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

   Mar 31, 2019

2. SEC Identification Number

   AS094-006430

3. BIR Tax Identification No.

   003-942-108

4. Exact name of issuer as specified in its charter

   EMPIRE EAST LAND HOLDINGS, INC.

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

   Metro Manila

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   12th Floor, Alliance Global Tower 36th Street cor. 11th Avenue Uptown Bonifacio, Taguig City

   Postal Code

   1634

8. Issuer's telephone number, including area code

   (632) 5544800

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

   N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	14,676,199,167

11. Are any or all of registrant's securities listed on a Stock Exchange?

   ☑ Yes ☐ No

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

   The shares of common stock of the Company are listed on the Philippine Stock Exchange.

12. Indicate by check mark whether the registrant:

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

☑ Yes ☐ No

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

☑ Yes ☐ No

Empire East

Empire East Land Holdings, Inc.
ELI

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2019
Currency (indicate units, if applicable)	Pesos

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2019	Dec 31, 2018
Current Assets	38,009,125,938	37,127,677,727
Total Assets	43,408,153,836	42,600,191,736
Current Liabilities	11,877,333,639	11,110,560,288
Total Liabilities	15,569,144,609	14,905,101,929
Retained Earnings/(Deficit)	6,092,747,303	5,876,989,482
Stockholders' Equity	27,826,259,257	27,695,089,807
Stockholders' Equity - Parent	25,570,688,103	25,136,369,920
Book Value per Share	1.74	1.71

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	1,226,365,424	1,169,526,109	1,226,365,424	1,169,526,109
Gross Expense	881,338,089	894,886,258	881,338,089	894,886,258
Non-Operating Income	48,830,759	54,880,576	48,830,759	54,880,576
Non-Operating Expense	87,911,063	53,865,271	87,911,063	53,865,271
Income/(Loss) Before Tax	305,947,031	275,655,156	305,947,031	275,655,156
Income Tax Expense	95,220,177	74,345,864	95,220,177	74,345,864
Net Income/(Loss) After Tax	210,726,855	201,309,292	210,726,855	201,309,292
Net Income Attributable to Parent Equity Holder	215,757,820	200,583,623	215,757,820	200,583,623
Earnings/(Loss) Per Share (Basic)	0	0	0.01	0.01
Earnings/(Loss) Per Share (Diluted)	0	0	0.01	0.01

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.03	0.04
Earnings/(Loss) Per Share (Diluted)	0.03	0.04

Other Relevant Information
NONE

Filed on behalf by:

Name	Gwendle Ann Docena
Designation	Authorized Representative

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 **31 March 2019**

2. Commission Identification Number: **AS094-006430**

3. BIR Tax Identification No. **003-942-108**

4. **EMPIRE EAST LAND HOLDINGS, INC.**
   Exact name of issuer as specified in its charter

5. **Metro Manila**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **12th Floor, Alliance Global Tower**
   36th Street cor. 11th Avenue
   Uptown Bonifacio, Taguig City 1634
   Address of issuer's principal office

8. **(632) 5544800**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Class	Number of Shares of Common Stock Outstanding
Common	**14,676,199,167**

10. Are any or all of the securities listed on a Stock Exchange?

    Yes [X] **No [ ]**

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    The shares of common stock of the Company are listed on the Philippine Stock Exchange.

11. Indicate by check mark whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 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

Interim financial statements are attached as Exhibits 1 to 6 hereof and incorporated herein by reference:

Exhibit 1 – Consolidated Statements of Financial Position as of December 31, 2018 and March 31, 2019
Exhibit 2 - Consolidated Statements of Comprehensive Income as of March 31, 2018 and March 31, 2019
Exhibit 3 - Comparative Statements of Changes in Equity as of March 31, 2018 and March 31, 2019
Exhibit 4 - Comparative Consolidated Statements of Cash Flows as of March 31, 2018 and March 31, 2019
Exhibit 5 - Notes to Interim Financial Statements
Exhibit 6 - Management's Discussion of Financial Condition and Results of Operations

Item 2. Aging of Accounts Receivable as of March 31, 2019

Please refer to Exhibit 7 hereof.

Item 3. Schedule of Financial Soundness Indicators

Please refer to Exhibit 8 hereof.

PART II – OTHER INFORMATION

The Company is not in possession of information which has not been previously reported in a report on SEC Form 17-C and with respect to which a report on SEC Form 17-C is required to be filed.

SIGNATURE

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.

EMPIRE EAST LAND HOLDINGS, INC.
Issuer

By:

EVELYN G. CACHO
Senior Vice President (Principal Financial Officer) and Duly Authorized Officer
May 10, 2019

EXHIBIT 1

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousand pesos)

		Unaudited 31-Mar-19		Audited 31-Dec-18
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	P	1,426,681	P	1,816,898
Trade and other receivables - net		6,215,338		5,543,032
Contract assets		2,171,350		1,437,840
Advances to related parties		2,967,621		2,927,206
Residential and condominium units for sale		24,458,118		24,821,241
Prepayments and other current assets		770,019		581,460
Total Current Assets		38,009,127		37,127,678
NON-CURRENT ASSETS				
Trade and other receivables - net		1,426,524		1,336,715
Contract assets		624,013		1,252,230
Financial asset at FVOCI		1,819,616		1,339,940
Advances to landowners and joint ventures		142,461		142,458
Investment in associates		282,113		285,906
Property and equipment - net		247,263		248,967
Intangible assets		53,349		54,717
Investment property - net		720,171		727,175
Other non-current assets		83,517		84,406
Total Non-current Assets		5,399,027		5,472,514
TOTAL ASSETS	P	43,408,154	P	42,600,192

Unaudited	Audited
31-Mar-19	31-Dec-18

LIABILITIES AND EQUITY

CURRENT LIABILITIES				
Interest-bearing loans and borrowings	**P**	**738,474**	P	637,986
Trade and other payables		**2,034,262**		1,786,066
Customers' deposits		**3,480,091**		3,271,411
Advances from related parties		**4,597,548**		4,578,103
Income tax payable		**343**		42
Contract liabilities		**208,743**		23,524
Other current liabilities		**817,873**		813,428
Total Current Liabilities		**11,877,334**		11,110,560
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings		**1,233,333**		1,418,751
Contract liabilities		**135,128**		130,429
Retirement benefit obligation		**306,296**		305,284
Deferred tax liabilities		**2,029,804**		1,940,079
Total Non-current Liabilities		**3,704,561**		3,794,542
Total Liabilities		**15,581,895**		14,905,102
EQUITY				
Equity attributable to parent company's shareholders		**25,570,688**		25,136,371
Non-controlling interest		**2,255,571**		2,558,720
Total Equity		**27,826,259**		27,695,090
TOTAL LIABILITIES AND EQUITY	**P**	**43,408,154**	P	42,600,192
		-		-

EXHIBIT 2

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands)

	Unaudited Jan-March 2019	Unaudited Jan-March 2018 (As Restated)
REVENUES		
Real estate sales	P 1,108,295	P 1,055,057
Finance Income	48,831	54,881
Commissions & other income	118,071	114,469
	1,275,197	1,224,407
COST & EXPENSES		
Cost of real estate sales	583,663	614,780
Finance costs	84,118	51,431
Equity share in net losses of an associate	3,793	2,435
Operating expenses	297,675	280,106
Tax expense	95,220	74,346
	1,064,469	1,023,098
NET PROFIT	210,728	201,308
OTHER COMPREHENSIVE INCOME (LOSS)		
Fair value gains (losses) on available-for-sale financial assets	479,676	(315,280)
TOTAL COMPREHENSIVE INCOME (LOSS)	690,404	(113,972)
Net profit attributable to:		
Parent company's shareholders	215,759	200,583
Minority interest	(5,031)	725
	210,728	201,308
Total comprehensive income (loss) attributable to:		
Parent company's shareholders	695,435	(114,698)
Non-controlling interest	(5,031)	725
	690,404	(113,973)
Earnings Per Share		
Basic	0.0147	0.0137
Diluted	0.0147	0.0137

EXHIBIT 3

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
COMPARATIVE STATEMENTS OF CHANGES IN EQUITY

(In Thousands)

	Unaudited 31-Mar-2019		Unaudited 31-Mar-2018	
CAPITAL STOCK		**P 14,803,455**		P 14,803,455
ADDITIONAL PAID-IN CAPITAL		**4,307,888**		4,307,888
TREASURY SHARES		**(102,107)**		(102,107)
REVALUATION RESERVES				
Balance at beginning of year	**250,144**		863,624	
Net unrealized fair value gains (losses) on available-for-sale financial assets	**218,560**		(315,280)	
Balance at end of period		**468,704**		548,344
RETAINED EARNINGS		**6,092,748**		**5,543,354**
MINORITY INTEREST		**2,255,571**		621,688
TOTAL EQUITY		**P 27,826,259**		P 25,722,622

EXHIBIT 4

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousand pesos)

		Unaudited 31-Mar-19		Unaudited 31-Mar-18 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax	P	305,947	P	275,655
Adjustments for:				
Depreciation and amortization		13,392		8,884
Finance costs		84,118		51,431
Finance income		(48,831)		(54,881)
Equity in net loss of associates		3,793		2,435
Operating income before working capital changes		358,419		283,524
Net Changes in Operating Assets and Liabilities				
Increase in current and non-current assets		(1,236,174)		(720,576)
Increase (decrease) in current and other non-current liabilities		652,552		(137,657)
Cash used in operations		(225,203)		(574,709)
Interest received		(6,269)		9,555
Cash paid for income taxes		(5,494)		(1,234)
Net Cash Used in Operating Activities		(236,966)		(566,388)
CASH FLOWS USED IN INVESTING ACTIVITIES		(3,648)		(49,759)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		(149,603)		287,156
NET DECREASE IN CASH AND CASH EQUIVALENTS		(390,217)		(328,991)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,816,898		1,280,896
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P	1,426,681	P	951,905
		(0)		

EXHIBIT 5

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED MARCH 31, 2019, AND 2018
(UNAUDITED)
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Empire East Land Holdings, Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 15, 1994. The Company is presently engaged in the development and marketing of mid-cost housing projects in the form of condominium communities, subdivision lots and house and lot packages, and commercial units to a limited extent. The Company also leases out commercial and industrial properties. As a stock corporation, the Company's corporate life is 50 years.

The shares of common stock of the Company are listed at the Philippine Stock Exchange (PSE).

1.1 Composition of the Group

As of March 31, 2019, the Company holds ownership interests in the following entities:

	Explanatory	Percentage of Ownership		
Subsidiaries/ Associates	**Notes**	**2019**	2018	2017
Subsidiaries:				
Eastwood Property Holdings, Inc. (EPHI)	(a)	**100%**	100%	100%
Valle Verde Properties, Inc. (VVPI)	(b)	**100%**	100%	100%
Sherman Oak Holdings, Inc. (SOHI)	(b)	**100%**	100%	100%
Empire East Communities, Inc. (EECI)	(c)	**100%**	100%	100%
20th Century Nylon Shirt Co., Inc. (20th Century)	(e)	**100%**	100%	100%
Laguna BelAir Science School, Inc. (LBASSI)	(d)	**73%**	73%	73%
Sonoma Premier Land, Inc. (SPLI)	(b)	**60%**	60%	60%
Pacific Coast Megacity Inc. (PCMI)	(f)	**40%**	20%	-
Associates:				
Gilmore Property Marketing Associate, Inc. (GPMAI)	(b)	**47%**	47%	47%
Pacific Coast Megacity Inc. (PCMI)	(f)	**-**		20%

Explanatory Notes:

(a) Subsidiary incorporated to market real estate properties of the Group and other related parties.

(b) Subsidiaries/associate incorporated in prior years but have not yet started commercial operations as of December 31, 2018.

(c) Subsidiary incorporated in prior year but ceased its operations as a marketing arm of real estate properties in 2014.

(d) Subsidiary primarily engaged in operating a school for primary and secondary education.

(e) Subsidiary acquired in 2015 which is yet to resume its operations.

(f) PCMI is considered as an associate of the Company from 2015. The Company obtained de facto control over PCMI in 2018 when the former gained the power to govern over the financial and operating policies of the latter. The acquisition was accounted for as pooling-of-interest method of accounting; hence, neither goodwill nor gain on acquisition was recognized. Further, in January 2019, the Company acquired an additional shares of PCMI, increasing its ownership interest to 40%.

The registered office address, which is also the place of operations of the Company's subsidiaries and associates, is located at 12th Floor, Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio, Taguig City, except for EPHI, LBASSI, 20th Century and PCMI. The registered office address, which is also the place of operations, of EPHI, LBASSI, 20th Century and PCMI are summarized below.

(a) EPHI – #188 EC Information Center, E. Rodriguez Jr. Ave., Eastwood CyberPark City, Bagumbayan, Quezon City

(b) LBASSI – Brgy. Don Jose, Sta. Rosa, Laguna

(c) 20th Century – 632 Shaw Blvd. Highway Hills, Mandaluyong City

(d) PCMI – 7th Floor 1880 Building Eastwood City E. Rodriguez Jr. Ave. Bagumbayan, Quezon City

In prior years, the Company increased its ownership interest in VVPI and LBASSI resulting in 100% and 73% ownership interest, respectively, over the respective subsidiaries. This resulted in the recognition of goodwill which amounted to P78.3 million as of December 31, 2018 and 2017, and shown as part of Other Non-current Assets account in the consolidated statements of financial position [see Note 3.2(h)].

In February 2015, the Company acquired 100% ownership interest in 20th Century.

Also, in 2015, the Company invested in PCMI amounting to P877.8 million in exchange for 750,000,000 shares, representing 20% ownership interest in the said company. Further, in 2018, the Company has obtained de facto control over PCMI; hence, the investment is accounted for as an investment in a subsidiary (see Note 1.2). In January 2019, the Company acquired an additional shares of PCMI, increasing its ownership interest to 40%.

The Company is a subsidiary of Megaworld Corporation (Megaworld or parent company). Megaworld is engaged in the development of large scale mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components. The parent company is presently engaged in property-related activities, such as, project design, construction and property management. Megaworld is 67.25% owned by Alliance Global

Group, Inc. (AGI), the Company's ultimate parent company. AGI is a holding company with diversified investments in food and beverage, real estate, tourism-entertainment and gaming and quick service restaurant businesses. The shares of common stock of both Megaworld and AGI are listed at the PSE.

On December 27, 2017, the SEC approved the change in the Company's registered office and principal place of business from 21st Floor, The World Centre Building, 330 Sen. Gil Puyat Avenue, Makati City to 12th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City. The related approval from the Bureau of Internal Revenue (BIR) was obtained on November 13, 2018.

Megaworld's registered office address, is located at the 30th Floor of the same building as that of the Company. AGI's registered office is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriquez Jr. Avenue, Bagumbayan, Quezon City. These entities' registered office addresses are also their respective principal places of business.

1.2 Acquisition of PCMI

PCMI became a subsidiary on December 31, 2018 when the Company obtained de facto control when the latter gained the power to govern over the financial and operating policies of the former. The acquisition was accounted for as pooling-of-interest method of accounting as PCMI was acquired from related parties under common control. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting; hence, the assets and liabilities reflected in the consolidated financial statements are at carrying values and no adjustments are made to reflect fair values or recognized any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method. No restatements are made to the financial information in the consolidated financial statements for periods prior to the business combination as allowed under *Philippine Interpretations Committee* (PIC) Question & Answer (Q&A) No. 2012-01, PFRS 3.2 – *Application of Pooling-of-Interest Method for Business Combination of Entities under Common Control in Consolidated Financial Statements*; hence, the profit and loss of PCMI is included in the consolidated financial statements for the full year, irrespective of when the combination took place.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the

International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income, expenses and other comprehensive income in a single consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

(c) Prior Period Restatements and Reclassifications of Accounts

In 2018, the Group adopted PFRS 9, *Financial Instruments,* which was applied using the transitional relief allowed by the standard. This allowed the Group not to restate its prior periods' consolidated financial statements. The adoption of PFRS 9 (2014) has resulted in changes in the Group's accounting policies on impairment of financial assets particularly on the application of the expected credit loss (ECL) methodology for trade and other receivables [see Note 2.2(a)(ii)].

Further, the Group adopted in 2018 PFRS 15, *Revenue from Contracts with Customers*, and the related PIC Q&A 2016-04, *Adoption of PFRS 15, "Revenue from Contracts with Customers*", *on Sale of Residential Properties under Pre-completion Contracts*, and PIC Q&A 2018-12, PFRS 15, *Implementation Issues Affecting the Real Estate Industry*, which were applied retrospectively to each prior reporting period in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The Group also adopted the PIC Q&A No. 2018-11, *Classification of Land by Real Estate Developer*, which requires real estate developers to classify land based on management's intention and apply the appropriate accounting treatment as required by relevant standards.

The effects of prior period adjustments on certain line items in the consolidated statement of comprehensive income and statements of cash flows for the quarter ended March 31, 2018 are summarized below :

	As Previously Reported	Effects of Adoption of PFRS15 and PIC Q&A 2018-1Q	As Restated
2018-1st quarter			
Comprehensive Income:			
Real estate sales	1,210,774,799	(155,717,544)	1,055,057,255
Realized gross profit on prior years' sales	22,510,949	(22,510,949)	-
Cost of real estate sales	(752,606,594)	137,826,595	(614,779,999)
Deferred gross profit on current year's sales	(68,752,889)	68,752,889	-
Net effect in net profit		28,350,991	
Earnings per share- Basic	0.0117	0.0020	0.0137
Statement of Cash Flow:			
Profit before tax	247,304,165	28,350,991	275,655,156
Decrease (increase) in:			
Increase in current and non-current assets	(997,307,140)	276,730,857	(720,576,282)
Increase in current and other non-current liabilities	(35,847,734)	(101,809,309)	(137,657,043)
Increase in reserve for property development	203,272,539	(203,272,539)	-
		0	

(d) *Functional and Presentation Currency*

These consolidated financial statements are presented in Philippine pesos, the functional and presentation currency of the Group, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using the Group's functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 *Adoption of New and Amended PFRS*

(a) *Effective in 2018 that are Relevant to the Group*

There are new PFRS, interpretation, amendments and annual improvements to existing standards effective for annual periods subsequent to 2018, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PAS 19 (Amendments), *Employee Benefits – Plan Amendment, Curtailment or Settlement* (effective January 1, 2019). The amendments require the use of updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement when the entity remeasures its net defined benefit liability (asset).

(ii) PAS 28 (Amendments), *Investment in Associates and Joint Ventures – Long-term Interest in Associates and Joint Venture* (effective from January 1, 2019). The amendments clarify that the scope exclusion in PFRS 9 applies only to ownership interests accounted for using the equity method. Thus, the amendments further clarify that long-term interests in an associate or joint venture – to which the equity method is not applied – must be accounted for under PFRS 9, which shall also include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture.

(iii) PFRS 9 (Amendments), *Financial Instruments – Prepayment Features with Negative Compensation* (effective from January 1, 2019). The amendments clarify that prepayment features with negative compensation attached to financial instruments may still qualify under the "solely payments of principal and interests" (SPPI) test. As such, the financial assets containing prepayment features with negative compensation may still be classified at amortized cost or at FVOCI.

(iv) PFRS 16, *Leases* (effective from January 1, 2019). The new standard will eventually replace PAS 17, *Leases*, and its related interpretation IFRIC 4, *Determining Whether an Arrangement Contains a Lease*. For lessees, it requires to account for leases "on-balance sheet" by recognizing a "right-of-use" asset and a lease liability. The lease liability is initially measured as the present value of future lease payments. For this purpose, lease payments include fixed, non-cancellable payments for lease elements, amounts due under residual value guarantees, certain types of contingent payments and amounts due during optional periods to the extent that extension is reasonably certain. In subsequent periods, the "right-of-use" asset is accounted for similar to a purchased asset subject to depreciation or amortization. The lease liability is accounted for similar to a financial liability which is amortized using the effective interest method. However, the new standard provides important reliefs or exemptions for short-term leases and leases of low value assets. If these exemptions are used, the accounting is similar to operating lease accounting under PAS 17 where lease payments are recognized as expenses on a straight-line basis over the lease term or another systematic basis (if more representative of the pattern of the lessee's benefit).

For lessors, lease accounting is similar to PAS 17's. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially the same as PAS 17's. The basic accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

(v) IFRIC 23, *Uncertainty over Income Tax Treatments* (effective from January 1, 2019). The interpretation provides clarification on the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates when there is uncertainty over income tax treatments. The core principle of the interpretation requires the Group to consider the probability of the tax treatment being accepted by the taxation authority. When it is probable that the tax treatment will be accepted, the determination of the taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates shall be on the basis of the accepted tax treatment. Otherwise, the Group has to use the most likely amount or the expected value, depending on the surrounding circumstances, in determining the tax accounts identified immediately above.

(vi) PFRS 10 (Amendments), *Consolidated Financial Statements*, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3, *Business Combinations*, between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

(vii) Annual Improvements to PFRS 2015-2017 Cycle (effective from January 1, 2019). Among the improvements, the following amendments are relevant to the Group but had no material impact on the Group's consolidated financial statements as these amendments merely clarify existing requirements:

- PAS 12 (Amendments), *Income Taxes – Tax Consequences of Dividends*. The amendments clarify that all income tax consequence of dividend payments should be recognized in profit or loss.

- PAS 23 (Amendments), *Borrowing Costs – Eligibility for Capitalization*. The amendments clarify that any specific borrowing which remains outstanding after the related qualifying asset is ready for its intended purpose, such borrowing will then form part of the entity's general borrowings when calculating the capitalization rate for capitalization purposes.

- PFRS 3 (Amendments), *Business Combinations*, and PFRS 11 (Amendments), *Joint Arrangements – Remeasurement of Previously Held Interests in a Joint Operation.* The amendments clarify that previously held interest in a joint operation shall be remeasured when the Company obtains control of the business. On the other hand, previously held interests in a joint operation shall not be remeasured when the Company obtains joint control of the business.

(viii) Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material* (effective January 1, 2020). The amendments clarify the definition of 'materiality' in PAS 1 and how it should be applied. The amendments also improve the explanations of the definition and ensure consistency across all PFRSs and other pronouncements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the judgments mentioned in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Evaluation of Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

The Group exercises significant judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group determined that its performance obligation is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments.

(ii) Forfeited Collections and Deposits

The Group determines that its revenue from forfeited collections and deposits shall be recognized at point in time in the year the contract was cancelled.

(iii) Marketing, Management Fees and Commission

The Group determines that its revenue from marketing, management fees and commission shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group applies the practical expedient to recognize revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the entity's performance completed to date i.e., generally when the customer has acknowledged the Group's right to invoice.

(iv) Tuition fees

The Group determines that its revenue from tuition fees shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the counterparties. The Group render services without the need of reperformance of other companies. This demonstrates that the counterparties simultaneously receive and consume the benefits of the Group's rendering of services as it performs.

(b) Revenue Recognition on Sales of Completed and Pre-completed Real Estate Properties

The Group uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers in establishing a percentage of collection threshold over which the Group determines that collection of total contract price is reasonably assured.

(c) Determination of ECL on Trade and Other Receivables, Contract Assets and Advances to Related Parties

The Group uses a provision matrix to calculate ECL for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type, and coverage by guarantee and other forms of credit insurance).

(d) Impairment of AFS Financial Assets

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and, the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

(e) Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

(f) Distinction Among Investment Property and Owner-managed Properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process while land held for future development are properties intended solely for future development and sale.

(g) Distinction Between Real Estate Inventories and Investment Property

Residential and condominium units for sale, included under real estate inventories, comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgment.

(h) Distinction Between Operating and Finance Leases

The Group has entered into various lease agreements as either a lessor or lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

Based on management's assessment, all of the Group's current lease agreements are classified as operating leases.

(i) Distinction Between Asset Acquisition and Business Combinations

The Company acquires subsidiaries that own real estate properties. At the time of acquisition, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made with regard to the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the Group (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in PAS 40 on ancillary services.

(j) Consolidation of Entities in which the Group Holds 50% or Less

Management considers that the Group has de facto control over PCMI even though it holds less than 50% of the ordinary shares and voting rights in that company.

(k) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Revenue Recognition for Performance Obligation Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses).

(c) *Determination of Net Realizable Value of Real Estate Inventories*

In determining the net realizable value of real estate inventories, management takes into account the most reliable evidence available at the times the estimates are made. The future realization of the carrying amounts of these assets is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation uncertainty and may cause significant adjustments to the Group's Inventories within the next reporting period.

(d) *Estimation of Useful Lives of Property and Equipment, Intangible Asset and Investment Property*

The Group estimates the useful lives of property and equipment, intangible asset, and investment property based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and investment property are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

(e) *Impairment of Trade and Other Receivables and Advances to Related Parties*

Adequate amount of allowance is provided for specific and groups of accounts, where an objective evidence of impairment exists. The Group evaluates these accounts based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Group's relationship with the counterparties, the counterparties' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

(f) *Valuation of Financial Assets Other than Trade and Other Receivables*

The Group carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The amount of changes in fair value would differ had the Group utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect consolidated profit and loss and equity.

(g) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

(h) Impairment of Goodwill and Other Non-financial Assets

Goodwill is reviewed annually for impairment while other non-financial assets are tested whenever certain impairment indicators become present. In assessing impairment, the management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(i) Valuation of Post-employment Defined Benefit

The determination of the Group's obligation and cost of post-employment benefit is dependent on the selection of certain assumptions used by an actuary in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the retirement benefit obligation in the next reporting period.

(j) Determination of Fair Value of Investment Property

Investment property is measured using the cost model. The Group determines the fair values of building and building improvements using either thru the discounted cash flows valuation technique (income approach) or market based valuation technique (market approach). The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and, appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

For land, the Group determines the fair value through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

(k) Basis for Revenue Recognition Collection Threshold

The Group recognizes its revenue from sale of real estate in full when at least 15% or more of the total contract price is received. Management believes that the revenue recognition criterion on percentage of collection is appropriate based on the Group's collection history from customers and number of back-out sales in prior years.

4. SEGMENT REPORTING

4.1 Business Segments

The Group's operating businesses are organized and managed separately according to the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group is engaged in the development and marketing of mid-cost housing projects in the form of condominium communities, subdivision lots and house and lot packages, and commercial units to a limited extent. It classifies and monitors its projects into high-rise and horizontal. High-rise projects refer to condominiums and other medium scale properties while the horizontal projects refer to house and lot packages and subdivision lots. Both are intended for middle income market.

4.2 Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating receivables, property development cost, residential and condominium units for sale and investment property. Segment liabilities include all operating liabilities incurred by management in each particular segment.

4.3 Intersegment Transactions

There are no intersegment transactions. In case of inter-segment sales and transfers, the Group generally accounts for them as if the sales or transfers were made to third parties at current market prices. Intersegment sales and transfers, if any, are eliminated in the preparation of the financial statements.

4.4 Analysis of Segment Information

The succeeding pages present the revenue and profit information regarding industry segments for the three months ended March 31, 2019 and 2018 and certain assets and liabilities information regarding industry segments as of March 31, 2019 and December 31, 2018.

	High Rise Projects				Horizontal Projects				Total			
		Mar. 31, 2019		Mar. 31, 2018		**Mar. 31, 2019**		Mar. 31, 2018		**Mar. 31, 2019**		Mar. 31, 2018
REVENUES												
Real Estate Sales	**P**	**836,570,721**	P	930,804,286	**P**	**271,724,024**	P	124,252,969	**P**	**1,108,294,745**	P	1,055,057,255
Finance income		**(5,967,682)**		9,204,702		**(757,701)**		255,859		**(6,725,383)**		9,460,561
Commission & Other Income		**43,466,654**		47,240,141		**1,288,008**		16,135,868		**44,754,662**		63,376,009
Total Revenues		**874,069,693**		987,249,129		**272,254,331**		140,644,696		**1,146,324,024**		1,127,893,825
COSTS AND OTHER OPERATING EXPENSES												
Cost of Real Estate Sales		**464,620,374**		554,021,616		**119,043,096**		60,758,383		**583,663,470**		614,779,999
Operating expenses		**109,289,465**		120,756,043		**17,268,961**		15,265,059		**126,558,426**		136,021,102
Cost and other operating expenses excluding depreciation and amortization		**573,909,839**		674,777,659		**136,312,057**		76,023,442		**710,221,896**		750,801,101
Depreciation and amortization		**4,008,580**		878,174		**3,102,331**		3,403,472		**7,110,911**		4,281,646
		577,918,419		675,655,833		**139,414,388**		79,426,914		**717,332,807**		755,082,747
SEGMENT OPERATING PROFIT (LOSS)	**P**	**296,151,274**	P	311,593,296	**P**	**132,839,943**	P	61,217,782	**P**	**428,991,217**	P	372,811,078

	High Rise Projects		Horizontal Projects		Total	
	Mar. 31, 2019	Dec. 31, 2018	**Mar. 31, 2019**	Dec. 31, 2018	**Mar. 31, 2019**	Dec. 31, 2018
SEGMENT ASSETS AND LIABILITIES						
Segment Assets	**23,342,095,876**	23,298,437,486	**7,608,729,968**	7,560,051,807	**30,950,825,844**	30,858,489,293
Segment Liabilities	**3,490,697,114**	3,173,846,164	**395,491,867**	313,724,708	**3,886,188,981**	3,487,570,872

4.5 Reconciliations

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its financial statements

		Mar. 31, 2019		Mar. 31, 2018
Revenues				
Total segment revenues	P	**1,146,324,024**	P	1,127,893,825
Other unallocated revenues		**128,872,159**		96,512,860
Revenues as reported in the consolidated statements of comprehensive income	P	**1,275,196,183**	P	1,224,406,685
Profit or loss				
Segment operating profit	P	**428,991,217**	P	372,811,078
Other unallocated income		**128,872,159**		96,512,860
Other unallocated expense		**(347,136,521)**		(193,668,782)
Net profit as reported in the consolidated statements of comprehensive income	P	**210,726,855**	P	275,655,156

		Mar. 31, 2019		Dec. 31, 2018
Assets				
Segment Assets	P	**30,950,825,844**	P	30,858,489,293
Unallocated Assets		**12,457,327,992**		11,741,702,443
Total assets as reported in the consolidated statements of financial position	P	**43,408,153,836**	P	42,600,191,736
Liabilities				
Segment Liabilities	P	**3,886,188,981**	P	3,487,570,872
Unallocated Liabilities		**11,695,705,599**		11,417,531,057
Total liabilities as reported in the consolidated statements of financial position	P	**15,581,894,580**	P	14,905,101,929

5. STOCK RIGHT

On April 24, 2012, the Company's BOD approved the offer for subscription of 2,695,239,833 new shares (the "right shares") by way of a pre-emptive offer (the "rights offer") to holders of its common shares at the proportion of one new share for every four existing common shares, at the offer/exercise price equivalent to their par value of P1 per share. This was approved by SEC on August 30, 2012.

Also, on April 24, 2012, the BOD approved the increase in the Company's authorized capital stock from P23.5 billion divided into 21.5 billion common and 2 billion preferred shares both with par value of P1 each, to P33.5 billion divided into 31.5 billion common and 2 billion preferred shares both with par value of P1 per share. The application for the increase in authorized capital stock was approved by the SEC on October 17, 2012.

As of March 31, 2019, the Company's number of shares issued and outstanding totalled 14,803,455,238 with total Treasury Stock of 127,256,071.

6. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profits attributable to parent company's shareholders divided by the weighted average number of shares in issue during the period.

Earnings per share amounts were computed as follows:

	March 31, 2019	March 31, 2018
Weighted average number of shares	**14,676,199,167**	14,676,199,167
Income available to parent company's Shareholders	**P 215,757,820**	P 200,583,623
Basic	**P 0.0147**	P 0.0137
Diluted	**P 0.0147**	P 0.0137

7. COMMITMENTS AND REAL ESTATE PROPERTIES

There were no material contingencies and any other events or transactions that have material impact on the current interim period. There were no issuances, repurchases, and repayments of debt on the current interim period.

8. SEASONAL FLUCTUATIONS

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the group.

9. ASSESSMENT OF FINANCIAL RISKS

The Group is exposed to a variety of financial risks, which result from both its operating and investing activities. Risk management is carried out by a central treasury department under policies approved by the BOD, and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below.

9.1) Foreign Currency Sensitivity

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Foreign exchange risk arises from the Group's U.S. dollar-denominated cash and cash equivalents.

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are closely monitored.

The Group's U.S.-dollar denominated financial assets, translated into Philippine pesos amounted to P40.21 million as of March 31, 2019.

At March 31, 2019, if the peso had strengthened by 3.41% against the U.S. dollar with all other variables held constant, income before tax for the year would have been P1.37 million higher, mainly as a result of foreign exchange gain on translation of U.S. dollar-denominated cash and cash equivalents.

On the other hand, if the peso had weakened by the same percentage, with all other variables held constant, income before tax would have been lower by the same amount.

The 3.41% movement in the value of peso against U.S. dollar was estimated based on the market volatility in exchange rates. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the reporting period.

Exposures to foreign exchange rates vary during the year depending on the volume of transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

9.2) Interest Rate Sensitivity

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises only from cash and cash equivalents, which are subject to variable interest rates. Financial assets and liabilities at variable rates expose the group to cash flow interest rate risk. All other financial assets and liabilities have fixed rates.

On March 31, 2019, if general interest rates on dollar and peso-denominated financial assets had been higher by 0.84%, with all other variables held constant, income before tax for the year would have been P15.3 million higher, mainly as a result of higher interest income on floating rate deposits.

The movements in interest rates used in the sensitivity analysis are considered reasonably possible and are based on observation of interest rate fluctuations for the past six months using a 95%-confidence level. The calculations are based on the Group's financial instruments held at each reporting period, with effect estimated from the beginning of the year.

9.3) Credit Risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position, as summarized below.

	As of March. 31, 2019	As of Dec. 31, 2018
Cash and cash equivalents	**P 1,426,680,736**	P 1,816,898,287
Trade and other receivables - net	**5,625,601,609**	4,404,863,288
Contract assets	**2,795,363,021**	2,690,070,792
Advances to related parties	**2,967,620,576**	2,927,206,315
	P 12,815,265,402	P 11,839,038,682

The credit risk for liquid funds is considered negligible, since the counter parties are reputable banks with high quality external credit ratings. In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counter party or any group of counter parties having similar characteristics.

The Group continuously monitors defaults of customers and other counter parties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counter parties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

The Group's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

9.4) Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 9-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 90-day periods. Excess cash are invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at March 31, 2019, the Group's financial liabilities have contractual maturities which are presented below:

	Within One Year	One to Five Years
Interest-bearing loans and borrowings	P 738,474,076	P 1,233,333,333
Trade and other payables	1,829,585,700	-
Advances from related parties	4,597,547,718	-
Other current liabilities	814,395,136	-
	P 7,980,002,630	P 1,233,333,333

This compares to the maturity of the Group's financial liabilities in the previous reporting period as follows:

	Within One Year	**One to Five Years**
Interest-bearing loans and borrowings	P 791,836,059	P 1,477,853,425
Trade and other payables	1,735,390,814	-
Advances from related parties	4,578,102,879	-
Other current liabilities	702,502,850	-
	P 7,807,832,602	**P 1,477,853,425**

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the reporting period.

9.5) Other Market Price Risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the balance sheet as available-for-sale financial assets. The Group is not exposed to commodity price risk.

At March 31, 2019, if the quoted stock price for the securities had increased by 8.79% with all other variables held constant, equity would have been higher by about P159.89 million. The 8.79% estimated change in quoted market price is computed based on volatility of local index for holdings first listed at Philippine Stock Exchange.

On the other hand, if the quoted market price for these securities had decreased by the same amount, with all other variables held constant, equity for the year would have been lower by the same figure.

The investments in listed equity securities are considered long-term, strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored and voting rights arising from these equity instruments are utilized in the Group's favor.

10. FINANCIAL INSTRUMENTS EVALUATION

Financial assets include cash and financial instruments. The Group classifies its financial assets, other than hedging instruments, into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Regular purchase and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at fair value through profit or loss are initially recognized at fair value, plus transaction costs. Financial assets carried at fair value through profit or loss is initially recognized at fair value and transaction costs are expensed in the statements of comprehensive income.

The foregoing categories of financial instruments are more fully described below.

10.1) Financial Assets at Fair Value through Profit or Loss

This category includes financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling it in the near term or if so designated by management. Derivatives are also categorized as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months from the reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognized in profit or loss. Financial assets originally are designated as financial assets at fair value through profit or loss may not be subsequently be reclassified.

10.2) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those maturities with greater than 12 months after the reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment losses. Any change in their value is recognized in profit or loss. Impairment loss is provided when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated cash flows.

The Group's loans and receivables are presented as Trade and other receivables, Advances to landowners and joint ventures, and Advances to related parties in the statements of financial position.

10.3) Held-to-maturity Investments

This category includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity. Investments are classified as held-to-maturity if the Group has the positive intention and ability to hold them until maturity. Investments intended to be held for an undefined period are not included in this classification. They are included in non-current assets in the statements of financial position, except those maturing within 12 months of the reporting period.

Held-to-maturity investments are measured at amortized cost using the effective interest method. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognized in profit or loss.

10.4) Available-for-sale Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the reporting period.

All financial assets within this category are subsequently measured at fair value, unless otherwise disclosed, with changes in value recognized in equity, net of any effects arising from income taxes. Gains and losses arising from securities classified as available-for-sale are recognized in the statements of comprehensive income when they are sold or when the investment is impaired.

In the case of impairment, any loss previously recognized in equity is transferred to the statements of comprehensive income. Impairment losses recognized in the statements of comprehensive income on equity securities are not reversed through the statements to comprehensive income. Losses recognized in prior year statements of comprehensive income resulting from the impairment of debt instruments are reversed through the statements of comprehensive income.

For investment that are actively traded in organized financial markets, fair value is determined by reference to quoted market bid prices in the stock exchange at the close of business on the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in consolidated profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

De-recognition of financial assets occurs when the rights to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The Group has no investment in foreign securities as of reporting period. The markets of the Group's Available-for-sale financial assets are active.

EXHIBIT 6

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Review of March 31, 2019 versus March 31, 2018

During the three-month period, the consolidated net profit amounted to P210.73 million, 4.7% higher than the previous year's net income of P201.31 million. Consolidated revenues, composed of real estate sales, finance income, commissions and other revenues posted an increase of 4% from P1.22 billion to P1.28 billion.

Real Estate Sales

The Group registered Real Estate Sales of P1.11 billion for three months ended March 31, 2019 compared with P1.06 billion in 2018. The sales generated were derived from various projects including, San Lorenzo Place, Pioneer Woodlands, The Rochester Gardens, The Cambridge Village, California Gardens Square, The Sonoma, Little Baguio Terraces, The Xavier Hills, Greenhills Garden Square and Laguna Bel-air Projects.

The Cost of Real Estate Sales amounting to P583.66 million in 2019 and P614.78 million in 2018, as a percentage of Real Estate Sales, was 53% and 58%, respectively. The change was primarily due to the different composition of products sold for each year.

Gross Profit was P524.63 million during the three months of 2019 and 440.28 million in 2018, or 47% and 42% of Real Estate Sales, respectively. The gross profit margin varies depending on the product mix and the competitiveness of prices of each product.

Other Revenues

The finance income amounting to P48.83 million and P54.88 million in 2019 and 2018 respectively, were derived mostly from in-house financing and various advances from related parties which accounts for 4% of total revenues for 2019 and 2018. Additional sources of revenue were commissions of a subsidiary, rentals of investment properties and those obtained from other sources. Commission and other income totaling P118.07 million in 2019 and P114.47 million in 2018, represents 9% of total revenues for 2019 and 2018.

Operating Expenses

Operating Expenses posted an increase from P280.11 million in 2018 to P297.67 million in 2019. Other charges/expenses include Finance Cost of P84.12 million and P51.43 million in 2019 and 2018, respectively.

FINANCIAL CONDITION

Review of March 31, 2019 versus December 31, 2018

Total resources of the Group as of March 31, 2019 and December 31, 2018 amounted to P43.40 billion and P42.60 billion respectively. Cash and Cash Equivalents decreased from P1.82 billion to P1.43 billion. The Group remained liquid with Total Current Assets of P38.01 billion in 2019 and P37.13 billion 2018, which accounted for 88% and 87% of the Total Assets in 2019 and 2018, while its Total Current Liabilities amounted to P11.88 billion in March 31, 2019 as compared with P11.11 billion in December 31, 2018.

The Equity increased from P27.70 billion in the previous year to P27.83 billion as of March 31, 2019 due to revaluation of equity investments and net profit for the 3-month period.

For the three months of 2019 and in the year 2018, the Group sourced its major cash requirements from internally generated funds and partly from borrowings.

The Group utilized its funds for construction and development of projects, loan repayments, settlement of various payables and other operating expenses.

TOP FIVE (5) KEY PERFORMANCE INDICATORS

For the three-month period of 2019, the following are top key performance indicators of the Group:

1) **Real Estate Sales**

   The Group's marketing concepts and sales strategies, project location, flexible payment scheme and aggressive selling have contributed to the increase in sales. The Group's new projects are connected to mass transit system and are conveniently located in business districts of Metro Manila

2) **Reservation Sales**

   Effective marketing concepts and strategies, aggressive selling and prime location of projects contributed to increase in reservation sales and collection.

3) **Other Revenues**

   Other income derived from various sources contributed to the Group's revenue.

4) **Ability to repay loan obligations**

   The loan obligations were promptly settled. The Group maintains a good credit standing with creditor banks and has considerable standby credit facilities, which can be utilized for urgent capital requirements.

5) **Continuous development of projects**

The Group aggressively undertakes construction and development activities and has been exerting efforts to deliver its projects within the commitment timetable.

Material Changes in the 2019 Interim Financial Statements
(Increase or decrease of 5% or more versus December 31, 2018)

Statements of Financial Position

- 21% decrease in Cash and cash equivalents
  Mainly due to construction related payments

- 11% increase in Trade and other receivables
  Mainly due to adoption of new financial reporting standards

- 32% increase in Prepayments and other current assets
  Mainly due to increase in prepaid taxes related to transfer of titles and input vat on purchases

- 36% increase in Financial Assets at FOVCI
  Mainly due to increase in fair market value of investment in securities held by a subsidiary

- 14% increase in Trade and Other Payables
  Various payables to contractors and suppliers due to increasing construction activities

- 6% increase in Customers' Deposit
  Mainly due to increase in reservation sales and collection from various projects

- 725% increase in Income tax payable
  Mainly due to increase in income tax due of a subsidiary

- 123% increase in Contract liabilities
  Mainly due to adoption of new financial reporting standards

Statements of Comprehensive Income
(Increase or decrease of 5% or more versus March 31, 2018)

- 5% increase in Real estate sales
  Due to aggressive selling of projects and higher sales recognized during the period

- 11% decrease in Finance income
  Primarily due to varying payment terms of accounts under in-house financing

- 5% decrease in Cost of real estate sales
  Pertaining to decrease in cost of certain projects

- 64% increase in Finance costs
  Mainly due to repayment of loans

- 56% increase in Equity in net loss of associates
  Primarily due to net losses of associates

- 6% increase in Operating Expenses
  Primarily due to increase in marketing and administrative expenses

- 28% increase in Tax Expense
  Mainly due to increase in taxable income

For the year 2019, the projected capital expenditures (construction and development) of roughly P5.0 billion is expected to be funded by collections, borrowings and equity financing.

Fluctuations in foreign exchange rate had no adverse effect on the Group's financial conditions since the Group has very minimal importations of construction-related materials and have no foreign denominated loans.

There are no other material changes in the Group's financial position and condition (5% or more) that will warrant a more detailed discussion. Likewise, there are no material events and uncertainties known to the management that would have material impact on reported financial information and normal operations of the Group.

The nature of all revenues and expenses disclosed in the statements of comprehensive income are business related transactions and arose from the Group's continuing operations. Also, no prior period adjustment was made during any period covered by the statements of financial position.

There are no material off-statements of financial condition transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

The Group is aggressively marketing its products specially the new projects. It continuously offers competitive prices, more lenient payment schemes under in-house financing and has strong tie-ups with reputable banks for the financing requirements of its buyers.

Exhibit 7

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
As of March 31, 2019
Amounts in thousands

1) Aging of Accounts Receivable

Type of Receivables	Total	Current / Not Yet Due	1-3 Months	4-6 Months	7 Months - 1 Year	Above 1 Year	Past due accounts & Items in Litigation
a) Trade Receivables	3,755,308	3,197,126	103,039	185,744	210,790	58,609	-
b) Other Receivables	3,886,554	3,886,554	-	-	-	-	-
Net Receivables	7,641,862						

2) Accounts Receivable Description

Type of Receivables	Nature/Description	Collection Period
a) Trade Receivables	Sale of residential units/lots	maximum of 10 years
b) Other Receivables	Advances to contractors/suppliers	1 to 2 years

3) Normal Operating Cycle: 3 to 15 years

EXHIBIT 8

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

	31-Mar-2019	31-Dec-2018
Current ratio	3.20	3.34
Quick ratio	0.64	0.66
Debt-to-equity ratio	0.56	0.54
Interest-bearing debt to total capitalization ratio	0.07	0.08
Asset-to-equity ratio	1.56	1.54
		31-Mar-2018
Interest rate coverage ratio	464%	636%
Net profit margin	16.53%	16.44%
Return on assets	0.51%	0.51%
Return on equity/investment	0.76%	0.78%
Return on equity/investment of owners	0.84%	0.80%

LIQUIDITY RATIOS measure the business' ability to pay short-term debt.

Current ratio - computed as current assets divided by current liabilities

Quick ratio - computed as cash, marketable securities, accounts receivable divided by current liabilitites

SOLVENCY RATIOS measure the business' ability to pay all debts, particularly long-term-debt.

Debt-to-equity ratio-computed as total liabilities divided by total equity.

Interest-bearing debt to total capitalization ratio-computed as interest-bearing debt divided by interest-bearing debt + stockholder's equity attributable to controlling interest.

ASSET-TO-EQUITY RATIOS measure financial leverage and long-term solvency.

It shows how much of the assets are owned by the company. It is computed as total assets divided by total equity.

INTEREST RATE COVERAGE RATIOS measure the business' ability to meet its interest payments.

It is computed as earnings before income tax and interest expense ("EBIT") divided by interest.

PROFITABILITY RATIOS

Net profit margin - computed as net profit divided by total revenues

Return on assets - net profit divided by average total assets

Return on investment - net profit divided by total stockholders' equity

Return on investment of equity owners - net profit attributable to owners of the parent divided by equity attributable to owners of the parent company