanding balance of Tranche E bonds amounted to ₱56.68 million and ₱52.36 million, respectively.

Tranche F was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.75%

per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche F has been fully paid.

Tranche G was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 5.25% per annum and shall mature five (5) years from the Initial Issue Date. As of March 31, 2020 and December 31, 2019, outstanding balance of Tranche G bonds amounted to ₱129.97 million and ₱ 130.17 million, respectively.

Philippine Peso 3-year and 5-year Bonds due in 2019 and 2021
On November 16, 2015, the Group offered and issued to the public deferred coupon-paying HomeSaver Bonds (the Bonds) in an aggregate principal amount of ₱1,000.00 million with an initial offering of ₱500.00 million for working capital and other general corporate purposes, such as marketing and administrative expenses. The Bonds will be offered through three investment options, namely: Tranche A, Tranche B and Tranche C.

Tranche A was issued in equal monthly installments with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱3.60 million and less over a period of 36 months, beginning November 16, 2015 (the Initial Issue Date) at a fixed interest rate of 4.5% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche A has been fully paid.

Tranche B was issued in equal monthly installments with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱6.00 million and less over a period of 60 months, beginning on the Initial Issue Date at a fixed interest rate of 5.00% per annum and shall mature five (5) years from the Initial Issue Date. As of March 31, 2020 and December 31, 2019, outstanding balance of Tranche B bonds amounted to ₱28.81 million and ₱27.98 million, respectively.

Tranche C was issued one-time with no maximum subscription, but priority is given to aggregate subscriptions amounting ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.50% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2019, Tranche C has been fully paid.

Covenants for term loans, corporate notes and HomeSaver bonds
The term loans, corporate notes facility agreement and HomeSaver bonds require the Group to ensure that debt-to-equity ratio will not exceed 3.2 times and current ratio is at least 1.75 times. As of March 31, 2020 and December 31, 2019, the Group is fully compliant to these requirements (see Note 18).

As of March 31, 2020 and December 31, 2019, all term loans, corporate notes and HomeSaver bonds recognized are unsecured.

15. Liabilities for Purchased Land

Liabilities for purchase of land represent the balance of the Group's obligations to various real estate property sellers for the acquisition of certain parcels of land and residential condominium units. The terms of the deed of absolute sale covering the land acquisitions provided that such obligations are payable only after the following conditions, among others, have been complied with: (a) presentation by the property sellers of the original transfer certificates of title covering the purchased parcels of land; (b) submission of certificates of non-delinquency on real estate taxes; and (c) physical turnover of the acquired parcels of land to the Group.

The outstanding balance of liabilities for purchased land as of March 31, 2020 and December 31, 2019 follow:

	March 31, 2020	December 31, 2019
Current	**₱1,237,451,825**	₱673,024,791
Noncurrent	**1,306,328,343**	1,223,137,775
Balance at end of the year	**₱2,543,780,168**	₱1,896,162,566

16. **Accounts and Other Payables**

This account consists of:

	March 31, 2020	December 31, 2019
Commission payable	**₱2,767,714,399**	₱2,929,169,970
Accounts payable – trade	**2,457,151,574**	1,916,826,566
Accrued expenses	**418,800,950**	415,030,547
Retention payable	**569,314,031**	517,598,609
Refundable deposits	**317,935,750**	314,718,617
Accrued interest payable (Note 14)	**201,331,516**	256,121,816
Others	**56,204,015**	61,217,324
	6,788,452,235	6,410,683,449
Less noncurrent portion of commission payable	**1,275,193,421**	1,304,305,455
	₱5,513,258,814	₱5,106,377,994

Commission payable pertains to the unpaid amount of the Group's payout to real estate sales agents for each contract that they obtain for the sale of real estate units. These are settled based on the collection from the contract with customers with various terms up to a maximum of 10 years. The noncurrent portion of commission payable is presented under "Other noncurrent liability" account in the consolidated statement of financial position.

Accounts payable - trade are mostly composed of payable to suppliers of materials, marketing supplies and services and brokers. It includes payable to contractors that pertains to unpaid progress billings for the construction and development of real estate projects and residential units. These are noninterest-bearing and are normally settled within one (1) year.

Accrued expenses pertain to SSS, Pag-IBIG, Philhealth, withholding tax payables and accrual of interest on loans payable and other expenses and are expected to be settled within one (1) year.

Retention payable consists of amounts withheld from every progress billing per subcontract agreement and is expected to be settled within one (1) year. The retention serves as a security from the contractor should there be defects in the project.

Refundable deposits consist of deposits which are refundable due to cancellation of real estate sales as well as deposits made by unit owners upon turnover of the unit which will be remitted to its utility provider.

Others include refundable amount for security deposits and construction bond of tenants. Security deposits are settled upon the end of the lease term. Construction bonds are settled upon the end of the construction of the unit. These are settled within one (1) year.

17. Customers' Advances and Deposits and Contract Liabilities

	March 31, 2020	December 31, 2019
Contract liabilities		
Current	**₱5,215,545,409**	₱3,554,447,551
Noncurrent	**2,323,140,420**	2,789,395,750
	7,538,685,829	6,343,843,301
Customers' advances and deposits	**3,586,503,965**	3,239,591,378
	₱11,125,189,794	₱9,583,434,679

Contract Liabilities
The Group requires buyers of the residential condominium units and houses and lots to pay a minimum percentage of the total selling price and the project should be beyond the preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished) before the Group recognize it as sale transaction. Contract liabilities represent the payments of buyers which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized revenue on sale of real estate inventories.

Customers' Advances and Deposits
Customers' advances and deposits represent collections from real estate buyers for taxes and fees payable such as documentary stamp tax and transfer tax for the transfer of title to the buyer.

18. Equity

Capital Stock
Details of the Parent Company's capital stocks as of March 31, 2020 and December 31, 2019 follow:

Common stock - ₱1 par value	
Authorized - 5,000,000,000 shares	**₱5,000,000,000**
Issued and outstanding - 3,487,727,331 shares	**3,487,727,331**
Additional paid-in capital	**15,260,664**

Retained Earnings

Movements in and outstanding appropriations of the Group for project development are as follows:

	March 31, 2020	December 31, 2019
Balance as of the beginning of the year	**₱13,719,000,000**	₱10,396,000,000
Additional appropriations (a)	**5,200,000,000**	4,500,000,000
Release from appropriations (a)	**(3,501,100,000)**	(1,177,000,000)
	₱15,417,900,000	₱13,719,000,000

a) Appropriation
On January 31, 2020, the BOD approved and resolved the following resolutions:

- Reversal of appropriation amounting to ₱3,501.10 million from previously appropriated retained earnings as of December 31, 2018 which was already utilized in 2019 for the related projects below:

Project	Amount
Mulberry Place	₱392,500,000
Prisma Residences	684,000,000
Brixton Place	626,000,000
Oak Harbor Residences	636,200,000
Infina Towers	765,000,000
The Celandine	397,400,000
	₱3,501,100,000

- Appropriation of ₱5,200.00 million from retained earnings as of December 31, 2019 to fund the development and project cost of the following projects:

Project	Appropriation
Kai Garden Residences	₱1,500,000,000
The Orabella	1,000,000,000
The Atherton	800,000,000
Verdon Parc	600,000,000
Fairlane Residences	500,000,000
Calathea Place	400,000,000
Satori Residences	400,000,000
	₱5,200,000,000

On January 28, 2019, the BOD approved the following resolutions:

- Reversal of appropriation amounting to ₱200.30 million from previously appropriated retained earnings as of December 31, 2017 which was already utilized for the development of the Mulberry Place project;
- Reversal of appropriation amounting to ₱127.00 million from previously appropriated retained earnings as of December 31, 2017 which was already utilized for the development of Prisma Residences project;
- Reversal of appropriation amounting to ₱551.70 million from previously appropriated retained earnings as of December 31, 2017 which was already utilized for the development of Brixton Place project;
- Reversal of appropriation amounting to ₱298.00 million from previously appropriated retained earnings as of December 31, 2017 which was already utilized for the Oak Harbor Residences project;
- Appropriation of ₱2,500.00 million from retained earnings as of December 31, 2018 to fund the development and project cost of Infina Towers project located in Quezon City; and,
- Appropriation of ₱2,000.00 million from retained earnings as of December 31, 2018 to fund the development and project cost of The Celandine project located in Quezon City

b) Declaration of Dividends

On January 31, 2020, the BOD approved the declaration of additional cash dividends in the amount of ₱1,200.00 million from the unrestricted retained earnings as of December 31, 2019 in favor of the current stockholders of record and payable in accordance with the scheduled payment;

On November 25, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱25.50 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

On September 20, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱24.61 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

On January 28, 2019, the BOD approved the additional declaration of cash dividends amounting to ₱1,200.00 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

On January 10, 2019, the BOD approved the declaration of cash dividends amounting to ₱25.50 million to stockholders of record as of December 31, 2018. As of December 31, 2019, the dividends declared have been paid.

As of March 31, 2020 and December 31, 2019, ZMSSI, a partially-owned subsidiary of the Group, declared dividends amounting to ₱26.00 million and ₱16.00 million, respectively, of which dividends to noncontrolling interest amounted to ₱12.74 million, and ₱7.84 million, respectively. The unpaid dividends as of March 31, 2020 amounted to ₱12.74 million (nil as of December 31, 2019).

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The management considers capital stock and retained earnings as core capital of the Group.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares.

As of March 31, 2020, 2019 and December 31, 2019, the Group had the following rates:

	March 31, 2020	December 31, 2019	March 31, 2019
Current Ratio	**2.41:1**	2.83:1	3.92:1
Debt to Equity Ratio	**2.49:1**	2.08:1	2.02:1
Asset to Equity Ratio	**3.49:1**	3.08:1	3.02:1

As at March 31, 2020 and December 31, 2019, the Group is not subject to externally imposed capital requirements other than the monitoring of the Group's debt to equity ratio and current ratio as a result of availment of long-term debt (see Note 14).

19. **Finance Income**

Finance income is derived from the following sources:

	March 31, 2020	March 31, 2019
Installment contracts receivable (Note 5)	**₱66,542,828**	₱69,526,279
Bank deposits and cash equivalents (Note 4)	**24,782,847**	42,610,781
	₱91,325,675	₱112,137,060

20. **Other Income**

This account consists of:

	March 31, 2020	March 31, 2019
Income from cancellation of real estate sales and other fees	**₱109,994,335**	₱108,641,631
Rental income	**21,717,220**	24,321,279
Penalty and other charges	**16,099,706**	47,646,769
Management fees	**15,354,000**	–
Others	**16,071,568**	3,646,864
	₱179,236,829	₱184,256,543

Others include holding fees, restructuring fees, maintenance dues and utilities charged to tenants.

21. **General and Administrative Expenses**

This account consists of:

	March 31, 2020	March 31, 2019
Taxes and licenses	**₱214,509,175**	₱162,000,339
Salaries, wages and employee benefits	**178,717,462**	150,716,217
Marketing	**109,307,079**	171,568,324
Outside services	**55,408,492**	44,773,253
Repairs and maintenance	**53,770,613**	83,766,002
Depreciation and amortization (Notes 10, 11 and 12)	**35,827,193**	35,323,863
Association dues	**21,236,710**	10,792,797
Communication, light and water	**20,252,967**	23,434,037
Entertainment, amusement and recreation	**15,566,225**	12,655,312
Supplies	**13,442,384**	8,247,710
Professional fees	**10,903,655**	12,469,036
Transportation and travel	**10,605,993**	9,561,662
Management fees (Note 24)	**–**	1,405,894
Miscellaneous	**17,308,970**	16,614,380
	₱756,856,918	₱743,328,826

Miscellaneous include rental, insurance, supplies and other expenses.

22. **Finance Costs**

The finance costs are incurred from the following:

	March 31, 2020	March 31, 2019
Long-term bank loans (Note 14)	**₱18,120,047**	₱112,486,145
Accretion on unamortized discount on liabilities on purchased land and unamortized bank loans transaction cost (Note 14)	**4,558,282**	3,371,215
Bank charges	**1,705,901**	1,058,495
	₱24,384,230	₱116,915,855

23. Income Taxes

The provision for income tax shown in profit or loss consists of:

	March 31, 2020	March 31, 2019
Current	**(₱48,726,449)**	₱229,541,067
Deferred	**(196,263,146)**	(10,692,319)
Final	**4,961,700**	8,525,185
	(₱240,027,895)	₱227,373,933

The components of net deferred tax liabilities follow:

	March 31, 2020	December 31, 2019
Recognized in profit or loss		
Deferred tax assets on:		
Net pension liability	**₱97,405,773**	₱97,405,773
Provision for doubtful accounts	**21,420,700**	21,420,700
Unrealized rental	**1,157,770**	1,157,770
	119,984,243	119,984,243
Deferred tax liabilities on:		
Gross profit on installment real estate sales	**(2,961,246,783)**	(3,192,118,049)
Capitalized borrowing costs	**(363,776,767)**	(380,803,987)
Capitalized depreciation	**(98,921,465)**	(91,409,721)
Deferred commission	**(96,760,525)**	(51,269,445)
Unamortized transaction costs	**(31,618,475)**	(32,985,960)
Others	**(242,748)**	(242,748)
	(3,552,566,763)	(3,748,829,910)
	(3,432,582,520)	(3,628,845,667)
Recognized in other comprehensive income		
Deferred tax liability on:		
Remeasurement gain on pension	**(39,465,134)**	(39,465,134)
Net deferred tax liabilities	**(₱3,472,047,654)**	(₱3,668,310,801)

Deferred tax assets are recognized only to the extent that taxable income will be against which the deferred tax assets can be used. The Group assesses the unrecognized deferred tax assets and will recognize previously unrecognized deferred tax assets to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

24. Related Party Transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities (referred herein as entities under common control).

In the regular course of business, the Group's significant transactions with related parties, which are accounted for at market prices normally charged to unaffiliated customers for similar goods and services, consist primarily of the following:

a. Contract billings by DMCI, an affiliate, amounted to ₱38.46 million and ₱296.06 million as of March 31, 2020 and December 31, 2019, respectively, for the construction of the real estate projects included in the "Payable to related parties" account.

b. The Group has outstanding balance to a condominium corporation for the association dues and utilities consumed by hotel rooms, common areas and concessionaires for its hotel operations. These are included as part of "Payables to related parties" account in the consolidated statements of financial position.

c. *Design and build agreement*
   The Group entered into an agreement with its joint venture, RDPVI, for the design and construction of a residential condominium project. Terms of payment include 15% down payment and balance payable through monthly progress billings subject to retention and recoupment.

   Management and marketing services agreement
   RDPVI has also engaged the services of the Group for the management and marketing of its project. Consideration for the management services is valued at 3% of the sum of net total contract price (NTCP) collected for each month while marketing services to provided is equivalent to 0.50% of real estate sales recorded each month.

   RLC and the Group will also act as the exclusive selling arm of RDPVI for the sale of units and parking lots of the project wherein 1.5% of the NTCP of sold units will be payable to the party who sold the units, RLC or the Group.

   In 2019, RDPVI has no collections or real estate sales yet thus, no expense or payable was recognized in the books.

   Reimbursement of expenses
   In 2019, the Group had transactions with RDPVI consisting of noninterest-bearing operational advances such as incorporation costs and taxes and licenses, which are for and in behalf of RDPVI. As of March 31, 2020 and December 31, 2019, the outstanding receivable from affiliate amounted to ₱27.03 million included in receivables from related parties under "Receivables" account in the consolidated statements of financial position.

The following table summarizes the total transactions with related parties in 2020 and 2019 and the outstanding receivable as of March 31, 2020 and December 31, 2019:

	March 31, 2020					
	Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions
DMCI Mining Corporation	Under common control	Construction and rent services	₱–	₱6,507,501	Noninterest-bearing; due and demandable	Unsecured, unimpaired
Semirara Mining Corporation	Under common control	Reimbursement of expenses	–	20,816	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Holdings, Inc.	Parent	Reimbursement of expenses	–	26,010	Noninterest-bearing; due and demandable	Unsecured, unimpaired
DMCI Power Corporation	Under common control	Reimbursement of expenses	–	2,104	Noninterest-bearing; due and demandable	Unsecured, unimpaired
RLC DMCI Property Ventures, Inc.	Joint venture in which the Parent Company is a venturer	Design and build agreement and reimbursement of expenses	–	27,027,694	Noninterest-bearing; due and demandable	Unsecured, unimpaired
				₱33,584,125		

	December 31, 2019					
	Relationship	**Transaction**	**Amount**	**Outstanding Balance**	**Terms**	**Conditions**
DMCI Mining Corporation	**Under common control**	**Construction and rent services**	**₱22,140**	**₱6,507,501**	**Noninterest-bearing; due and demandable**	**Unsecured, unimpaired**
Dacon Corporation	**Under common control**	**Reimbursement of expenses**	**(1,731,133)**	**–**	**Noninterest-bearing; due and demandable**	**Unsecured, unimpaired**
Semirara Mining Corporation	**Under common control**	**Reimbursement of expenses**	**–**	**20,816**	**Noninterest-bearing; due and demandable**	**Unsecured, unimpaired**
DMCI Holdings, Inc.	**Parent**	**Reimbursement of expenses**	**26,010**	**26,010**	**Noninterest-bearing; due and demandable**	**Unsecured, unimpaired**
DMCI Power Corporation	**Under common control**	**Reimbursement of expenses**	**–**	**2,104**	**Noninterest-bearing; due and demandable**	**Unsecured, unimpaired**
DMCI Urban Property Developers	**Under common control**	**Reimbursement of expenses**	**(3,001,551)**	**–**	**Noninterest-bearing; due and demandable**	**Unsecured, unimpaired**
RLC DMCI Property Ventures, Inc.	**Joint venture in which the Parent Company is a venturer**	**Design and build agreement and reimbursement of expenses**	**27,027,694**	**27,027,694**	**Noninterest-bearing; due and demandable**	**Unsecured, unimpaired**
				₱33,584,125		

The table below summarizes the total transactions of the Group with related parties in 2020 and 2019 and the related outstanding payable as of March 31, 2020 and December 31, 2019:

	March 31, 2020					
	Relationship	**Transaction**	**Amount**	**Outstanding Balance**	**Terms**	**Conditions**
DM Consunji, Inc.	**Stockholder**	**Trade**	**(257,596,576)**	**38,458,481**	**Noninterest-bearing; due and demandable**	**Unsecured**
Condo Corporation	**Under common directors**	**Advances**	**(8,104,921)**	**17,277,434**	**Noninterest-bearing; due and demandable**	**Unsecured**
DMCI Urban Property Developers	**Under common control**	**Remittances Trade**	**(3,473,688)**	**1,075,504**	**Noninterest-bearing; due and demandable**	**Unsecured**
				₱56,811,419		

	December 31, 2019					
	Relationship	Transaction	Amount	Outstanding Balance	Terms	Conditions
DM Consunji, Inc.	Stockholder	Trade	35,697,923	296,055,057	Noninterest-bearing; due and demandable	Unsecured
Condo Corporation	Under common directors	Advances	(5,286,588)	25,382,354	Noninterest-bearing; due and demandable	Unsecured
DMCI Urban Property Developers	Under common control	Remittances Trade	(11,931,580)	4,549,192	Noninterest-bearing; due and demandable	Unsecured
				₱325,986,603		

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables. These accounts are generally unsecured and due and demandable. The Group has not recognized any impairment losses on receivables from related parties for the months ended March 31, 2019 and 2018. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

25. **Segment Information**

For management purposes, the Group's operating segments are organized and managed separately according to the nature of services offered, which comprises of three main groupings as follows:

Developer - focused in mid-income residential development of condominiums and subdivisions under DMCI Project Developers, Inc. and Hampstead Gardens Corporation.

Hotels - focused on hotel services of the DMCI Hotels, Inc. for the hotel operations of Alta Vista de Boracay.

Property Management - pertains to operations of DMCI Property Management Corporation which focuses on management and administrative services rendered to condominium corporations.

Others - operations of DMCI Homes, Inc., Riviera Land Corporation and Zenith Mobility Solutions Services, Inc. which focuses on management and advertising services.

Management, through Executive Committee, monitors segment net income for the purpose of making decision about resources allocation. Segment performance is evaluated based on net income, which is accounted for differently in the consolidated statements of comprehensive income.

The financial information about the operations of these business segments is summarized below:

	March 31, 2020					
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	₱62,830,829,328	₱89,286,791	₱256,669,256	₱400,059,250	(₱491,320,696)	₱60,300,394,949
Noncurrent assets	10,681,514,045	64,145,636	7,126,844	3,198,929	167,915,132	10,765,659,812
Total Assets	₱73,512,343,373	₱153,432,427	₱263,796,100	₱403,258,179	(₱323,405,564)	₱71,066,054,761
Liabilities						
Current liabilities	₱26,295,990,396	₱138,703,818	₱115,117,515	₱228,438,638	(₱550,890,860)	₱21,327,763,739
Noncurrent liabilities	26,562,012,527	–	29,024,206	242,748	(3,937,500)	26,640,656,969
Total liabilities	₱52,858,002,923	₱138,703,818	₱144,141,721	₱228,681,386	(₱554,828,360)	₱47,968,420,708
Revenue	₱1,562,270,793	₱20,078,308	₱51,614,274	₱12,193,451	₱–	₱1,646,156,826
Direct cost	(2,002,051,103)	(25,376,601)	(18,077,260)	(8,475,252)	(4,546,050)	(2,058,526,266)
General and administrative expenses	(717,343,525)	(20,421,758)	(13,626,473)	(5,465,162)	–	(756,856,918)
Finance income - net	66,471,067	281,107	16,440	172,831	–	66,941,445
Other income (loss)	183,016,832	(735,404)	131,543	8,017	(3,184,159)	179,236,829
Dividend income	–	–	–	–	–	0
Equity in net earnings of associates	–	–	–	–	13,394,410	13,394,410
Income before tax	(907,635,936)	(26,174,348)	20,058,524	(1,566,115)	5,664,201	(909,653,674)
Provision for income tax	246,912,564	(55,915)	(6,015,914)	(812,840)	–	240,027,895
Net income	(₱660,723,372)	(₱26,230,263)	₱14,042,610	(₱2,378,955)	₱24,211,060	(₱669,625,779)
Cash flows arising from:						
Operating activities	(₱3,161,533,498)	(₱40,487,770)	₱14,430,225	(₱7,284,523)	₱–	(₱3,194,875,566)
Investing activities	86,984,739	(4,090,816)	(660,536)	(18,304)	–	82,215,083
Financing activities	2,406,878,793	–	–	–	–	2,406,878,793
Noncash items:						
Depreciation and amortization	₱126,011,145	₱1,531,197	₱1,228,946	₱72,661	₱–	₱128,843,949

	December 31, 2019					
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Assets						
Current assets	₱60,025,167,733	₱135,600,087	₱230,888,575	₱400,059,250	(₱491,320,696)	₱60,300,394,949
Noncurrent assets	10,525,264,479	61,586,017	7,695,255	3,198,929	167,915,132	10,765,659,812
Total Assets	₱70,550,432,212	₱197,186,104	₱238,583,830	₱403,258,179	(₱323,405,564)	₱71,066,054,761
Liabilities						
Current liabilities	₱21,420,040,874	₱126,227,230	₱103,947,857	₱228,438,638	(₱550,890,860)	₱21,327,763,739
Noncurrent liabilities	26,615,327,515	–	29,024,206	242,748	(3,937,500)	26,640,656,969
Total liabilities	₱48,035,368,389	₱126,227,230	₱132,972,063	₱228,681,386	(₱554,828,360)	₱47,968,420,708
Revenue	₱18,073,946,611	₱255,705,698	₱190,091,425	₱67,050,739	₱–	₱18,586,794,473
Direct cost	(12,949,936,292)	(175,995,095)	(79,540,709)	(37,288,062)	36,265,686	(13,206,494,472)
General and administrative expenses	(2,321,360,330)	(44,067,146)	(56,990,446)	(5,227,984)	–	(2,427,645,906)
Finance income - net	325,879,344	2,996,183	47,733	2,238,992	–	331,162,252
Other income	1,144,661,848	7,179,078	1,536,457	57,433	(36,265,686)	1,117,169,130
Dividend income	34,535,000	–	–	–	(33,660,000)	875,000
Equity in net earnings of associates	–	–	–	–	57,871,060	57,871,060
Income before tax	4,307,726,181	45,818,718	55,144,460	26,831,117	24,211,060	4,459,731,537
Provision for income tax	(1,320,316,894)	(13,443,397)	(23,612,827)	(7,389,537)	–	(1,364,762,658)
Net income	₱2,987,409,287	₱32,375,321	₱31,531,633	₱19,441,580	₱24,211,060	₱3,094,968,879
Cash flows arising from:						
Operating activities	(₱4,473,402,334)	₱39,674,224	₱14,679,617	₱11,455,153	₱–	(4,407,593,340)
Investing activities	(1,438,288,640)	(1,814,389)	(4,043,084)	(81,442,680)	–	(1,525,588,793)
Financing activities	5,667,111,065	(16,000,000)	–	2,770,000	–	5,653,881,065

	March 31, 2020					
	Developer	Hotels	Property Management	Others	Elimination	Consolidated
Noncash items:						
Depreciation and amortization	₱429,045,441	₱4,518,427	₱6,613,934	₱248,095	₱–	₱440,425,897

The Group has no revenue from transactions with a single external customer totaling 10% or more of the Group's revenue.

26. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of financial asset at amortized cost, loans payable, liabilities for purchased land, accounts and other payables and payables to related parties.

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarized below:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities such as bank loans.

The following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of March 31, 2020 and December 31, 2019, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity dates. Balances due within twelve (12) months equal their carrying amounts, as the impact of discounting is insignificant.

	March 31, 2020					
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	Total
Financial assets at amortized cost						
Cash and cash equivalents	**₱5,191,399,506**	**₱–**	**₱–**	**₱–**	**₱–**	**₱5,191,399,506**
Receivables:						
Trade:						
Installment contracts receivable	**4,050,188,437**	–	–	–	–	**4,050,188,437**
Receivable from buyers	**889,075,408**	–	–	–	–	**889,075,408**
Property management	**133,064,745**	–	–	–	–	**133,064,745**
Hotel operations	**42,671,238**	–	–	–	–	**42,671,238**
Elevator maintenance	**16,067,893**	–	–	–	–	**16,067,893**
Receivables from:						
Condo corporations	**307,493,994**	–	–	–	–	**307,493,994**
Related parties	**33,584,125**	–	–	–	–	**33,584,125**
Employees	**33,178,455**	–	–	–	–	**33,178,455**
Rental	**19,407,571**	–	–	–	–	**19,407,571**
Others	**118,851,235**	–	–	–	–	**118,851,235**
Deposit in escrow fund	**181,177,931**	–	–	–	–	**181,177,931**
Recoverable deposits	–	**271,441,184**	–	–	–	**271,441,184**
Total financial assets	**₱11,016,160,538**	**₱271,441,184**	**₱–**	**₱–**	**₱–**	**₱11,287,601,722**
Other financial liabilities						
Loans payable	**₱10,376,467,904**	**₱1,643,231,523**	**₱3,339,716,144**	**₱1,697,726,756**	**₱11,211,629,423**	**₱28,268,771,750**
Liabilities for purchased land	**1,237,451,825**	**1,120,237,938**	**19,303,120**	**60,985,451**	**105,801,834**	**2,543,780,168**
Accounts and other payables						
Commission payable	**2,767,714,399**	–	–	–	–	**2,767,714,399**
Accounts payable – trade	**2,457,151,574**	–	–	–	–	**2,457,151,574**
Retention payable	**405,723,177**	–	–	–	–	**405,723,177**
Refundable deposits	**569,314,031**	–	–	–	–	**569,314,031**
Accrued interest payable	**201,331,516**	–	–	–	–	**201,331,516**
Accrued expenses*	**137,975,329**	–	–	–	–	**137,975,329**
Others	**56,204,015**	–	–	–	–	**56,204,015**
Payables to related parties	**56,811,419**	–	–	–	–	**56,811,419**
Other financial liabilities	**₱18,266,145,189**	**₱2,763,469,461**	**₱3,359,019,264**	**₱1,758,712,207**	**₱11,317,431,257**	**₱37,464,777,378**

**Excluding nonfinancial liabilities amounting to ₱280.83 million*

	December 31, 2019					
	< 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	> 5 years	Total
Financial assets at amortized cost						
Cash and cash equivalents	₱5,897,171,374	–	–	–	–	₱5,897,171,374
Receivables:						
Trade:						
Installment contracts receivable	2,361,747,510	–	–	–	–	2,361,747,510
Receivable from buyers	889,554,775	–	–	–	–	889,554,775
Property management	115,124,851	–	–	–	–	115,124,851
Hotel operations	40,413,516	–	–	–	–	40,413,516
Elevator maintenance	15,246,991	–	–	–	–	15,246,991
Receivables from:						
Condo corporations	316,973,531	–	–	–	–	316,973,531
Related parties	33,584,125	–	–	–	–	33,584,125
Rental	27,886,955	–	–	–	–	27,886,955
Employees	23,612,897	–	–	–	–	23,612,897
Others	137,673,799	–	–	–	–	137,673,799
Deposit in escrow fund	181,177,931	–	–	–	–	181,177,931
Recoverable deposits	–	348,245,100	–	–	–	348,245,100
Total financial assets	₱10,040,168,255	₱348,245,100	₱–	₱–	₱–	₱10,388,413,355
Other financial liabilities						
Loans payable*	₱9,463,429,637	₱3,538,157,252	₱3,303,402,653	₱4,900,664,393	₱8,877,288,047	₱30,082,941,982
Liabilities for purchased land	673,024,791	1,037,047,369	19,303,120	60,985,451	105,801,834	1,896,162,565
Accounts and other payables						
Commission payable	2,929,169,970	–	–	–	–	2,929,169,970
Accounts payable – trade	1,916,826,566	–	–	–	–	1,916,826,566
Retention payable	517,598,609	–	–	–	–	517,598,609
Refundable deposits	314,718,617	–	–	–	–	314,718,617
Accrued interest payable	256,121,816	–	–	–	–	256,121,816
Accrued expenses**	66,984,749	–	–	–	–	66,984,749
Others	61,217,324	–	–	–	–	61,217,324
Payables to related parties	325,986,603	–	–	–	–	325,986,603
Other financial liabilities	₱16,525,078,682	₱4,575,204,621	₱3,322,705,773	₱4,961,649,844	₱8,983,089,881	₱38,367,728,801

**Including future interest payment*
***Excluding nonfinancial liabilities amounting to ₱348.05 million*

Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's financial instruments affected by market risk include loans payable and cash and cash equivalents.

a.) *Interest rate risk*
The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's bank loans with floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable debt rate debts. Out of the total bank loans, those with floating interest rates are 17.69% in 2020 and 19.72% in 2019.

The terms of the interest-bearing financial liabilities, together with its corresponding nominal amounts and carrying values are shown in the following table:

	March 31, 2020		December 31, 2019	
	Effective Interest Rate	**Amount**	Effective Interest Rate	Amount
Loans payable				
Term loans and corporate notes	**4.13% to 6.52%**	**₱28,268,771,750**	4.13% to 6.52%	₱25,456,713,468
Liabilities on installment contract receivables sold to banks	**4.00% to 6.50%**	**86,246,195**	4.00% to 6.63%	118,910,294
HomeSaver Bonds	**4.75% to 5.25%**	**215,458,240**	4.75% to 5.25%	210,505,000
		₱28,570,476,185		₱25,786,128,762

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant of the Group's profit before tax as of March 31, 2020 and December 31, 2019. There is no other impact on the Group's equity.

		2020		2019	
	Change in basis points	**Effect on income before income tax**	**Effect on equity**	Effect on income before income tax	Effect on equity
Loans payable	**+100 bps**	**(₱50,529,601)**	**(₱35,370,721)**	(₱50,845,803)	(₱35,592,062)
	-100 bps	**50,529,601**	**35,370,721**	50,845,803	35,592,062

The assumed movement in basis points for interest rate sensitivity analysis is based on the Group's historical changes in market interest rates on unsecured bank loans.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table:

	March 31, 2020						
	Interest terms (p.a.)	**Rate Fixing Period**	**Nominal Amount**	**< 1 year**	**1 to 5 years**	**> 5 years**	**Carrying Value**
Cash in banks and cash equivalents	**Fixed at the date of investment**	**Various**	**₱5,187,459,678**	**₱5,187,459,678**	**₱–**	**₱–**	**₱5,187,459,678**
Loans payable							
Peso	**Floating at 8.12% to 11.23% over the remaining term**	**Annually**	**86,246,195**	**26,004,724**	**48,413,866**	**11,827,605**	**86,246,195**
Peso	**Floating at 4.00% to 6.58%**	**Quarterly**	**4,966,713,883**	**9,909,641**	**373,564,511**	**4,583,239,731**	**4,966,713,883**
			₱10,240,419,756	**₱5,223,374,043**	**₱421,978,377**	**₱4,595,067,336**	**₱10,240,419,756**

				December 31, 2019			
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Cash in banks and cash equivalents	Fixed at the date of investment	Various	₱5,893,944,989	₱5,893,944,989	₱–	₱–	₱5,893,944,989
Loans payable							
Peso	Floating at 8.12% to 11.23% over the remaining term	Annually	118,910,294	30,507,761	74,449,462	13,953,071	118,910,294
Peso	Floating at 4.00% to 6.58%	Quarterly	4,965,669,969	–	360,737,709	4,604,932,260	4,965,669,969
			₱10,978,525,252	₱5,924,452,750	₱435,187,171	₱4,618,885,331	₱10,978,525,252

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers and related parties. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis. The credit risk is concentrated to the following customers:

	2020	2019
Real estate buyers	**92.74%**	92.08%
Others	**7.26%**	7.92%
Total	**100.00%**	100.00%

In respect of installment contract receivables from the sale of real estate properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. An impairment analysis is performed at each reporting date using a vintage analysis to measure expected credit losses. The default rates are based on historical credit loss experience for groupings of various customer segments with similar loss patterns (i.e., by payment scheme and collateral type) and are adjusted with forward looking information. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g., grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%). The Group evaluates the concentration of risk with respect to installment contract receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Cash and cash equivalents are placed in various banks. Material amounts are held by banks which belong to the top five (5) banks in the country. The rest are held by local banks that have good reputation and low probability of insolvency. These are considered to be low credit risk investments. The Group's maximum exposure to credit risk as of December 31, 2019 and 2018 is equal to the carrying values of its financial assets.

The tables below present the summary of the Group's exposure to credit risk as of December 31 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

	2020		2019	
	12-month ECL	**Lifetime ECL Not credit impaired**	12-month ECL	Lifetime ECL Not credit impaired
Cash and cash equivalents*	**₱5,187,459,678**	**₱–**	₱5,893,944,989	₱–
Trade:				
Installment contracts receivable	**–**	**4,050,188,437**	–	2,361,747,510
Receivables from buyers	**–**	**889,075,408**	–	889,554,775
Property management**	**–**	**128,689,426**	–	110,749,532
Hotel operations	**–**	**42,671,238**	–	40,413,516
Elevator and maintenance	**–**	**16,067,893**	–	15,246,991
Receivables from:				
Condo corporations**	**–**	**304,188,896**	–	313,668,433
Related parties	**–**	**33,584,125**	–	33,584,125
Employees**	**–**	**30,343,120**	–	25,051,621
Rental	**–**	**19,407,571**	–	23,612,897
Others	**–**	**118,851,235**	–	137,673,799
Deposit in escrow fund	**181,177,931**	**–**	181,177,931	–
Recoverable deposits	**271,441,184**	**–**	348,245,100	–
	₱5,640,078,793	**₱5,633,067,349**	₱6,423,368,020	₱3,951,303,199

**Excludes cash on hand amounting to ₱3.94 million and ₱3.23 million as of March 31, 2020 and December 31, 2019, respectively.*

***Excludes allowance for expected losses*

As of March 31, 2020 and December 31, 2019, the aging analyses per class of loan-related financial assets follow:

	March 31, 2020						
	Neither Past Due Nor Impaired	**Past Due But Not Impaired**				**Impaired Financial Assets**	**Total**
		<30 days	**30-60 days**	**61-90 days**	**>90 days**		
Trade:							
Installment contracts receivable	**₱–**	**₱2,927,398,204**	**₱225,688,982**	**₱16,501,417**	**₱880,599,834**	**₱–**	**₱4,050,188,437**
Receivables from buyer	**889,075,408**	**–**	**–**	**–**	**–**	**–**	**889,075,408**
Property management	**128,689,426**	**–**	**–**	**–**	**–**	**4,375,319**	**133,064,745**
Hotel operations	**42,671,238**	**–**	**–**	**–**	**–**	**–**	**42,671,238**
Elevator and maintenance	**16,067,893**	**–**	**–**	**–**	**–**	**–**	**16,067,893**
Receivables from:							
Condo corporations	**304,188,896**	–	–	–	–	**3,305,098**	**307,493,994**
Related parties	**33,584,125**	–	–	–	–	–	**33,584,125**
Employees	**30,343,121**	–	–	–	–	**2,835,334**	**33,178,455**
Rental	**19,407,571**	–	–	–	–	–	**19,407,571**
Others	**118,851,235**	–	–	–	–	–	**118,851,235**
	₱1,582,878,913	**₱2,927,398,204**	**₱225,688,982**	**₱16,501,417**	**₱880,599,834**	**₱10,515,751**	**₱5,643,583,101**

	December 31, 2019						
	Neither Past Due Nor Impaired	**Past Due But Not Impaired**				**Impaired Financial Assets**	**Total**
		<30 days	**30-60 days**	**61-90 days**	**>90 days**		
Trade:							
Installment contracts receivable	**₱–**	**₱1,480,479,481**	**₱15,929,749**	**₱18,976,791**	**₱846,361,489**	**₱–**	**₱2,361,747,510**
Receivables from buyer	**889,554,775**	**–**	**–**	**–**	**–**	**–**	**889,554,775**
Property management	**110,749,532**	**–**	**–**	**–**	**–**	**4,375,319**	**115,124,851**
Hotel operations	**40,413,516**	**–**	**–**	**–**	**–**	**–**	**40,413,516**
Elevator and maintenance	**15,246,991**	**–**	**–**	**–**	**–**	**–**	**15,246,991**
Receivables from:							
Condo corporations	**313,668,433**	–	–	–	–	**3,305,098**	**316,973,531**
Related parties	**33,584,125**	–	–	–	–	–	**33,584,125**
Employees	**25,051,621**	–	–	–	–	**2,835,334**	**27,886,955**
Rental	**23,612,897**	–	–	–	–	–	**23,612,897**
Others	**137,673,799**	–	–	–	–	–	**137,673,799**
	₱1,589,555,689	**₱1,480,479,481**	**₱15,929,749**	**₱18,976,791**	**₱846,361,489**	**₱10,515,751**	**₱3,961,818,950**

The table below shows the credit quality of the Group's loan-related financial assets as of March 31, 2020 and December 31, 2019.

High Quality. This pertains to a counterparty who is not expected to default in settling its obligations, thus credit risk is minimal. This normally includes large prime financial institutions and companies.

Standard Quality. Other financial assets not belonging to the high quality category are included in this category.

	March 31, 2020			December 31, 2019		
	High Quality	**Standard Quality**	**Total**	High Quality	Standard Quality	Total
Cash and cash equivalents*	**₱5,187,459,678**	**₱–**	**₱5,187,459,678**	₱5,893,944,989	₱–	₱5,893,944,989
Trade:						
Installment contracts receivable	**–**	**4,050,188,437**	**4,050,188,437**	–	2,361,747,510	2,361,747,510
Receivables from buyers	**–**	**889,075,408**	**889,075,408**	–	889,554,775	889,554,775
Property management	**–**	**133,064,745**	**133,064,745**	–	115,124,851	115,124,851
Hotel operations	**–**	**42,671,238**	**42,671,238**	–	40,413,516	40,413,516
Elevator and maintenance	**–**	**16,067,893**	**16,067,893**	–	15,246,991	15,246,991
Receivables from:						
Condo corporations	**–**	**307,493,994**	**307,493,994**	–	316,973,531	316,973,531
Related parties	**–**	**33,584,125**	**33,584,125**	–	33,584,125	33,584,125
Employees	**–**	**33,178,455**	**33,178,455**	–	27,886,955	27,886,955
Rental	**–**	**19,407,571**	**19,407,571**	–	23,612,897	23,612,897
Others	**–**	**118,851,235**	**118,851,235**	–	137,673,799	137,673,799
Deposit in escrow fund	**181,177,931**	**–**	**181,177,931**	181,177,931	–	181,177,931
Recoverable deposits	**271,441,184**	**–**	**271,441,184**	348,245,100	–	348,245,100
	₱5,640,078,793	**₱5,643,583,101**	**₱11,283,661,894**	₱6,423,368,020	₱3,961,818,950	₱10,385,186,970

**Excludes cash on hand amounting to ₱3.94 million and ₱3.23 million as of March 31, 2020 and December 31, 2019, respectively.*