C O V E R   S H E E T

SEC Registration Number

A	2	0	0	0	-	0	0	6	5	2

C O M P A N Y   N A M E

CYBERZONE PROPERTIES, INC. AND A SUBSDIARY

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

5th - 7th Floors Vector 1 Building, Northgate Cyberzone, Filinvest Corporate City, Alabang, Muntinlupa City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17Q-1		

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	**846-0278**	**N/A**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
8	**5/30**	**12/31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Venus A. Mejia	**venus.mejia@filinvestgroup.com**	**8846-0278**	**N/A**

CONTACT PERSON's ADDRESS

5th-7th Flr. Vector One Bldg. Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa 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 REGULATIONS CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2021**

2. SEC Identification Number **A2000-00652** 3. BIR Tax ID **204-863-416-000**

4. Exact name of issuer as specified in its charter **CYBERZONE PROPERTIES, INC.**

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

6. Industry Classification Code: _______ (SEC Use Only)

5th – 7th Floors Vector 1 Building, Northgate Cyberzone, Filinvest Corporate City, Alabang, Muntinlupa City **1770**

7. Address of issuer's principal office Postal Code

02-8846-0278

8. Issuer's telephone number, including area code

Not Applicable

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

10. Securities registered pursuant to Section 8 and 12 of the SRC

Title of Each Class	Number of shares of Common Stock Outstanding	Amount of Debt Outstanding
Common Stock, ₱1.00 par value	1,163,426,668	
Bonds Payable		6,000,000,000

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [ ] No [X]

12. Indicate by check mark whether the issuer:

(a) has filed reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA Rule 1(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 [X] No [ ]

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

Yes [X] No [ ]

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PART 1 – FINANCIAL INFORMATION

CYBERZONE PROPERTIES, INC. AND A SUBSIDIARY

Unaudited Interim Consolidated Financial Statements

As at March 31, 2021
and
For the three months ended March 31, 2021 and 2020

CYBERZONE PROPERTIES, INC. AND A SUBSIDIARY

Interim Consolidated Statements of Financial Position

	March 31, 2021	December 31 2020
ASSETS		
Current Assets		
Cash and cash equivalents	**₱976,210,958**	₱870,517,532
Receivables	**1,272,698,142**	830,144,454
Other current assets	**1,115,490,899**	1,171,332,106
	3,364,399,999	2,871,994,092
Noncurrent assets held for distribution or sale	**8,807,019,679**	6,843,701,346
Total Current Assets	**12,171,419,678**	9,715,695,438
Noncurrent Assets		
Advances to contractors	**20,662,534**	18,393,179
Investment properties	**9,350,128,417**	11,629,804,872
Property and equipment	**74,594,512**	68,394,882
Intangible assets	**1,091,269,502**	3,408,827,424
Other noncurrent assets	**372,885,183**	388,417,886
Total Noncurrent Assets	**10,909,540,148**	15,513,838,243
Total Assets	**₱23,080,959,826**	₱25,229,533,681
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 4)	**₱1,368,289,066**	₱1,583,711,747
Current portion of:		
Loans payable (Notes 5)	–	744,166,667
Lease liabilities	**1,826,084**	92,617,060
Security and other deposits (Note 7)	**134,343,934**	116,414,891
Dividends payable	**8,302,333,555**	6,611,906,765
	9,806,792,639	9,148,817,130
Liabilities directly related to noncurrent assets held for distribution or sale	**185,977,113**	–
Total Current Liabilities	**9,992,769,752**	9,148,817,130
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 5)	–	1,600,000,000
Bonds payable (Notes 6)	**5,977,360,240**	5,974,168,846
Lease liabilities - net of current portion	**25,614,337**	2,097,498,105
Security and other deposits - net of current portion (Note 7)	**723,022,369**	732,659,169
Deferred tax liability – net	**123,908,824**	269,939,889
Other noncurrent liabilities	**326,935,275**	300,385,682
Total Noncurrent Liabilities	**7,176,841,045**	10,974,651,691
Total Liabilities	**17,169,610,797**	20,123,468,821

(Forward)

	March 31, 2021	December 31, 2020
Equity		
Capital stock	**₱1,163,426,668**	₱1,163,426,668
Additional paid-in capital	**102,900,666**	102,900,666
Deposit for future stock subscription	**3,746,250,000**	1,889,583,333
Unappropriated retained earnings	**898,805,850**	1,950,125,348
Remeasurement gain on retirement plan	**(34,155)**	28,845
Total Equity	**5,911,349,029**	5,106,064,860
Total Liabilities and Equity	**₱23,080,959,826**	₱25,229,533,681

CYBERZONE PROPERTIES, INC.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Period Ended March 31	
	2021	2020
REVENUES AND INCOME		
Rental revenue	**₱710,106,439**	₱762,777,379
Others (Notes 8)	**358,391,906**	399,585,015
	1,068,498,345	1,162,362,394
COSTS AND EXPENSES		
Utilities	**155,212,862**	192,874,930
Depreciation and amortization	**121,834,654**	115,077,937
Rental expense	**65,711,431**	78,749,027
Manpower and service cost	**57,426,558**	78,977,287
Repairs and maintenance	**51,800,574**	44,200,971
Taxes and licenses	**32,534,542**	31,499,282
Insurance	**9,237,989**	1,033,041
Service and management fees	**8,135,855**	1,700,451
Others	**2,471,043**	3,409,008
	504,365,508	547,521,934
OTHER INCOME (CHARGES)		
Gain on derecognition of lease liabilities	**85,175,124**	–
Interest income	**689,099**	2,519,219
Interest and other financing charges	**(105,339,780)**	(3,191,394)
Other income (charges) – net	**(964,449)**	(1,178,220)
	(20,440,006)	(1,850,395)
INCOME BEFORE INCOME TAX	**543,692,831**	612,990,065
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**50,679,604**	51,690,782
Deferred	**(146,094,065)**	54,509,816
	(95,414,461)	106,200,598
NET INCOME	**639,107,292**	506,789,467
OTHER COMPREHENSIVE INCOME	**(63,000)**	–
TOTAL COMPREHENSIVE INCOME	**639,044,292**	₱506,789,467
Basic/Diluted Earnings Per Share	**₱0.27**	₱0.22

CYBERZONE PROPERTIES, INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Period Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱543,692,831**	₱612,990,065
Adjustments for:		
Depreciation and amortization	**121,834,654**	115,077,937
Interest expense and other financing changes	**105,339,780**	3,191,394
Gain on derecognition of lease liability	**(85,175,124)**	**–**
Interest income	**(689,099)**	(2,519,219)
Operating income before changes in operating assets and liabilities	**685,003,042**	728,740,177
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables	**(31,844,563)**	(103,293,698)
Other current assets	**(51,063,945)**	(151,079,236)
Increase (decrease) in:		
Accounts payable and accrued expenses	**(158,393,358)**	(59,813,292)
Other current liabilities		
Security and other deposits	**8,292,243**	11,030,942
Other noncurrent liabilities	**26,549,593**	37,721,355
Net cash generated from operations	**478,543,012**	463,306,248
Interest received	**689,099**	2,519,219
Income tax paid	**(50,679,604)**	(13,254,534)
Net cash provided by operating activities	**428,552,507**	452,570,933
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Noncurrent assets held for distribution or sale	**(173,848,295)**	–
Investment properties	**(4,969,319)**	(303,280,021)
Intangible assets	**(60,385,990)**	(194,736,751)
Property and equipment	**(10,649,822)**	(4,766,608)
Decrease (increase) in:		
Advances to contractors	**(2,269,355)**	29,633,882
Other noncurrent assets	**15,532,703**	(16,638,529)
Net cash used in investing activities	**(236,590,078)**	(489,788,027)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from availments of loans payable	–	500,000,000
Payments of:		
Principal portion of lease liability	**(14,105,442)**	(6,019,764)
Interest and transaction cost	**(72,163,561)**	(133,487,867)
Loans payable	–	(377,461,090)
Net cash provided by (used) in financing activities	**(86,269,003)**	(16,968,721)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**105,693,426**	(54,185,815)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**870,517,532**	508,857,313
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱976,210,958**	₱454,671,498

CYBERZONE PROPERTIES, INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Three Months Period Ended March 31,	
	2021	2020
	(Unaudited)	(Audited)
Capital Stock		
Common shares - P1 par value		
Authorized - 2 billion shares		
Issued - 1,163,426,668 shares		
Outstanding - 1,163,426,668	**1,163,426,668**	1,163,426,668
Treasury shares	**-**	-
Additional paid-in capital	**102,900,666**	102,900,666
Deposit for future stock subscription	**3,746,250,000**	-
Remeasurement losses on retirement plan	**(34,155)**	1,083,935
Retained earnings		
Balance at beginning of the period	**1,950,125,348**	6,701,190,324
Net income	**639,107,292**	506,789,467
Dividends	**(1,690,426,790)**	-
Balance at end of the period	**898,805,850**	7,207,979,791
Equity attributable to equity holders of the parent	**5,911,349,029**	8,475,391,060
Noncontrolling interest	**-**	-
Total Equity	**5,911,349,029**	8,475,391,060

1. Corporate Information

Cyberzone Properties, Inc. (the “Parent Company” or “CPI”) was registered with the Securities and Exchange Commission (SEC) on January 14, 2000. Its primary purpose is to acquire by purchase, lease, donate and/or to own, use, improve, develop, subdivide, sell, mortgage, exchange, hold for investment and deal with real estate of all kinds.

The Parent Company was the holding company of ProOffice Works Services, Inc. (ProOffice). On March 18, 2019, ProOffice was incorporated to engage in the business of administration, maintenance and management of real estate developments and projects. ProOffice has started its commercial operations on August 1, 2019. On December 23, 2020, the Parent Company entered into a Deed of Assignment to sell its interest in ProOffice to Filinvest Land, Inc. (FLI) for a total consideration of ₱17.16 million. Accordingly, the Parent Company lost control over ProOffice. The transaction has no material impact to the consolidated financial statements.

The registered office address of the Parent Company and ProOffice (collectively referred to as “the Group”) is at 5th - 7th Floors, Vector One Building, Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa City.

The Group’s Parent Company is Filinvest Land, Inc. (FLI), a subsidiary of Filinvest Development Corporation (FDC). Both FLI and FDC are publicly listed entities. A.L. Gotianun Inc. (ALG) is the Group’s ultimate Parent Company. FLI, FDC and ALG were all incorporated in the Philippines.

CPI began commercial operations on May 1, 2001. CPI is registered with the PEZA as an Economic Zone Facilities Enterprise, which entitles CPI to certain tax benefits and non-fiscal incentives such as paying a 5% tax on its gross income in lieu of payment of national income taxes. CPI is a qualified enterprise for the purpose of VAT zero-rating of its transaction with its local suppliers of goods, properties and services related to its provision of services to PEZA-registered enterprises. The VAT-zero rating shall not apply to CPI’s facilities at Filinvest Axis Towers One to Four, Vector Three and Filinvest Cyberzone Cebu Towers 1 to 4. CPI owns and operates the IT buildings in Northgate Cyberzone, located in an 18.7-hectare parcel of land within Filinvest City. CPI also leases a parcel of land measuring 2,831 sq. m. along EDSA on which CPI built a 5-storey BPO building with a total GLA of 7,358 sq. m. It also has a BTO agreement with the Cebu Province for a project named Filinvest Cyberzone Cebu occupying a land area of 12,290 square meters which currently has two operational buildings.

On December 4, 2020, the Board of Directors (BOD) approved the amendments of the Parent Company’s articles of incorporation to change the Parent Company’s primary purpose to engage in the business of a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including the Revised Implementing Rules and Regulations of Republic Act No. 9856 (the “REIT Act”), and other applicable laws, which business includes the following: (1) to own, invest in, purchase, acquire, hold, possess, lease, construct, develop, alter, improve, operate, manage, administer, sell, assign, convey, encumber, in whole or in part, or otherwise deal in and dispose of, income-generating real estate, within or outside the Philippines, in accordance with applicable laws and regulations; (2) to invest in, purchase, acquire own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of (a) real estate and other related assets; and (b) managed funds; (3) to receive, collect, and dispose of the rent, interest, and such other income rising from its property and investments; (4) to guaranty the obligations, debt, or loans of its subsidiaries or affiliates or any entity in which the corporation has lawful interest; and (5) to exercise, carry on or undertake such other powers, acts, activities and transactions as may be deemed necessary, convenient, or incidental to or implied from the purposes herein mentioned.

As of March 31, 2021, these amendments are awaiting approval by the SEC.

2. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements are prepared using the historical cost basis, except for financial asset at fair value through other comprehensive income (FVTOCI) that is measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's presentation and functional currency. All amounts are rounded off to the nearest peso unless otherwise stated.

The consolidated financial statements includes the balances of ProOffice until its disposal on December 23, 2020. As a result of the disposal, the Group derecognized the assets and liabilities of ProOffice and the remaining balances pertain only to the Parent Company.

Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial years, except for the adoption of the following amendments in PFRS and PAS which became effective beginning January 1, 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group. The nature and impact of each new standard and amendment are described below:

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:
  - The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Group is not required to restate prior periods.

- Adoption of Philippine Interpretations Committee Question and Answers (PIC Q&As) 2018-12 on Accounting for Common Usage Service Area (CUSA)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some implementation issues of PFRS 15 affecting the real estate industry. This includes PIC Q&A No. 2018-12-H which discussed accounting for CUSA charges wherein it was concluded that real estate developers are generally acting as principal for CUSA. On October 25, 2018, the SEC decided to provide relief to the real estate industry by deferring the application of the provisions of the PIC Q&A 2018-12-H for a period of three years or until December 31, 2020. The deferral will only be applicable for real estate transactions.

  The Group previously availed of the reliefs provided by the SEC and have accounted for the related revenue net of costs and expenses.. As at January 1, 2021, the Group adopted PIC Q&A 2018-12-H retrospectively. The initial adoption has no impact on the Groups's consolidated statement of financial position. The impact of initial adoption in the Group's consolidated statement of comprehensive income follows:

Statement of comprehensive income for the three months ended March 31, 2021

	Amounts prepared under		Increase
	PFRS 15	Previous PFRS	(Decrease)
Revenues and Income			
Others	**₱358,391,906**	**₱108,066,063**	**₱250,325,843**
Cost and Expenses			
Utilities	**155,212,862**	**−**	**155,212,862**
Depreciation	**121,834,654**	**75,634,046**	**46,200,608**
Repairs and maintenance	**51,800,574**	**−**	**51,800,574**
Manpower and service cost	**57,426,558**	**44,005,163**	**13,421,395**
Insurance	**9,237,989**	**−**	**9,237,989**
Others	**2,471,043**	**556,651**	**1,914,392**

Statement of comprehensive income for the three months ended March 31, 2020

	Amounts prepared under		Increase
	PFRS 15	Previous PFRS	(Decrease)
Revenues and Income			
Others	₱399,585,015	₱75,203,150	₱324,381,865
Cost and Expenses			
Depreciation	115,077,937	52,296,368	62,781,569
Utilities	192,874,930	−	192,874,930
Repairs and maintenance	44,200,971	−	44,200,971
Manpower and service cost	78,977,287	57,814,620	21,162,667
Insurance	1,033,041	−	1,033,041
Others	3,409,009	1,080,322	2,328,687

Future Changes in Accounting Policy

The Group will adopt the following standards and interpretations when these become effective. Except as otherwise stated, the Group does not expect the adoption of these standards to have a significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Consolidated Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs* 2018-2020 Cycle
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

    An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Consolidated Financial Statements,* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period

- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts. PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted. The amendments are not expected to have a material impact on the Group.

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.

- *Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020.

  On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of the following provisions of this PIC Q&A until December 31, 2023.
  - Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)
  - Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:
  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
  c. Qualitative discussion of the impact on the consolidated financial statements had the concerned application guidelines in the PIC Q&A been adopted.
  d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

  In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:
  - PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component
  - PIC Q&A 2020-02, which provides additional guidance on determining which uninstalled materials should not be included in calculating the POC

  After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. The above specific provisions of PIC Q&A No. 2018-12 is not applicable to the Group since it is not involve in the development of real estate projects for sale.

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)*

  In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of IFRS 15 (PFRS 15). IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under Philippine Accounting Standards (PAS) 23, *Borrowing Costs*, considering that these inventories are ready for their intended sale in their current condition.

On February 11, 2020, the Philippine SEC issued Memorandum Circular No. 4-2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023. Effective January 1, 2024, the Real Estate Industry will 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.

The IFRIC Agenda Decision has no impact to the Group.

- *Deferral of PIC Q&A 2018-14, Accounting for Cancellation of Real Estate Sales (as amended by PIC Q&A 2020-05)*

  On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020.

  The PIC Q&A has no impact to the Group.

Significant Accounting Policies

Current versus Noncurrent Classification
The Group presents assets and liabilities in the statement of financial position based on current/noncurrent classification.

An asset is current when:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle;
b. Held primarily for the purpose of trading;
c. Expected to be realized within twelve (12) months after the financial reporting period; or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the financial reporting period.

All other assets are classified as noncurrent.

A liability is current when:

a. It is expected to be settled in normal operating cycle;
b. It is held primarily for the purpose of trading;
c. It is due to be settled within 12 months after the financial reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least 12 months after the financial reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy as explained above.

Financial Instruments

Financial assets and liabilities are recognized in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery or assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Recognition and Measurement of Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), or at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or at FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the 'SPPI test' and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets comprise of financial assets at amortized cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at FVTPL.

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- The asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as interest income in the statement of comprehensive income.

The Group classified cash and cash equivalents, receivables and deposits (included under other noncurrent assets) as financial assets at amortized cost .

Reclassification of financial assets
The Group can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- From amortized cost to FVTPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and
- From FVTPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVTPL at initial recognition is not permitted.

A change in the objective of the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and borrowings consist primarily of accounts payable and accrued expenses, loans payable, bonds payable, lease liabilities, security and other deposits.

Subsequent measurement
Loans and borrowings (financial liabilities at amortized cost) is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortization is included as finance costs in the statement of comprehensive income.

<u>Impairment of Financial Assets</u>
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the lessee's deposit held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each financial reporting date. The Group has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from reputable rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers receivables in default when contractual payments are sixty (60) days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For other receivables and other financial assets, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability expires, is discharged or cancelled. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting Financial Instruments

Financial assets and financial liabilities are only offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the statement of financial position.

Advances to Contractors

Advances to contractors pertain to down-payments made by the Group which are applied against future billings for development and construction contracts. Advances to be applied as property and equipment or investment properties are presented as noncurrent assets.

Value-added Tax (VAT)

Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statements of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable and payable from the taxation authority is included as part of "Other current assets" and "Accounts payable and accrued expenses", respectively in the statement of financial position.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. The initial cost of investment properties consists of any directly attributable costs of bringing the investment properties to their intended location and working condition, including borrowing costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to day servicing of an investment property. Investment properties include buildings that are held to earn rentals and are not occupied by the Group. Investment properties also include right-of-use assets involving real properties that are subleased to other entities. Investment properties, except for land, are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost less accumulated impairment losses, if any.

For those right-of-use assets that qualify as investment properties, i.e., those land that are subleased by the Group, these are classified under investment properties. Consistent with the Group's policy regarding the measurement of investment properties, these assets are subsequently measured at cost less amortization and impairment in value.

Investment properties built on rented properties are depreciated over their estimated useful lives or lease term, whichever is shorter. Depreciation of investment properties are computed using the straight-line method over the economic useful lives of 40-50 years for the building and 15 years for equipment.

The economic useful lives and the depreciation is reviewed annually to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefit from items of investment properties.

Construction in-progress are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of comprehensive income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and do not change the cost of that property for measurement or disclosure purposes.

Investment properties also include prepaid commission representing incremental costs that are directly attributable to negotiating and arranging a lease. These are initially recognized at cost and are amortized over the related lease term.

Property and Equipment

Property and equipment consist of land improvements and furniture and fixtures. The Group's property and equipment are stated at cost less accumulated depreciation and impairment in value, if any.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, and overhaul costs are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation of property and equipment is computed using the straight-line method over the economic useful lives of these assets as follows:

	Years
Land improvements	5
Furniture and fixtures	3 - 5

The economic useful lives and depreciation method are reviewed annually to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Property and equipment are derecognized when either they have been disposed of or when the property and equipment is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of property and equipment are recognized in the statement of comprehensive income in the year of retirement or disposal.

Intangible Assets

Intangible assets pertain to build, transfer and operate (BTO) rights and ROU assets. Intangible assets acquired separately are measured on initial recognition at costs. The cost of intangible assets acquired in a business combination or contracted arrangements is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and any accumulated impairment losses.

The economic useful lives of intangible assets are assessed to be either finite or indefinite.

BTO rights are amortized over the economic useful life (i.e., 25 years) and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the economic useful lives or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income.

Gains or losses arising from derecognition of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Other Assets

Other current and noncurrent assets are recognized in the statement of financial position when it is probable that the future economic benefits will flow to the Group and the assets have cost or value that can be measured reliably. These assets are regularly evaluated for any impairment in value.

Prepaid District Cooling System (DCS) connection charges

Prepaid DCS connection charges are initially recognized at cost and are subsequently amortized over the term of the supply period (i.e., 20 years) commencing on the date when the related building is connected to the DCS facility. Portion related to the connection of succeeding buildings are amortized over the remaining years of the supply period.

Noncurrent Assets Held for Distribution or Sale

A noncurrent asset (or disposal group) is classified as held for distribution to owners when the entity is committed to distribute the asset (or disposal group) to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable.

A noncurrent asset (or disposal group) is classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by paragraph 9, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the sale is highly probable.

Noncurrent asset (or disposal group) classified as held for distribution or sale is measured at the lower of its carrying amount and fair value less costs to distribute or cost to sell.

The Group presents the non-current asset classified as held for distribution and the assets of a disposal group classified as held for sale separately from other assets as "Noncurrent assets held for distribution or sale" in the statement of financial position. The liabilities related to the disposal group classified as held for distribution or sale are presented separately from other liabilities as "Liabilities directly related to noncurrent assets held for distribution or sale" in the statement of financial position.

Impairment of Nonfinancial Assets

The Group assesses at each financial reporting date whether there is an indication that its nonfinancial asset (e.g., advances to contractors, investment properties, property and equipment, intangible assets, and other assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statement of comprehensive income.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

Equity

Capital stock and additional paid-in capital

The Group records capital stock at par value and additional paid-in capital for the amount in excess of the total contributions received over the aggregate par value of the equity shares. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Deposits for Future Stock Subscription

Deposit for future stock subscription (DFFS) are recorded based on the subscription amount received and are presented under liabilities unless the following items were met for classification as part of equity:

- There is a lack or insufficiency of authorized unissued shares of stock to cover the deposit;
- The Parent Company's BOD and stockholders have approved an increase in authorized capital stock and amendment in the articles of incorporation to cover the shares corresponding to the amount of the DFFS; and
- The application for the approval of the increase in capital stock has been filed or has been presented for filing with the SEC

Retained earnings
Retained earnings represent accumulated earnings of the Group, less dividends declared and any adjustment arising from application of new accounting standards or changes in accounting policies applied retroactively. Retained earnings are restricted for any appropriation as approved by the Group's BOD.

Dividends are deducted from unappropriated retained earnings when declared and approved by the Group's BOD. Dividends payable are recorded as liability until paid or upon distribution of related property held for distribution. Dividends for the year that are declared and approved after financial reporting date, if any, are dealt with as an event after reporting date and disclosed accordingly.

Earnings per Share (EPS)
Basic EPS is computed by dividing net income applicable to common stock by the weighted average number of common shares outstanding, after considering the retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Revenue Recognition
The Group is in the business of leasing its investment property portfolio. The Group's non-lease performance obligations include common area management and administration of utility services.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

Rental Revenue
Rental revenue is recognized in the statement of comprehensive income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Leases under contingent rents are recognized as income in the period in which they are earned.

Common usage service area charges
Common usage service area charges are recognized when the related services are rendered. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, and electricity in its office leasing activities, wherein it is acting as agent. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are presented gross of related cost and expenses.

Interest income
Interest is recognized as it accrues taking into account the effective yield on the underlying asset.

Other income
Other income is recognized when the related services have been rendered and the right to receive payment is established.

Other Comprehensive Income (OCI)
OCI are items of income and expense that are not recognized in the profit or loss for the period in accordance with PFRS.

Costs and Expense Recognition
These include the Group's costs incurred in leasing properties and expenses related to administering its business. These are generally recognized as incurred and measured at the amount paid or payable.

Retirement Costs
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the financial reporting date reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method (PUC). Under this method, the current service cost is the present value of retirement benefit payable in the future with respect to the services rendered in the current period.

Defined benefit costs comprise the following:
- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in the statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

All remeasurements recognized in other comprehensive income account "Remeasurement gain on retirement plan", net of tax and are not reclassified to another equity account in subsequent periods.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs.

Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within 12 months after the end of the annual financial reporting date is recognized for services rendered by employees up to the end of the reporting date.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Investment properties" account in the statement of financial position). Capitalization ceases when pre-selling of real estate inventories under construction commences. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on the temporary investment of those borrowings.

The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Income Taxes
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the report date.

Deferred tax
Deferred tax is provided on all temporary differences at the report date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except; (a) where deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluation. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be used.

The carrying amount of deferred income tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred income tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the report date.

Deferred tax relating to items recognized in other comprehensive income or directly in equity is also recognized in other comprehensive income and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

<u>Leases</u>

Company as lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

Company as lessee

Except for short-term leases and lease of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use-assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The Group classifies its right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Useful life of right-of-use assets on land presented as part of investment properties and intangible assets ranges from 25 to 50 years.

Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of nonfinancial assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group accounts for a lease modification (i.e., a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease) as a separate lease (i.e., separate from the original lease) when both of the following conditions are met:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets.
- The consideration for the lease increases commensurate with the standalone price for the increase in scope and any adjustments to that stand-alone price reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate new lease. Lessees account for the separate contract that contains a lease in the same manner as other new leases.

Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

<u>Foreign Currency-denominated Transactions and Translation</u>
Foreign currency-denominated transactions are recorded using the prevailing exchange rates at the time of the transaction. Foreign currency-denominated monetary assets and liabilities are translated using the prevailing exchange rates at the financial report date. Exchange gains or losses resulting from foreign currency transactions and translation are included in the statement of comprehensive income for the year.

<u>Segment Reporting</u>
The Group's operating businesses are organized and managed according to the nature of the products and services provided. The Group has determined that it is operating as one operating segment as of March 31, 2021 and December 31, 2020.

Provisions

A provision is recognized only when the following conditions are present: (a) the Group has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made on the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current assessment of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognized as interest expense. Provisions are reviewed at each financial report date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the probability of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Financial Reporting Date

Post year-end events up to the date of the auditor’s report that provide additional information about the Group’s position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Any year-end events that are not adjusting event is disclosed in the notes to the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

Estimates and judgments 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.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Determination of lease term of contracts with renewal and termination options - Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms equivalent to its original lease term. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The renewal options for leases of office spaces and land for certain real estate developments were not included as part of the lease term because the Group assessed that renewal is not reasonably certain.

Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on the evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the investment property, that it retains all the significant risks and rewards of ownership of these properties and accounts for these contracts as operating lease.

Build Transfer Operate (BTO) Agreement with Cebu Province - Group as operator

On March 26, 2012, FLI entered into a BTO agreement with The Province of Cebu (Cebu Province). The BTO project relates to the development, construction, and operation of Business Process Outsourcing (BPO) Complex by the Parent Company at the land properties owned by Cebu Province located at Salinas, Lahug Cebu City.

In August 2012, FLI assigned this agreement to the Parent Company. Based on the agreement, the Parent Company has assessed that the Cebu Province (Grantor) cannot control or regulate the services that the operator must provide using the infrastructure, to whom it must provide them and at what price. Due to this, the BTO agreement is assessed to be outside the scope of IFRIC 12, *Service Concession Arrangements*

The Parent Company, on the other hand, has the right to operate and earn rentals from the project upon completion but does not have ownership over the properties. The Parent Company also has no substantial risks and rewards on the properties for the major part of its economic life. Accordingly, the related development cost and lease payments were recorded under “BTO rights” presented under intangible assets in the statement of financial position.

Determining whether an arrangement contains a lease - Build Operate Transfer (BOT) Agreement
On September 16, 2015, the Parent Company entered into a BOT agreement with Philippine DCS Development Corporation (PDDC), also a subsidiary of FLI. The BOT agreement relates to the construction and operation by PDDC of the DCS facilities for 20 years, during which PDDC will supply chilled water for the provision of cooling energy to the properties of the Parent Company within Northgate Cyberzone, Muntinlupa City.

While the fulfillment of the terms and conditions of the agreement is dependent on the use of an asset (i.e., DCS facilities), management assessed that the right to control the operations of such asset is not conveyed to the Parent Company considering that: (a) the Parent Company has no ability to operate the asset nor the right to direct PDDC to operate the asset in a manner it determines; and (b) the supply of chilled water will not be exclusive to the properties of the Parent Company during the term of the BOT agreement. Thus, the BOT agreement does not contain a lease within the scope of PFRS 16.

Classification of noncurrent assets held for distribution or sale
As of March 31, 2021 and December 31, 2020, the Parent Company has noncurrent assets held for distribution or sale amounting to ₱8,807.0 million and ₱6,843.7 million, respectively, related to property dividends declared by the Parent Company. These include property dividends declared on December 4, 2020 and February 11, 2021, additions to construction in progress under investment properties and intangible assets declared as property dividends from the date of declaration up to December 31, 2020 and March 31, 2021, and the related right of use assets for the land subleased by the Parent Company where these properties are constructed. As of March 31, 2021, the Parent Company also has identified lease liabilities directly related to noncurrent assets held for distribution or sale amounting to ₱186.0 million (nil as of December 31, 2020).

The Parent Company assessed that the distribution of these investment properties is highly probable considering that actions to complete the distribution have been initiated and are expected to be completed within one year. These investment properties will be derecognized in the consolidated financial statements once the SEC approves the distribution of the dividends.

Impairment assessment of nonfinancial assets
The Group assesses at each financial reporting date whether there is any indication that the nonfinancial assets (investment properties and intangible assets) may be impaired. The Group considers indications of impairment such as significant changes in asset usage, significant decline in market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. If such indication exists, the Group estimates the recoverable amount of the asset, which is the higher of the asset’s fair value less cost to sell and value in use.

The Group has determined that COVID-19 pandemic has no impact and is not considered as an impairment indicator in the impairment assessment of nonfinancial assets. As of March 31, 2021 and December 31, 2020, no impairment indicators were identified for the Group’s nonfinancial assets.

Use of Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the report date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group is calibrating the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has considered impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of expected credit loss. The Group assessed that the security deposit and advance rentals are sufficient to cover any exposure to credit loss. As of March 31, 2021, and December 31, 2020, the Group's allowance for ECL on its trade receivables amounted to ₱0.3 million.

Recognition of deferred tax asset
The Group reviews the carrying amounts of deferred income tax assets at each financial report date and reduces it to the extent that it is no longer probable that sufficient income will be available to allow all or part of the deferred income tax assets to be utilized. The Group believes that it will generate sufficient taxable profit to allow all or part of the deferred income tax assets to be utilized. As of March 31, 2021, and December 31, 2020, deferred tax assets amounted to ₱ 128.7 million and ₱269.2 million, respectively.

4. Accounts Payable and Accrued Expenses

This account consists of:

	March 31,2021 (Unaudited)	December 31,2020 (Audited)
Advances from tenants	**₱541,429,380**	₱566,558,897
Accrued expenses	**287,432,778**	262,209,073
Retention payable - current portion	**172,838,361**	177,214,409
Payable to suppliers	**134,435,586**	121,453,381
Payable to contractors	**103,892,085**	123,491,053
Accrued interest payable	**98,007,456**	113,036,580
Withholding taxes payable	**30,253,420**	38,206,363
Due to related parties	–	181,541,991
	₱1,368,289,066	₱1,583,711,747

Accrued expenses include accruals for utilities, maintenance, service and energy charges, outside services and other expenses. These are normally settled within the year.

Advances from tenants are advance payments received for rentals, utilities and other fees. These are applied against rental obligations of the tenants when they become due.

Accrued expenses include accruals for utilities, maintenance, service and energy charges, outside services and other expenses. These are normally settled within the year.

Retention payable account pertains to the amounts withheld by the Group from contractors' progress billings which are returned upon completion of their services or expiry of the contractors' warranty period.

Payable to contractors arises from progress billings received from contractors for the constructions costs incurred by the Group.

Payable to suppliers arise from various acquisitions of materials and supplies used for construction and are normally payable within one year.

Withholding taxes payable consists of withholding taxes on compensation and expanded withholding taxes. These are normally settled within one (1) month.

5. Long Term Debt

This account consists of:

	March 31, 2021 (Unaudited)	December 31,2020 (Audited)
Developmental loans from local banks	₱–	₱2,344,166,667
Less current portion of loans payable	–	744,166,667
Long-term portion of loans payable	₱–	₱1,600,000,000

The loans from local banks are obtained to finance the construction of buildings.

Total interest expense charged to the statement of comprehensive income amounted to ₱7.9 and nil for the three months ended March 31, 2021 and 2020, respectively.

6. Bonds Payable

On July 7, 2017, the Parent Company issued fixed rate bonds with aggregate principal amount of ₱6.0 billion and term of five and a half (5.5) years from the issue date. The fixed rate is 5.05% per annum, payable quarterly in arrears starting October 7, 2017.

The bonds are redeemable at 100% of face value on maturity date, which is January 7, 2023, unless the Parent Company exercises its early redemption option. Interest expense in 2021 which was capitalized relating to bonds payable amounted to nil.

Unamortized debt issuance cost on bonds payable amounted ₱22.0 million and ₱ 25.8 million as of March 31, 2021 and December 31, 2020, respectively. Amortization of transaction costs included under "Interest and other financing charges" in the statement of comprehensive income amounted to ₱3.2 million for the three months ended March 31, 2021 and 2020.

The bonds require the Parent Company to maintain a maximum debt-to-equity ratio of 2.33x; and minimum debt service coverage ratio of 1.1x. As of March 31, 2021, the Parent Company is not in breach of any of these debt covenants.

7. Other Noncurrent Liabilities

Security and other deposits
Security and other deposits are applied to any outstanding obligations of the tenants at the end of the lease term or upon pre-termination.

The current and noncurrent portion of security and other deposits follows:

	March 31, 2021	December 31, 2020
Current portion	**₱134,343,934**	₱116,414,891
Noncurrent portion	**723,022,369**	732,659,169
	₱857,366,303	₱849,074,060

Other noncurrent liabilities
This account consists of:

	March 31, 2021	December 31, 2020
Retention payable - net of current portion	**₱323,107,918**	₱296,558,325
Retirement liabilities	**3,827,357**	3,827,357
	₱326,935,275	₱300,385,682

8. Other Income

The account consists of:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Tenant dues	**₱318,296,932**	₱378,323,766
Service fee income	**36,136,395**	18,623,254
Commission income	−	2,027,589
Miscellaneous	**3,958,579**	610,406
	₱358,391,906	₱399,585,015

9. Financial Risk Exposures

The Group's financial instruments comprise of cash and cash equivalents, receivables, long-term debt, accounts payable and accrued expenses and security and other deposits. The main purpose of the long-term debt is to finance the Group's operations while all other financial instruments resulted from the conduct of business.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group's risk management policies are summarized below:

a. *Interest rate risk*
The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt. Interest rates are dependent on floating interest rates, subject to repricing as determined by the creditor bank during the term of the loan. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax.

	Increase (decrease) in basis points	Effect on income before income tax/capitalized borrowing costs
March 31, 2021	**+100**	**(₱4.82 million)**
	-100	**₱4.82 million**
December 31, 2020	+100	(₱23.4 million)
	-100	23.4 million

There is no impact on the Group's equity other than those already affecting the statements of comprehensive income.

b. *Credit risk*
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group trades only with recognized, creditworthy third parties. It is the Group's practice that prospective tenants are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group which comprise cash and cash equivalents, the Group's exposure to credit risk relates to default of the counterparty with a maximum exposure equal to the carrying amount of the instruments.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based groupings of various customer segments with similar loss patterns (i.e., by market segment and collateral type). 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.

The credit risk exposure on the Group's lease receivables using a provision matrix results to ₱0.3 million expected credit loss. The expected credit loss rate has been set at zero rate because the historical collected within 20 days from the billing date. The loss given default is also set at zero since the security deposits and advance rentals are considered in the calculation of impairment as these can be used to offset unpaid receivables.

In most cases, recoveries are higher than the amount of receivable at default. As of March 31, 2021 and December 31, 2020, most of the Group's trade receivables are covered by security deposits and advances rentals. For the three months ended March 31, 2021 and 2020, allowance for ECL amounted to ₱0.3 million.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group determines the credit quality based on the following:

Cash and Cash Equivalents – based on the nature of the Group's internal rating system.
Receivables – (a) high grade pertains to receivable from third parties, of which based on experience, are highly collectible or collectible on demand, and of which exposure to bad debts is not significant, while (b) standard grade pertains to receivables which passed a certain set of credit criteria and, which the Group has not noted any extraordinary exposure that calls for past due classification.

The table below shows the credit quality, based on the Group's credit rating system as of March 31, 2021 and December 31, 2020:

	March 31, 2021				
	Neither Past Due nor Impaired				
	High Grade	**Standard Grade**	**Past Due but not Impaired**	**Past Due and Impaired**	**Total**
Cash and cash equivalents*	**₱976,117,958**	**₱–**	**₱–**	**₱–**	**₱976,117,958**
Receivables	**1,239,132,988**	**–**	**33,565,154**	**285,258**	**1,272,983,400**
Deposits	**40,903,155**	**–**	**–**	**–**	**40,903,155**
	₱2,256,154,101	**₱–**	**₱33,565,154**	**₱285,258**	**₱2,290,004,513**

Excludes cash on hand amounting to ₱93,000.

	December 31, 2020				
	Neither Past Due nor Impaired				
	High Grade	Standard Grade	Past Due but not Impaired	Past Due and Impaired	Total
Cash and cash equivalents*	₱870,424,532	₱–	₱–	₱–	₱870,424,532
Receivables	685,656,893	–	144,487,561	285,258	830,429,712
Deposits	40,903,155	–	–	–	40,903,155
	₱1,596,984,580	₱–	₱144,487,561	₱285,258	₱1,741,757,399

**Excludes cash on hand amounting to ₱93,000.*

The analysis of trade receivables which are past due but not impaired as of March 31, 2021 and December 31, 2020 follow:

	Past Due but not Impaired					
	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	Total
March 31, 2021	**₱21,060,960**	**₱12,504,194**	–	–	–	**₱33,565,154**
December 31, 2020	₱55,829,258	₱11,488,079	₱12,931,946	₱6,343,156	₱57,895,122	₱144,487,561

Delays in collection were experienced as payment due dates have been extended to assist the tenants during the Enhanced Community Quarantine. Subsequent collections have been made.

c. *Liquidity risk*

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with the financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group's practice is that float will be kept at a minimum.

The tables below summarize the maturity profile of the Group's financial assets held to manage liquidity as at March 31, 2021 and December 31, 2020:

	March 31, 2021							
	On demand	**< 30 days**	**30 - 60 days**	**61 - 90 days**	**> 90 days**	**Up to a year total**	**> 1 year but < 5 years**	**Total**
Cash and cash equivalents	**₱588,073,198**	**₱388,137,760**	**₱–**	**₱–**	**₱–**	**₱976,210,958**	**₱–**	**₱976,210,958**
Receivables	**1,239,418,246**	**21,060,960**	**12,504,194**	**–**	**–**	**1,272,983,400**	**–**	**1,272,983,400**
Deposits	**–**	**–**	**–**	**–**	**–**	**–**	**40,903,155**	**40,903,155**
	₱1,827,491,444	**₱409,198,720**	**₱12,504,194**	**₱–**	**₱–**	**₱2,249,194,358**	**₱40,903,155**	**₱2,290,097,513**

	December 31, 2020							
	On demand	< 30 days	30 - 60 days	61 - 90 days	> 90 days	Up to a year total	> 1 year but < 5 years	Total
Cash and cash equivalents	₱602,644,513	₱267,873,019	₱–	₱–	₱–	₱870,517,532	₱–	₱870,517,532
Receivables	795,250,212	35,179,500	–	–	–	830,429,712	–	830,429,712
Deposits	–	–	–	–	–	–	40,903,155	40,903,155
	₱1,397,894,725	₱303,052,519	₱–	₱–	₱–	₱1,700,947,244	₱40,903,155	₱1,741,850,399

Maturity profile of the Group's financial liabilities, as at March 31, 2021 and December 31, 2020 is shown below (in thousands):

	March 31, 2021									
	On demand	**In 30 days**	**30 to 60 days**	**61 to 90 days**	**Over 90 days**	**Up to a year total**	**1 - 3 years**	**> 3 - 5 Years**	**Over 5 years**	**Total**
Bonds Payable	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱6,000,000**	**₱–**	**₱6,000,000**
Lease Liabilities	**–**	**147**	**147**	**147**	**1,386**	**1,827**	**1,917**	**4,127**	**64,857**	**72,728**
Interest on long-term debt*	**–**	**25,248**	**25,248**	**25,248**	**227,232**	**302,976**	**227,232**	**–**	**–**	**530,208**
Accounts payable and accrued expenses	**1,368,289**	**–**	**–**	**–**	**–**	**1,368,289**	**–**	**–**	**–**	**1,368,289**
Security and other deposits	**–**	**–**	**134,344**	**–**	**–**	**134,344**	**259,242**	**444,488**	**–**	**838,074**
	₱1,368,289	**₱25,395**	**₱159,739**	**₱25,395**	**₱228,618**	**₱1,807,436**	**₱488,391**	**₱6,448,615**	**₱64,857**	**₱8,809,299**

*Includes future interest payable.

	December 31, 2020									
	On demand	< 30 days	30 - 60 days	61 - 90 days	> 90 days	Up to a year total	> 1 – 3 years	> 3 – 5 Years	Over 5 years	Total
Loans payable	₱–	₱17,500	₱12,500	₱20,833	₱693,334	₱744,167	₱400,000	₱1,200,000	₱–	₱2,344,167
Bonds payable	–	–	–	–	–	–	–	6,000,000	–	6,000,000
Lease liabilities	–	6,842	12,326	17,819	55,630	92,617	232,749	401,374	1,463,375	2,190,115
Interest on long-term debt*	15,921	5,556	5,509	22,109	79,030	128,125	185,397	56,876	–	370,398
Accounts payable and accrued expenses	1,583,712	–	–	–	–	1,583,712	–	–	–	1,583,712
Security and other deposits	–	–	116,415	–	–	116,415	259,242	473,417	–	849,074
	₱1,599,633	₱29,898	₱146,750	₱60,761	₱827,994	₱2,665,036	₱1,077,388	₱8,131,667	₱1,463,375	₱ 13,337,466

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

Results of operations for the three months ended March 31, 2021 compared to three months ended March 31, 2020

The Group's net income increased by 26%. Movement is attributable to Parent Company's cost savings during the year as a result of the pandemic and the gain recognized from derecognition of lease liabilities.

Revenues and Income

Decrease by 8% in rental revenues and other income was caused by the pre-termination of few tenants during the 2nd half of 2020. New tenants are already expected to lease out the vacant office spaces.

Expenses

Cost and expenses decreased by 8%. Decrease is attributable to lower manpower costs, utilities and rental expenses as a result of the community quarantine measures implemented in Metro Manila in the first quarter of 2021.

Financial Condition as of March 31, 2021 compared to as of December 31, 2020

As of March 31, 2021 CPI's total assets is valued at ₱23.1 billion, lower by 8% or by ₱2.1 billion than the ₱25.2 billion total assets as of December 31, 2020. The following are the material changes in account balances:

12% Increase in Cash and Cash Equivalents
Increase in cash as of March 31, 2021 was due to higher collections and lower spending of cost and expenses, including interest and other financing charges. As of March 31, 2021, all loans of the Company were assigned to FLI, its Parent.

53.3% Increase in Receivables
Increase in receivables is primarily due to advances made by the Company for costs and expenses of projects held for distribution to FLI.

4% Decrease in Other Current Assets
The decrease was due to the offset of the Company's input VAT against output VAT in relation to the assignment of BTO rights for Cebu Towers 3 and 4.

29% Increase in Noncurrent Assets held for distribution
On February 11, 2021, the BOD approved the declaration of operational buildings to FLI Edsa, IT School, Concentrix (Convergys Building) and Cebu Tower 2 as property dividends. The aggregate carrying value of the properties amounted to ₱1,690.4 million. Said properties were classified as noncurrent assets held for distribution in the Company's books until the distribution of these properties are approved by the SEC.

19% Decrease in Investment Properties and Property, Plant and Equipment
Decrease is attributable to the property dividends declared in the first quarter of 2021.

61% Decrease in Intangible Assets and other non-current asset
Movement is due to the inclusion of Filinvest Cebu Tower 2 in the properties declared for dividend distribution and the assignment of Filinvest Cebu Towers 3 and 4 to FLI.

9% Increase in Total Current Liabilities
Increase was mainly due to additional property dividends for distribution which amounted to ₱1,690.4 million.

100% Increase in Liabilities directly related to noncurrent assets held for distribution
This account pertains to liabilities that will be transferred in relation to the assets declared for property dividend distribution by the Company.

100% Decrease in Bank Loans Payable
As of March 31, 2021, all loans of the Company were assigned to FLI as consideration for additional capital subscription to the Company amounting to ₱3,746.3 million.

99% Decrease in Lease Liability
Lease liabilities were derecognized at the time the related projects (FLI Edsa and Filinvest Cebu Towers 2, 3 and 4) were transferred thru dividend declaration and assignment.

9% Increase in Other Noncurrent Liabilities
Movement is due to increase in security deposits and retention payable to contractors and suppliers.

Performance Indicators

Financial Ratios	Particulars	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Earnings per Share	Net Income / Weighted Ave. number of outstanding shares	0.27	0.22
Debt to Equity Ratio	Long Term Debt / Total Stockholder's Equity	1.02 : 1	1.25 : 1
Current Ratio	Current Asset / Current Liability	1.22 : 1	0.66 : 1
Debt Service Coverage Ratio	Earnings before Interest Taxes and Depreciation / Debt service (*Loan principal + interest payments)*	10.68 : 1	1.43 : 1

PART II - OTHER INFORMATION

Item 3. Business Development/New Projects

CPI is one of the first companies to operate a major BPO-centric lease provider outside Makati, Bonifacio Global City, and Ortigas. Anticipating the traffic congestion in these districts, CPI took advantage of developing the land owned by FLI in Alabang, Muntinlupa City and established Northgate Cyberzone, an 18.7 hectare PEZA-registered IT Park.

A PEZA-registered IT Park, as defined by PEZA, is an area that has been developed into a complex capable of providing infrastructures and other support facilities required by IT Enterprises, as well as amenities required by professionals and workers involved in IT Enterprises, who will have easy access to such amenities. The combined competitive advantage of its location and the benefits of its PEZA registration attracted BPO companies to lease office spaces in Northgate Cyberzone. CPI continually provides world class, environmentally sustainable and efficient leasing facilities and services to various clients.
As of March 31, 2021, there are nineteen (19) fully operational office buildings in Northgate Cyberzone as follows:

Existing Buildings					
No.	**Building Name**	**GLA (SQM Office and Retail**	**Occupancy Rate as of End March 2021 Office and Retail**	**PEZA Registered**	**LEED Certification**
1	Plaz@ A	10,860	100%	Yes	N.A.
2	Plaz@ B	6,488	85.2%	Yes	N.A.
3	Plaz@ C	6,540	100%	Yes	N.A.
4	Plaz@ D	10,860	83.2%	Yes	N.A.
5	Plaz@ E	14,859	100%	Yes	N.A.
6	IT School	2,594	100%	Yes	N.A.
7	Concentrix CVG Building	6,399	100%	Yes	N.A.
8	Capital One Building	18,000	100%	Yes	N.A.
9	5132 Building	9,409	100%	Yes	N.A.
10	iHub 1	9,480	70.7%	Yes	N.A.

11	iHub 2	14,181	100%	Yes	N.A.
12	Vector One	17,764	92%	Yes	N.A.
13	Vector Two	17,889	100%	Yes	N.A.
14	Vector Three	36,345	68.3%	Yes	LEED Gold
15	Filinvest One	19,637	100%	Yes	N.A.
16	Filinvest Two	23,784	100%	Yes	N.A.
17	Filinvest Three	23,784	66.5%	Yes	N.A.
18	Axis Tower One	40,869.4	89.6%	Yes	LEED Gold
19	Axis Tower Two	40,536	42.7%	Yes	LEED Gold

In the pipeline are two (2) more office buildings:

Building Name	**GLA (SQM) Office and Retail**	**Estimated Completion**	**PEZA Registered**	**LEED Certification**
Axis Tower Four	40,529	3Q2021	Yes	Pursuing LEED Gold
Axis Tower Three	41,375	1Q2022	Yes	Pursuing LEED Gold

Each Axis Tower has an approximate GLA of 1,487 square meters of retail spaces located at the ground floor.

As of end March 2021, fourteen (14) out of nineteen (19) operational buildings in Northgate Cyberzone are connected to a District Cooling system (DCS), owned and operated by PDDC, a 60% subsidiary of FLI. The DCS plant supplies chilled water for the provision of cooling energy to the aforementioned buildings of CPI within Northgate Cyberzone. Through the DCS, the air conditioning and cooling systems of some of the existing and upcoming buildings in Northgate Cyberzone are now centralized and it is a more reliable and greener source of air conditioning for CPI's locators.

CPI also developed and operates the Filinvest Cyberzone Cebu located in Lahug, Cebu City, Cebu, which currently has two (2) fully operational office buildings:

Building Name	**GLA (SQM) Office and Retail**	**Occupancy Rate as of End March 2021 Office and Retail**	**PEZA Registered**
Cebu Tower 1	20,612	99.1%	Yes
Cebu Tower 2	28,927	46%	Yes

Currently under construction are Cebu Towers 3 and 4:

Building Name	**GLA (SQM) Office and Retail**	**Estimated Completion**	**PEZA Registered**
Cebu Tower 3	21,847	3Q2022	Yes
Cebu Tower 4	22,342	2Q2023	Yes

Filinvest Cyberzone Cebu complex has a retail component at ground and common podium with GLA of 6,944 square meters.

Item 4. Other Disclosures

1. The information is not necessarily indicative of the results of the future operations. The information set out above should be read in conjunction with, and is qualified in its entirety by reference to the relevant financial statements of Cyberzone Properties, Inc., including the notes thereto.

2. Except as disclosed in the Notes to Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.

3. The Company's unaudited interim consolidated financial statements were prepared in accordance with PAS 34, Interim Financial Reporting (PAS 34, par. 19).

4. The Company's unaudited interim consolidated financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated annual financial statements as of and for the year ended December 31, 2019 (PAS 34, par 15).

5. The accounting policies and methods of computation adopted in the preparation of the unaudited interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended December 31, 2020.

6. In March 2021, the "Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act" which seeks to reduce the corporate income tax rate and rationalize the current fiscal incentives by making them time-bound, targeted and performance-based has been enacted as a law and is set to take effect 15 days after its complete publication on April 11, 2021.

7. Except for those discussed above, there are no known trends, events or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations of CPI.

8. There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Group.

9. The Group does not have any contingent liability of borrowings wherein financial assets were pledged to secure payment nor does it have borrowings wherein properties were mortgaged to secure a loan.

10. Please refer to Annex A for the Aging Schedule for the Company's receivables as of March 31, 2021. Annex B are Supplementary Information and Disclosures required on SRC rules 68 and 68.1 as amended for the three months ended March 31, 2021.

ANNEX A

CYBERZONE PROPERTIES, INC. AND A SUBSIDIARY

Aging of Receivables
As of March 31, 2021

	Current	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total
Trade Receivables	797,326,429	21,060,960	12,504,194				830,891,583
Others	441,806,559	-	-	-	-	-	441,806,559
Total	**1,239,132,988**	**21,060,960**	**12,504,194**	-	-	-	**1,272,698,142**

Trade receivables represent charges to tenants for rentals and utilities normally collectible within a year.

Other Receivables represent claims from other parties arising from the ordinary course of business. It also includes advances for expenses/loans made by the Company in favor of its officers and employees.

Normal Operating Cycle: 12 calendar months

ANNEX B

CYBERZONE PROPERTIES, INC.
(A Wholly Owned Subsidiary of Filinvest Land, Inc.)

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED
March 31, 2021

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Company. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Marketable Securities (Current Marketable Equity Securities and Other Short Term Cash Investments)

As of March 31, 2021, the Company has Philippine Long Distance Telephone Company, Inc. (PLDT) shares amounting to ₱2,000 and Short term deposits amounting to ₱ 388,137,760 reported under Current Assets on the Company’s Statements of Financial Position.

Schedule B. Non-Current Marketable Equity Securities, Other Long-Term Investments in Stocks, and Other Investments

As of March 31, 2021, the Company has no non-current marketable equity securities, other long-term investments in stocks, and other investments.

Schedule C. Intangible Asset

As of March 31, 2021, the Company’s intangible asset consists of Build Transfer Operate (BTO) rights which pertains to the cost related to the BTO agreement with the Cebu Province entered into on March 26, 2012.

	2021	2020
BTO rights	₱1,091,269,502	₱3,408,827,424

Under the BTO agreement, the Company is committed to develop and construct a BPO Complex on the properties owned by Cebu Province located at Salinas, Lahug, Cebu City, and transfer the ownership of the BPO Complex to the Cebu Province upon completion, in exchange for the right to operate and manage the BPO Complex for the entire term of the agreement and its renewal (25 years, renewable for another 25 years upon mutual agreement of the parties). The BTO project comprises of four (4) towers and first two towers have been completed, and the other two are under construction..

On February 11, 2021, the BOD approved the transfer of Cebu Towers 3 and 4 to FLI by way of assignment of right to manage and operate. FLI will compensate the Parent Company at a consideration equivalent to the cost of the properties upon assignment. On March 31, 2021, CPI and FLI executed deed of assignment for the transfer of the properties. Hence, the cost of these properties, including the related right-of use assets and lease liabilities, were derecognized.

Schedule D. Long term debt

Below is the schedule of long-term debt of the Company (in thousands):

Type of Obligation	Amount	Current	Noncurrent
This is a 5.5-year bond issued on July 7, 2016 with a fixed interest rate of 5.0496% per annum payable quarterly. The principal bonds payable is P6 billion maturing on 2023 The bonds shall be repaid at maturity at par or 100% of face value	5,977,360	-	5,977,360
	₱5,977,360	₱	₱5,977,360

The Company's long-term debts are unsecured and no assets are held as collateral for these debts. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio and interest coverage ratio.

The agreements also provide for restrictions and requirements with respect to, among others, making substantial change in present management and ownership structure; acquisition of any shares of stock; sale, lease or transfer and disposal of all or a substantial part of its assets, except in the ordinary course of business; and entering into any merger, consolidation or reorganization.

As of March 31, 2021, the Company has not been cited as in default on its outstanding loan obligations.

Schedule E. Indebtedness to Related Parties (Short-Term Loans from Related Companies)

As of March 31, 2021, the Company does not have advances from its related parties.

Schedule F. Guarantees of Securities of Other Issuers

The Company does not have guarantees of securities of other issuers as of March 31, 2021.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
			(In Thousands)			
Common Shares	2,000,000	1,163,427	−	1,163,427	0.007	None

Schedule H. Unappropriated Retained Earnings Available for Dividend Distribution

CYBERZONE PROPERTIES, INC.

CONSOLIDATED UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DISTRIBUTION

Retained Earnings, January 1, 2021		₱1,950,125,348
Less: Deferred tax assets as of December 31, 2020		(269,207,450)
Retained Earnings, as adjusted to amount available for dividend declaration, beginning		1,680,917,898
Net income based on the face of unaudited financial statements	639,107,292	
Less: Non-actual/unrealized income net of tax		
Equity in net income of subsidiaries and associates	–	
Unrealized foreign exchange gain – net	–	
Unrealized actuarial gain	–	
Fair value adjustment (marked-to-market gains)	–	
Fair value adjustment of Investment Property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Add: Non-actual/unrealized losses net of tax		
Depreciation on revaluation increment	–	
Adjustment due to deviation from PFRS/GAAP loss	–	
Loss on fair value adjustment of Investment Property	–	
Movement in deferred tax assets	–	
Unappropriated Retained Earnings, March 31, 2021		639,107,292
Add (less):		
Movement in deferred tax assets		160,040,073
Dividend declarations during the period		(1,690,426,790)
Appropriations of retained earnings during the period		-
Unappropriated Retained Earnings, as adjusted, March 31, 2021		₱789,638,473

Part III – Signature

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CYBERZONE PROPERTIES, INC.
By:

Maricel Brion-Lirio
President / Chief Executive Officer

Ana Venus A. Mejia
Chief Financial Officer