COVER SHEET

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S.E.C. Registration Number

VISTA LAND & LIFESCAPES, INC.

(Company's Full Name)

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER, VISTA CITY, DAANGHARI, ALMANZA II, LAS PIÑAS CITY

(Business Address: No. Street/City/Province)

Brian N. Edang	**226-3552 ext. 0088**
Contact Person	Company Telephone Number

1 2	3 1	17-Q	0 6	1 5
Month	*Day*	FORM TYPE	*Month*	*Day*

Calendar Year

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarter ended **March 31, 2020**

2. SEC Identification Number **CS-200703145**

3. BIR Tax Identification No. **006-652-678**

4. **Vista Land & Lifescapes, Inc.**
Exact name of the registrant as specified in its charter

5. **Philippines**
Province, country or other jurisdiction of incorporation

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

7. **Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City** **1747**
Address of Principal Office Postal Code

8. **(632) 874-5758 / (632) 872-6947 / (632) 226-3552**
Registrant's telephone number, including area code

9. N/A
Former name, former address and former fiscal year, if change since last report.

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

Title of each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock (as of 03/31/2020 net of 416,128,700 treasury shares)	**12,698,007,676**
VLL Retail Bonds issued in 2014 (as of 03/31/2020)	**P5,000,000,000.00**
VLL Retail Bonds issued in 2017 (as of 03/31/2020)	**P5,000,000,000.00**
VLL Retail Bonds issued in 2018 (as of 03/31/2020)	**P10,000,000,000.00**
VLL Retail Bonds issued in 2019 (as of 03/31/2020)	**P10,000,000,000.00**

11. Are any of the registrant's securities listed on the Philippine Stock Exchange?

Yes [x] No [ ]

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period of 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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Vista Land & Lifescapes, Inc.
Consolidated Statements of Financial Position
As of March 31, 2020 and December 31, 2019
(In Million Pesos)

	Unaudited 03/31/2020	Audited 12/31/2019
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 28)	**8,922**	13,945
Short-term cash investments (Notes 8 and 28)	**194**	211
Investments at amortized cost (Note 8)	**2,389**	2,104
Current portion of:		
Receivables (Notes 9 and 28)	**41,453**	38,438
Cost to obtain (Note 5)	**1,015**	1,034
Receivables from related parties (Notes 26)	**5,593**	5,156
Real estate inventories (Note 10)	**42,496**	41,401
Other current assets (Note 11)	**8,997**	8,027
Total Current Assets	**111,059**	110,315
Noncurrent Assets		
Investments at amortized cost (Note 8)	**30,990**	31,689
Investments at fair value through other comprehensive income (Note 8)	**117**	117
Receivables – net of current portion (Note 9)	**19,077**	19,395
Cost to obtain – net of current portion (Note 5)	**550**	532
Project development cost (Note 13)	**4,280**	4,151
Property and equipment	**2,629**	2,547
Investment properties (Note 12)	**105,741**	101,435
Goodwill	**147**	147
Pension Assets (Note 23)	**212**	268
Deferred tax assets - net (Note 24)	**206**	484
Other noncurrent assets (Note 14)	**1,473**	1,548
Total Noncurrent Assets	**165,422**	162,224
	276,481	272,539

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 15 and 28)	**14,224**	13,164
Security deposits and advance rent (Note 16)	**1,215**	1,469
Income tax payable (Note 24)	**64**	67
Dividends payable	**13**	69
Current portion of:		
Contract liabilities	**1,635**	1,726
Bank loans (Notes 17 and 27)	**6,099**	5,731
Loans payables (Notes 17 and 28)	**2,687**	3,131
Notes payable (Notes 18 and 28)	**3,035**	2,441
Lease liabilities (Note 25 and 28)	**-**	33
Total Current Liabilities	**28,972**	27,832

(Forward)

Vista Land & Lifescapes, Inc.
Consolidated Statements of Financial Position
As of March 31, 2020 and December 31, 2019
(In Million Pesos)

	Unaudited 03/31/2020	Audited 12/31/2019
Noncurrent Liabilities		
Contract liabilities - net of current portion (notes [ ])	**885**	764
Bank loans - net of current portion (Notes 17 and 28)	**40,948**	41,444
Loans payable - net of current portion (Notes 17 and 28)	**240**	274
Notes payable - net of current portion (Notes 18 and 28)	**89,962**	90,749
Lease liabilities – net of current portion (Notes 25 and 28)	**3,130**	3,081
Deferred tax liabilities - net (Note 24)	**4,780**	4,008
Other noncurrent liabilities (Note 19)	**5,175**	4,434
Total Noncurrent Liabilities	**145,120**	144,754
Total Liabilities	**174,092**	172,586
Equity (Note 21)		
Attributable to equity holders of the Parent Company		
Capital stock	**13,147**	13,147
Additional paid-in capital	**30,655**	30,655
Other comprehensive income	**631**	633
Treasury shares	**(7,740)**	(7,740)
Retained earnings	**63,290**	60,953
	99,983	97,649
Non-controlling interest	**2,406**	2,304
Total Equity	**102,389**	99,953
	276,481	272,539

See accompanying Notes to Consolidated Financial Statements.

Vista Land & Lifescapes, Inc.
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2020 and 2019
(In Million Pesos)

	Unaudited Jan-Mar Q1-2020	**Unaudited Jan-Mar 2020**	Unaudited Jan-Mar Q1-2019	Unaudited Jan-Mar 2019
REVENUE				
Real estate	**7,200**	**7,200**	8,074	8,074
Rental income	**2,198**	**2,198**	1,640	1,640
Interest income from installment contracts receivable	**182**	**182**	137	137
Parking, hotel, mall administrative and processing fees, and others (Note 21)	**350**	**350**	347	347
	9,930	**9,930**	10,198	10,198
COSTS AND EXPENSES				
Costs of real estate sales (Note 22)	**3,743**	**3,743**	3,839	3,839
Operating expenses (Note 22)	**2,693**	**2,693**	2,871	2,871
	6,436	**6,436**	6,710	6,710
OTHER EXPENSES				
Interest and other income from investments	**335**	**335**	393	393
Interest and other financing charges	**(936)**	**(936)**	(644)	(644)
	(601)	**(601)**	(251)	(251)
INCOME BEFORE INCOME TAX	**2,893**	**2,893**	3,237	3,237
PROVISION FOR INCOME TAX (Note 24)	**454**	**454**	615	615
NET INCOME	**2,439**	**2,439**	2,622	2,622
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	**2,337**	**2,337**	2,542	2,542
Noncontrolling interest	**102**	**102**	80	80
	2,439	**2,439**	2,622	2,622
Weighted average common shares	**12,698**	**12,698**	12,585	12,585
Basic/Diluted earnings per share	**0.184**	**0.184**	0.202	0.202

Vista Land & Lifescapes, Inc.
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2020 and 2019
(In Million Pesos)

	Unaudited Jan-Mar Q1-2020	**Unaudited Jan-Mar 2020**	Unaudited Jan-Mar Q1-2019	Unaudited Jan-Mar 2019
NET INCOME	**2,439**	**2,439**	2,622	2,622
OTHER COMPREHENSIVE INCOME				
Cumulative translation adjustments	(1)	(1)	3	3
Changes in fair value of investments at fair value through other comprehensive income	(1)	(1)	(5)	(5)
TOTAL COMPREHENSIVE INCOME	**(2)**	**(2)**	(2)	(2)
	2,437	**2,437**	2,620	2,620
Total comprehensive income attributable to:				
Equity holders of Vista Land & Lifescapes, Inc.	**2,335**	**2,335**	2,540	2,540
Minority interest	**102**	**102**	80	80
	2,437	**2,437**	2,620	2,620
Weighted average common shares	**12,698**	**12,698**	12,585	12,585
Basic/Diluted earnings per share	**0.184**	**0.184**	0.202	0.202

Vista Land & Lifescapes, Inc.
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2020 and 2019
(In Million Pesos)

	Unaudited 03/31/2020	Unaudited 03/31/2019
CAPITAL STOCK		
Common – P1 par value		
Authorized – 4,000,000 shares in February 28, 2007		
12,000,000,000 shares in May 23, 2007 and		
11,000,000,000 shares in November 24, 2010		
11,900,000,000 shares in October 5, 2012		
17,900,000,000 shares in November 11, 2015		
Issued – 1,000,000 shares as of February 28, 2007;		
8,538,740,614 shares as of September 30, 2011;		
10,038,740,614 shares as of November 10, 2015;		
12,654,891,753 shares as of December 22, 2015;		
13,114,136,376 shares as of February 23, 2016;	13,114	13,114
Preferred – P0.01 par value		
Authorized – P10,000,000,000 shares in October 5, 2012		
Issued – P3,300,000,000 shares in March 31, 2013 (Note 18)	33	33
Balance at end of period	**13,147**	**13,147**
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of period	30,655	30,655
Adjustment	-	-
Balance at end of period	**30,655**	**30,655**
RETAINED EARNINGS		
Balance at beginning of period	60,953	52,848
Net income	2,337	2,688
Balance at end of period	**63,290**	**55,536**
OTHER COMPREHENSIVE INCOME		
Balance at beginning of period	633	535
Adjustment	(2)	(2)
Balance at end of period	**631**	**533**
TREASURY SHARES		
Balance at beginning of period	(7,184)	(7,184)
Acquisition of treasury shares	(556)	(556)
Balance at end of period	**(7,740)**	**(7,740)**
NON-CONTROLLING INTEREST		
Balance at beginning of period	2,304	2,017
Net income	102	80
Adjustment	-	-
Balance at end of period	**2,406**	**2,097**
	102,389	**94,228**

Vista Land & Lifescapes, Inc.
Consolidated Statements of Cash Flows
For the three months ended March 31, 2020 and 2019
(In Million Pesos)

	1Q-2020	2020	1Q-2019	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	2,893	2,893	3,273	3,273
Adjustments for:				
Interest and other financing charges	936	936	1,271	1,271
Depreciation and amortization	589	589	484	484
Provision for impairment losses on				
investments at amortized cost	55	55	56	56
Unrealized foreign exchange losses (gains)				
Interest income	(182)	(182)	(506)	(506)
Operating income before working capital changes	**4,291**	**4,291**	**4,578**	**4,578**
Decrease (increase) in:				
Receivables	(2,696)	(2,696.30)	(5,370)	(5,370)
Receivables from related parties	(437)	(437)	(103)	(103)
Real estate inventories	(1,095)	(1,095)	(488)	(488)
Other current assets	(952)	(952)	(1,499)	(1,499)
Increase (decrease) in:			-	
Accounts and other payables	1,060	1,060	1,394	1,394
Security deposits and advance rent	(255)	(255)	168	168
Contract Liabilities	30	30	238	238
Plan assets contribution paid	56	56	-	-
Net cash flows used in operations	**1**	**1**	**(1,082)**	**(1,082)**
Interest received	182	182	506	506
Income tax paid	592	592	(27)	(27)
Net cash flows provided in (used in) operating activities	**775**	**775**	**(603)**	**(603)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in project development costs	(129)	(129)	(252)	(252)
Disposal of short-term cash investments	17	17	26	26
Additions to land and improvements	-	-	(2,773)	(2,773)
Additions to Investment properties and Property and Equipment	(4,977)	(4,977)	(5,394)	(5,394)
Acquisition of Investment at fair value through OCI	(1)	(1)	3	3
Acquisition of Investments at amortized cost	358	358	(7,070)	(7,070)
Decrease (Increase) in other noncurrent assets	(33)	(33)	681	681
Increase in other noncurrent liabilities	741	741	839	839
Net cash flows used in investing activities	**(4,024)**	**(4,024)**	**(13,941)**	**(13,941)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from (Payments of):				
Notes payable - net	(193)	(193)	(37)	(37)
Bank loans - net	(128)	(128)	731	731
Loans payable- net	(478)	(478)	220	220
Payments of:				
Interest	(936)	(936)	(1,271)	(1,271)
Lease Liabilities	16	15.71	-	-
Dividend declared	(56)	(56)	-	-
Acquisition of treasury shares	-	-	(556)	(556)
Net cash flows provided by financing activities	**(1,775)**	**(1,775)**	**(913)**	**(913)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,023)	(5,023)	(15,457)	(15,457)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,945	13,945	20,022	20,022
CASH AND CASH EQUIVALENTS AT END OF YEAR	**8,922**	**8,922**	**4,565**	**4,565**

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Vista Land & Lifescapes, Inc. (the Parent Company) was incorporated in the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on February 28, 2007 with a corporate life of 50 years. The Parent Company's registered office address is at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City. The Parent Company is a publicly-listed investment holding company which is 65.00% owned by Fine Properties, Inc., (Ultimate Parent Company), 35.00% owned by PCD Nominee Corporations and the other entities and individuals.

The Parent Company is the holding company of the Vista Group (the Group) which is engaged in real estate industry. The Group has six (6) wholly-owned subsidiaries, namely: Brittany Corporation (Brittany), Crown Asia Properties, Inc. (CAPI), Vista Residences Inc. (VRI), Camella Homes, Inc. (CHI), Communities Philippines, Inc. (CPI) and VLL International Inc. (VII), and an 88.34% owned subsidiary, Vistamalls, Inc. (Formerly, Starmalls, Inc.). The Group is divided into horizontal, vertical and commercial and others segment. The Group caters on the development and sale of residential house and lot and residential condominium through its horizontal and vertical projects, respectively. Its commercial and others segment focuses on the development, leasing and management of shopping malls and commercial centers all over the Philippines and hotel operations.

2. Summary of Significant Accounting Policies

<u>Basis of Preparation</u>
The interim condensed consolidated financial statements as at March 31, 2020 and for the three-month periods ended March 31, 2020 and 2019 have been prepared on a historical cost basis, except for investments at fair value through other comprehensive income which have been measured at fair value.

The interim condensed consolidated financial statements are presented in Philippine Peso (₱) which is the functional and presentation currency of the Parent Company, and all amounts are rounded to the nearest Philippine Peso, unless otherwise indicated.

The interim condensed consolidated financial statements of the Group have been prepared for inclusion in the offering circular in relation to a planned capital raising activity.

<u>Statement of Compliance</u>
The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

<u>New Standards, Interpretations and Amendments adopted by the Group</u>
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of new standards effective as at January 1, 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective except for the amendment to PFRS 16, *Leases*.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*
  The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments*, *Interest Rate Benchmark Reform*
  The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no significant impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
  The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."
  The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the content of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

- Conceptual Framework for Financial Reporting issued on March 29, 2018

  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the International Accounting Standards Board in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

  The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

  These amendments had no impact on the unaudited interim condensed consolidated financial statements of the Group.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*
  The amendments provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
  - There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted. The amendments were early adopted by the Group beginning January 1, 2020 but has no impact to the interim condensed consolidated financial statements as of March 31, 2020.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Group. For the three-month period ended March 31, 2020, there was no change in the Parent Company's ownership interest in its subsidiaries.

3. Significant Judgements Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

There were no significant changes in the significant accounting judgments, estimates, and assumptions used by the Company for the three-month period ended March 31, 2020 except, as a consequence of COVID 19 pandemic, for the impairment testing of goodwill and expected credit losses determination for installment contracts receivable and accounts receivable from tenants as discussed in Notes 5 and 6, respectively.

4. Segment Information

For management purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has three reportable operating segments as follows:

Horizontal Projects

This segment pertains to the development and sale of residential house and lot across the Philippines.

Vertical Projects

This segment caters on the development and sale of residential condominium projects across the Philippines.

Commercial and others

This segment pertains to rental of malls and office spaces, hotel operations, and activities of holding companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss before income tax and earnings before income tax, depreciation and amortization (EBITDA). Segment operating income or loss before income tax is based on the same accounting policies as consolidated operating income or loss. No operating segments have been aggregated to form the above reportable operating business segments. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group's internal reports in order to assess performance of the Group.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statements of financial position which is in accordance with PFRS. The segment assets are presented separately from the receivables from related parties, investments at FVOCI, investments at amortized cost and deferred taxes. Segment liability are presented separately from the deferred tax liabilities.

The financial information about the operations of these business segments for the three months ended March 31, 2020 is summarized below (in Php Millions):

	Horizontal	Vertical	Commercial & Others	Intersegment Adjustments	Total
Real estate revenue	5,576	1,624	-	-	7,200
Rental income	-	-	2,237	(39)	2,198
Parking, hotel, tenant fees, and others	181	37	189	(57)	350
	5,757	1,661	2,426	(97)	9,748
Costs and operating expenses	(4,157)	(1,138)	(649)	97	(5,847)
Segment income before income tax	1,600	523	1,777	-	3,900
Interest income	176	6	335	-	517
Interest and other financing charges	(130)	(6)	(800)	-	(936)
Depreciation and amortization	(69)	(9)	(511)	-	(589)
Income before income tax	1,576	515	801	-	2,893
Provision for income tax	(113)	(34)	(307)	-	(454)
Net income	1,463	481	494	-	2,438
Segment assets	92,774	16,421	125,871	(146)	234,920
Receivable from related parties	333	-	5,260	-	5,593
Investment at FVOCI	-	-	117	-	117
Investment at amortized cost	-	-	33,379	-	33,379
Deferred tax assets - net	325	-	-	-	325
Total Assets	93,432	16,421	164,628	(146)	274,335
Segment liability	12,529	5,700	149,656	(146)	167,739
Deferred tax liabilities - net	847	117	3,243	-	4,207
Total Liability	13,376	5,817	152,899	(146)	171,946

Total
7,200
2,198
350
9,748
(5,847)
3,900
517
(936)
(589)
2,893
(454)
2,438
234,920
5,593
117
33,379
325
274,335
167,739
4,207
171,946

No operating segments have been aggregated to form the above reportable segments.

Capital expenditure consists of construction costs, land acquisition and land development costs.

The Group has no revenue from transactions with a single external customer amounting 10% or more of the Group's revenue. There is no cyclicality of operations in interim operations.

5. Revenue from Contracts with Customers

a. Disaggregated Revenue Information

The Group derives revenue from the transfer of services and goods over time and at a point in time, respectively, in different product types and other geographical location within the Philippines

The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

	March 31, 2020
Type of Product	
Real estate sales	
Horizontal	**₱5,431**
Vertical	**1,769**
	₱7,200
Hotel Operations	**30**
	₱7,230

All of the Group's real estate sales are revenue from contracts with customers that are recognized over time except for hotel operation's sale of food and beverages which is at point in time. There are no inter-segment eliminations among revenue from contracts with customers, as there are all sold to external customers as disclosed in the segment information.

Due to the impact of COVID 19 pandemic, buyer's appetite has softened and initially preferred to stay liquid amid the current recession, with layoffs, travel restrictions, repatriations, nationwide lockdowns beginning on the third week of March 2020, and uncertainty surrounding future recovery. The latter, coupled with the imposed quarantine which temporarily suspended construction activities and delivery of materials to sites, resulted to lower progress of work which impacted the real estate sales recognized for the first quarter of 2020.

Contract Balances

	March 31, 2020
Installment contracts receivable	**40,168**
Cost to obtain contract	**1,565**
Contract liabilities	**2,521**

Installment contracts receivable from real estate sales which are collectible in equal monthly principal installments with various terms up to a maximum of 15 years. These are recognized at amortized cost using the effective interest method. Interest ranges from 4.63% to 19.00% per annum in 2020. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred by Group based on percentage of completion. The movement in contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in percentage of completion.

b. Performance obligations

Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into reservation agreements with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit covers subdivision land, condominium units and residential house units and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the reservation agreement and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% - 20% of the contract price to be paid over a maximum of 24 months at a fixed payment for horizontal developments and 20% - 60% of the contract price to be paid over a maximum of 60 months at a fixed payment for vertical developments with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from 2 to 15 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an installment contracts receivable or contract liability.

After the delivery of the completed real estate unit, the Group provides one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

Rental agreements
The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space, (b) provisioning of water and electricity, and (c) connection to air conditioning system, (d) CUSA services, and (e) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 30 days upon receipt of the bill. In case of delay in payments, a penalty of 5% is charged for the amount due and shall be charged another 5% the following month of delay and every month thereafter inclusive of penalties previously charged. The lease arrangement would typically require a tenant to pay advance rental equivalent to three months and a security deposit equivalent to three months rental to cover any breakages after the rental period, with the excess returned to the tenant.

6. Treasury Shares and Goodwill

Treasury shares
The treasury shares of ₱5,378.29 million is attributable to the 752.21 million shares issued by VLLI to Manuela Corporation (Manuela) during the VLLI acquisition of Vistamalls Group (formerly, Starmalls Group) in 2015. Manuela still holds the VLLI shares as of March 31, 2020.

Goodwill
The Group performs its annual impairment testing of goodwill every December and when circumstances indicated that the carrying value may be impaired. The goodwill of the Group, amounting to ₱147.27 million is allocated to Malay Resorts Holdings Inc. (MRHI) which owns and operates Boracay Sands Hotel. The recoverable value of goodwill is based on its value-in-use calculations. The temporary closure of the hotel during the quarantine period as the well as the ongoing economic uncertainty due to the COVID-19 outbreak, led the actual financial performance of MRHI to fall below its cash flow forecast from the initial estimation of the Group. As a result, management performed an impairment test as at March 31, 2020 for its related goodwill.

The projected cash flows were updated to reflect the impact of the pandemic in 2020 with a projected improvement in 2021. Pre-tax discount rates of 10.68% was used and cash flows beyond the five-year period was assumed to have five percent growth rate. As a result of the updated analysis, management did not identify an impairment of goodwill as of March 31, 2020.

7. Cash and Cash equivalents

This account consists of (in Php Millions):

Cash on hand	17
Cash in banks	7,657
Cash equivalents	1,248
	8,922

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest as follows:

	Mar 31, 2020	Dec 31, 2019
Philippine Peso	**0.25% to 2.75%**	0.25% to 3.88%
US Dollar	**0.10% to 1.60%**	0.13% to 1.33%

None of the cash and cash equivalents are used to secure the obligations of the Group.

8. Investments

Short-term cash investments

Short-term cash investments consist of money market placements with maturities of more than three (3) months up to one (1) year and earn annual interest at the respective short-term investment rates, as follows:

(in Php Millions)	**Mar 31, 2020**	Dec 31, 2019
Philippine Peso	**1.00% to 2.75%**	3.00% to 3.25%
US Dollar	**-**	-

The following are the breakdown of investment in financial asset at amortized cost and FVOCI

	Mar 31, 2020
Investment at amortized cost	**₱33,379**
Investment at fair value through other comprehensive income	**117**

9. Receivables

This account consists of:

Installment contracts receivable	₱ 40,167
Accrued interest receivable	369
Accrued rent receivable	4,267
Accounts receivable	
Tenants	3,421
Buyers	237
Contractors	8,682
Brokers	228
Suppliers	1,478
Others	1,837
	60,686
Less: Allowance for impairment losses	156
Total Receivables	**60,530**
Less: Noncurrent portion at amortized cost	19,077
	₱ 41,453

Installment contracts receivable
Installment contracts receivable consist of accounts collectible in equal monthly installments with various terms up to a maximum of fifteen (15) years. These are carried at amortized cost. The corresponding titles to the subdivision or condominium units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. The installment contracts receivable are interest-bearing except for those with installment terms within two years. Annual interest rates on installment contracts receivables range from 12.00% to 19.00%.

Accounts Receivable
The accounts receivables are noninterest-bearing and collectible within one year.

This consists of the following:

Receivable from tenants
Receivables from tenants represent the outstanding receivables arising from the lease of commercial centers relating to the Group's mall and offices and are collectible within 30 days from billing date. These are covered by security deposit of tenants' equivalent to three-month rental and three-month advance rental paid by the lessees. This includes both the fixed and contingent portion of lease.

Receivable from buyers
Receivables from buyers mainly consist of receivables from buyers of real estate arising from penalties for late payments. These are non-interest bearing and are due and demandable.

Receivable from contractors
Receivable from contractors are advance payments in relation to the Group's construction activities and are recouped through reduction against progress billings as the construction progresses. Recoupment occur within one to five years from the date the advances were made.

Receivable from brokers
Receivable from brokers are cash advances for operating use. These are applied to subsequent commission payout to brokers.

Receivable from suppliers
Receivable from suppliers are advance payments for the purchase of construction materials. These will be applied to billings for deliveries made within one year from financial reporting date.

Others
Other receivables consist mainly of receivables from various individuals and private entities and other nontrade receivables. These are non-interest bearing and are due and demandable.

Expected Credit Loss Estimation

The Group assesses at each financial reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. The fact that title of the real estate properties are transferred only to the buyer upon full payment of the contract price is considered in the evaluation of impairment. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The latest key assumptions used to determine the recoverable amount were disclosed in the annual consolidated financial statements for the year ended December 31, 2019.

The Group has determined that the COVID-19 pandemic have adversely impacted the current operations of the Group and is expected to impact its future business activities. The collectability of the significant portion of its receivables from real estate sales is impacted by the continuing employment of its customers, both the overseas contract workers and locally employed customers, particularly working within the industry adversely affected by COVID-19.

Tenants which belong to small and medium enterprise and those operating under entertainment, non-essentials and food industries are adversely affected due to temporary closure of mall operations. This increase the risk of non-collection of the remaining receivables.

As the above are indicators of increase in credit risk, the Group revisited the expected credit loss exercise as at March 31, 2020 for its receivables and incorporated quantitative changes in probability of default, recoveries and qualitative factors.

For the installment contracts receivables and receivable from tenants, the Group put more weight on the pessimistic outcome in its calculation of probability of default. In addition, for the installment contracts receivable, the Group considered a 15% and 5% decline in the resale value of inventory recoveries including the longer period of resale in the determination of the loss given default.

As a result of the loss estimation, management did not identify an impairment for installment contracts receivable but recognized an additional impairment loss for receivable from tenants of ₱39.03 million for the three months period March 31, 2020.

10. Real Estate Inventories

This account consists of:

Subdivision land for sale and development	₱ 36,123
Condominium units for sale and development	5620
Residential house units for sale and development	753
	₱ 42,496

The real estate inventories are carried at cost. There is no allowance to recognize amounts of inventories that are lower than cost.

Subdivision land for sale and development represents real estate subdivision projects in which the Group has been granted license to sell by the Housing and Land Use Regulatory Board of the Philippines. It also includes raw land inventories that are under development and those that are about to undergo development.

Real estate inventories recognized as cost of sales are included as cost of real estate sales in the consolidated statements of comprehensive income. Cost of real estate sales includes acquisition cost of subdivision land, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real estate inventories to its intended condition.

Except as stated, there are no other real estate inventories used as collateral or pledged as security to secure the borrowings of the Group.

11. Other Current Assets

This account consists of:

Input VAT	₱ 3,438
Creditable withholding taxes	2,101
Prepaid expenses	756
Construction materials and others	2,406
Hotel Inventories and others	14
Restricted cash	282
	₱ 8,997

Input VAT is a tax imposed on purchases of goods, professional and consulting services and construction costs. These are available for offset against output VAT in future periods.

Creditable withholding taxes pertain to taxes withheld by the customer and are recoverable and can be applied against income tax in future periods.

Prepaid expenses mainly include prepayments for marketing fees, taxes and licenses, rentals and insurance.

Construction materials pertain to supplies, such as but not limited to steel bars, cement, plywood and hollow blocks, used in the construction and development. These are to be utilized within one year and included in the cost of real estate inventories upon utilization.

Cash restricted for use are deposits restricted solely for payment of the principal amortization and interest of certain bank loans.

12. Investment Properties

Investment properties consist mainly of land and land developments and commercial centers. These include properties, currently being leased out, for future leasing or currently held for capital appreciation. The commercial centers include retail malls, Vistamalls and Starmalls that are located in key cities and municipalities in the Philippines and office spaces.

As of March 31, 2020, the construction in progress represents capitalized costs arising from a construction of commercial centers that are located in Las Piñas, Cavite, Bulacan, Naga, Davao, Bacolod, Tacloban, Butuan, Cabanatuan, Isabela, Laguna, Cebu, Ilocos, Quezon and Zamboanga which are due to be completed in 2020 to 2021. The percentage of completion of various constructions in progress ranges from 1.81% to 99.69% in 2020.

As of December 31, 2019, the construction in progress represents capitalized costs arising from a construction of commercial centers that are located in Las Piñas, Cavite, Bulacan, Naga, Davao, Bacolod, Tacloban, Butuan, Cabanatuan, Isabela, Laguna, Cebu, Ilocos, Quezon and Zamboanga which are due to be completed in 2020 to 2021. The percentage of completion of various constructions in progress ranges from 1.81% to 99.69% in 2019.

For the three-month period ended March 31, 2020 and for the year ended December 31, 2019, unpaid additions to investment properties amounted to ₱1,162 million and ₱1,241 million, respectively.

Investment properties with cost of ₱6,348 million and ₱6,609 million are used to secure the bank loans of the Group as of March 31, 2020 and December 31, 2019, respectively. The fair value of the investment properties used as collateral amounted to ₱30,459 million and ₱25,088 million as of March 31, 2020 and December 31, 2019, respectively.

13. Project Development Costs

Project development costs mainly pertain to advances to a related party, covered by memorandum of agreement for the purchase of socialized housing units. The requirement for socialized housing units is required by the Housing and Land Use Regulatory Board (HLURB). These advances are recouped upon receipt of the socialized housing units from the related party.

The accounts also includes deposits, cash advances and other charges in connection with joint venture agreements and memorandum of agreements entered into by the Group with individuals, corporate entities and related parties for the development of real estate projects. These agreements provide, among others, the following: a) the Group will undertake the improvement and development of the real estate project within a certain period, subject to certain conditions to be fulfilled by the real estate property owner; and b) the parties shall divide among themselves all saleable inventory and commercial development of the real estate project in accordance with the ratio mutually agreed. The real estate projects are in various stages of development from planning to ongoing construction.

On December 23, 2019, the Group entered into a Memorandum of Agreement with Bria Homes, Inc. that stipulated the allocated socialized housing units to the Group from the latter's ongoing and new projects.

14. Other Noncurrent Assets

This account consists of:

Cash restricted for use	₱ 491
Deposits	719
Model house accessories at cost	180
Systems development costs - net of accumulated amortization	42
Other assets	41
	₱ 1,473

Noncurrent portion of deposits include deposits for real estate purchases and deposits to utility companies which will either be applied or recouped against future billings or refunded upon completion of the real estate projects. These deposits are necessary for the continuing construction and development of real estate projects of the Group.

Model house accessories pertain to the furniture and fixture and other interior decorations used and displayed in the model house inventory.

15. Accounts and Other Payables

This account consists of:

Current portion of liabilities of purchased land	₱ 2,783
Accounts Payable	
Contractors	759
Suppliers	1,463
Buyers	1,002
Incidental Costs	2,308
Accrued Expenses	2,038
Commission Payable	2,019
Retention Payable	916
Deferred output tax	558
Other payables	378
	₱ 14,224

Current portion of liabilities for purchased land
Liabilities for purchased land are payables to various real estate property sellers. Under the terms of the agreements executed by the Group covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to the Group only upon full payment of the real estate payables. Liabilities for purchased land that are payable beyond one year from year end date are reported as noncurrent liabilities.

Accounts payable - contractors
Accounts payable - contractors pertain to contractors' billings for construction services related to the development of various projects of the Group. These are expected to be settled within a year after the financial reporting date.

Accounts payable - suppliers
Accounts payable - suppliers represent construction materials, marketing collaterals, office supplies and property and equipment ordered and delivered but not yet due. These are expected to be settled within a year from recognition date.

Accounts payable - buyers
Accounts payable - buyers pertain to refunds arising from the cancellation of contract to sell agreement which is determined based on the required refund under the Maceda Law.

Accounts payable - incidental costs
Accounts payable - incidental costs pertain to liabilities incurred in relation to land acquisitions. This includes payable for titling costs, clearing, security and such other additional costs incurred.

Accrued expenses
Accrued expenses consist mainly of accruals for project cost which are incurred but not yet billed, interest on bonds and bank loans, light and power, marketing costs, professional fees, postal and

communication, supplies, repairs and maintenance, transportation and travel, security and insurance. These are noninterest- bearing.

Current portion of deferred output tax
Deferred output tax pertains to the VAT charged to the buyers on installment upon contracting of real estate sale but were not yet collected as of reporting date. Further, upon collection of the installment receivables, the equivalent output tax from collected installment receivables are included in the current VAT payable of the month when collection is made. Deferred output VAT pertaining to installment receivables that are beyond one year after report date are presented as noncurrent liabilities.

Commissions payable
Commissions payable pertain to fees due to brokers for services rendered which are expected to be settled within one year.

Current portion of retention payable
Retention payable pertains to 10.00% retention from the contractors' progress billings which will be released after the completion of contractors' project. The 10.00% retention serves as a holdout amount withheld from the contractor to cover for back charges that may arise from quality issues in affected projects. Retention payables that are payable beyond one year from year end date are presented as noncurrent liability.

Other payables
Other payables include dues from remittance to Social Security System, Philippine Health Insurance Corporation, Home Development Mutual Fund, withholding taxes, payables to JV partners and various payables. These are noninterest-bearing and are normally settled within one year.

16. Security Deposits and Advance Rent

Current portion of security deposits
Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. Security deposit also include bond deposits of homeowners for their house extension, fence construction and landscaping works which will be refunded after considering any charges. Current portion are those to be settled within one year from financial reporting date.

Current portion of advance rent
Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings. Current portion are those to be settled within one year from financial reporting date.

17. Bank Loans and Loans Payable

Bank Loans
Bank loans pertain to the borrowings of the Group from various local financial institutions. These bank loans are obtained to finance capital expenditures and for general corporate purposes.

Details follow:

	Bank Loans	Loans Payable
Parent company	₱ 42,404	₱ -
Subsidiaries	4,643	2,926
	47,047	2,926
Less current portion	6,099	2,686
	₱ 40,948	**₱240**

In March 2020, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱5,000.00 million which bears annual fixed interest of 4.89%, payable quarterly. The principal balance of the loan will be paid in 19 equal quarterly installments commencing December 2020.

The Parent Company is required to maintain at all times the following ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. The bank loan also includes a change of control provision wherein a material change of ownership of the major shareholder is not permitted during the term of the liability.

In October 2019, the Parent Company obtained an additional 5-year unsecured peso denominated loan amounting to ₱3,000.00 million which bears annual fixed interest of 5.26%, payable quarterly. The principal balance of the loan will be paid in 19 equal quarterly installments that commenced on November 2019.

On May 6, 2019, the Parent Company obtained a 5-year unsecured peso denominated loan from a local bank amounting to ₱2,000.00 million which bears annual fixed interest of 7.146%. The principal balance of the loan will be paid in twenty (20) equal quarterly installments. The loan requires the Company to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a debt-service coverage ratio of at least 1.00:1.00.

On various dates in 2019, the Parent Company obtained various peso-denominated bank loans amounting to ₱5,000.00 million from different local banks with fixed interest-rates ranging from 5.88% to 7.98% per annum. These bank loans are renewable upon maturity subject to change in interest rates and/or hold-out amount of the investments at amortized cost of VII. These loans are secured by hold-out of the investments at amortized cost of VII amounting to US$105.21 million.

On April 16, 2018, the Parent Company obtained a 7-year unsecured peso denominated loan from a local bank amounting ₱5,000.00 million which bears annual fixed interest rate of 6.9943%. The principal balance of the loan will be paid in twenty five (25) equal quarterly installments commencing on the fourth interest payment date. The loan requires the Company to comply with certain covenants such as change of control provision wherein a material change of ownership of the major shareholder is not permitted and to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a debt-service coverage ratio (DSCR) of at least 1.00:100. These were complied with by the Group as at March 31, 2020.

Loans Payable
Loans payable pertains to the remaining balance of “Installment contracts receivable” of subsidiaries that were sold on a with recourse basis. These loans bear annual fixed interest rates ranging from 6.50% to 8.00% as at March 31, 2020, respectively, payable on equal monthly installments over a maximum period of 3 to 15 years. Other than the installment contracts receivable that serve as collateral, the loans payable has no other restrictions, requirements or covenants.

18. Notes Payable

This account consists of:

Dollar denominated bonds	₱ 35,789
Retail bonds	25,431
Corporate note facility	31,777
	92,997
Less current portion	3,035
	₱ 89,962

Dollar Denominated Bonds

US$350.00 million Notes (Due November 2024)
On November 28, 2017, VII (the Issuer) issued US$350.00 million (₱17,724.00 million) notes ("Notes") with a term of seven years from initial draw down date. The interest rate is 5.75% per annum payable semi-annually in arrears on May 28 and November 28 of each year beginning on November 28, 2017. Said notes were used to fund tender offer for existing Notes due October 4, 2018 and April 29, 2019. Some of the proceeds was used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of March 31, 2020, outstanding balance of note amounted to US$343 million (₱17,383 million).

Redemption at the option of the issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after November 28, 2021 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price (expressed in percentages of principal amount on the date of redemption), plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on November 28 of the years set forth below:

Period	Price
2021	102.8750%
2022	101.4375%
2023 and thereafter	100.0000%

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants. The incurrence test for additional debt requires the Group to have a proforma (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x. These were complied with by the Group as at March 31, 2020.

US$425.00 million Notes (Due June 2022)
On June 18, 2015, VII (the Issuer) issued US$300.00 million (₱13,541.40 million) notes ("Notes") with a term of seven years from initial draw down date. The interest rate is 7.375% per annum payable semi-annually in arrears on June 18 and December 17 of each year beginning on December 17, 2015. Said notes were used to refinance notes issued notes issued October 2013 due 2018 and April 2014 due 2019. As of March 31, 2020 outstanding balance of note amounted to US$238 million (₱12,077 million). There are no properties owned by the Group that were pledged as collateral to this note.

On February 2, 2016, an additional unsecured note, with the same terms and conditions with the above notes, were issued by the Group amounting to USD$125.00 million (₱5,996.25). The notes were issued at 102% representing a yield to maturity of 6.979%. As of March 31, 2020 outstanding balance of note amounted to US$125 million (₱6,329 million). There are no properties owned by the Group that were pledged as collateral to this note.

Redemption at the option of the issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes, by giving notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the date of redemption, subject to the rights of the person in whose name the Note is registered on the relevant record date to receive interest due on the relevant interest payment date.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants. The incurrence test for additional debt requires the Group to have a proforma FCCR of not less than 2.5x. These were complied with by the Group as at March 31, 2020.

On September 29, 2016, VII repurchased US$54.54 million out of the US$425.00 million notes outstanding balance prior to the repurchase date.

On January 10, 2018, the Issuer announce a solicitation of consent to holders of the Notes to approve proposed amendments to certain terms and conditions of the Notes with the intention of aligning those terms and conditions of the Notes issued in November 28, 2017. Amendment include among others the proforma FCCR to be not less than 2.25x from the previous requirement of not less than 2.5x. In a meeting of Noteholders on February 1, 2018, Noteholders holding 90.12% of the aggregate amount of principal amount of the Notes outstanding voted in favor and approved the amendments of the terms of the Notes. The consent solicitation cost amounted to US$1.95 million.

<u>Peso Retail Bonds</u>

<u>2019 Fixed-rate Peso Retail Bonds</u>
On December 18, 2019, the Parent Company (the Issuer) issued an unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and condominium projects, redevelopment of existing malls, as well as general corporate purposes. The issue costs amounted ₱ 91.07 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on June 18, 2025 with interest rate of 5.70% per annum. This is the third and last tranche offered out of the shelf registration of Peso Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million and initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱30,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 18, 2020, for the first interest payment date and on June 18, September 18, December 18 each year for each subsequent payment date.

As of March 31, 2020, outstanding balance of the Retail Bonds amounted to ₱9,914 million.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

i. Three (3) years from issue date at early redemption price of 101.00%

ii. Four (4) years from issue date at early redemption price of 100.50%

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at March 31, 2020.

<u>2018 Fixed-rate Peso Retail Bonds</u>
On December 21, 2018, the Group issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance was used to fund the construction and completion of the various malls and for general corporate purposes. There are no securities pledged as collateral for these bonds. The issue costs amounted to ₱130 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year fixed rate bonds due on December 21, 2023 and 7-year fixed rate bonds due on December 21, 2025 with interest rates of 8.00% and 8.25% per annum, respectively. This is the second tranche offered out of the shelf registration of fixed rate bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 21, 2019 for the first interest payment date and on March 21, June 21, September 21 and December 21 each year for each subsequent payment date.

As of March 31, 2020, outstanding balance of the bonds amounted to ₱9,893 million.

Redemption at the option of the issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

Five Year Bonds:
i. Three (3) years from issue date at early redemption price of 101.00%
ii. Four (4) years from issue date at early redemption price of 100.50%
Seven Year Bonds:
i. Five (5) years from issue date at early redemption price of 101.00%
ii. Six (6) years from issue date at early redemption price of 100.50%

Covenants
The Retail Bonds provide for the Group to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Group to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at March 31, 2020.

<u>2017 Fixed-rate Peso Retail Bonds</u>
On August 8, 2017, the Group issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱5,000.00 million. The proceeds of the issuance was used to partially finance certain commercial development projects of the Group and for general corporate purposes. There are no securities pledged as collateral for these bonds. The issue costs amounted to ₱64.87 million.

The offer is comprised of 7-year fixed rate bonds due on August 8, 2024 and 10-year fixed rate bonds due on August 9, 2027 with interest rates of 5.75% and 6.23% per annum, respectively. This is the initial tranche offered out of the shelf registration of fixed rate bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on November 8, 2017 for the first interest payment date and on February 8, May 8, August 8 and November 8 each year for each subsequent payment date.

As of March 31, 2020, outstanding balance of the bonds amounted to ₱4,953 million.

Redemption at the option of the issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

Seven Year Bonds:
- i. Five (5) years and six (6) months from issue date at early redemption price of 101.00%
- ii. Six (6) years from issue date at early redemption price of 100.50%

Ten Year Bonds:
- i. Seven (7) years from issue date at early redemption price of 102.00%
- ii. Eight (8) years from issue date at early redemption price of 101.00%
- iii. Nine (9) years from issue date at early redemption price of 100.50%

Covenants
The Retail Bonds provide for the Group to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Group to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at March 31, 2020.

<u>2014 Fixed-rate Peso Retail Bonds</u>
On May 9, 2014, the Parent Company issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱5,000.00 million. The proceeds of the issuance was used to partially finance certain commercial development projects of CPI and its subsidiaries. The issue costs amounted to ₱ 114.15 million.

The offer is comprised of 5-year fixed rate bonds due on November 9, 2019 and 7-year fixed rate bonds due on May 9, 2021 with interest rate of 5.65% and 5.94% per annum, respectively. Interest on the Retail Bonds is payable quarterly in arrears starting on August 9, 2014 for the first interest payment date and on February 9, May 9, August 9 and November 9 each year for each subsequent interest payment date.

The Retail Bonds shall be repaid at maturity at par plus any outstanding interest, unless the Parent Company exercises its early redemption option.

As of March 31, 2020 outstanding balance of the bonds amounted to ₱671 million.

Redemption at the option of the issuer
The Group may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Group shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date;

and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

Five Year Bonds:

i. Three (3) years and six (6) months from issue date at early redemption price of 101.00%
ii. Four (4) years from issue date at early redemption price of 100.50%

Seven Year Bonds:

i. Five (5) years and six (6) months from issue date at early redemption price of 101.00%
ii. Six (6) years from issue date at early redemption price of 100.50%

Covenants
The Retail Bonds provide for the Group to comply with certain covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds require the Group to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 1.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as of March 31, 2020.

<u>Corporate Note Facility</u>

a. <u>₱15,000.00 million Corporate Notes (Due July 2024)</u>

On July 15, 2019, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long term corporate notes consisting of Five-Year Corporate Notes due 2024 amounting to ₱14,500.00 million at a fixed rate of 7.125% per annum.

The proceeds of the corporate notes were utilized for the 2019 capital expenditures for commercial property projects, and to fund other general corporate expenses.

As of March 31, 2020, the outstanding balance of the corporate note is ₱14,874 million.

The corporate notes provide early redemption at the option of the Issuer as follows:

Five Year Notes:

Early Redemption Date	Early Redemption Amount
3th anniversary from issue date and interest payment thereafter	101.00%
4th anniversary from issue date and interest payment thereafter	100.50%

As part of the issuance of the corporate notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc.

Covenants
The Corporate Notes Facility requires the Parent Company to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law. The Parent Company is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at March 31, 2020.

b. ₱8,200.00 million Corporate Notes (Due July 2025 and 2018)

On July 11, 2018, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long term corporate notes consisting of Seven-Year Corporate Notes due 2025 amounting to ₱1,700.00 million at a fixed rate of 7.4913% per annum and Ten-Year Corporate Notes due 2028 amounting to ₱6,000.00 million at a fixed rate of 7.7083% per annum.

On July 25, 2018, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2025, at a fixed interest of 7.4985% per annum.

The proceeds of the corporate notes were utilized for the 2018 capital expenditures for commercial property projects, and to fund other general corporate expenses.

As of March 31, 2020, the outstanding balance of the corporate note is ₱7,610 million.

The corporate notes provide early redemption at the option of the Issuer as follows:

a. Seven Year Notes:

Early Redemption Date	Early Redemption Amount
5th anniversary from issue date and interest payment thereafter	101.00%
6th anniversary from issue date and interest payment thereafter	100.50%

b. Ten Year Notes:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

As part of the issuance of the corporate notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc. Communities Philippines, Inc. Starmalls, Inc. and Vista Residences, Inc.

Covenants
The Corporate Notes Facility requires the Parent Company to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law. The Parent Company is also required to maintain at all times the following financial ratios: Current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at March 31, 2020.

c. ₱10,000.00 million Corporate Notes

On December 28, 2016, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement with China Bank Capital Corporation for the issuance of a long term corporate notes with a principal amount of up to ₱8,000.0 million. On April 21, 2017, a consent solicitation was made for amendments to include among others, increasing the corporate notes principal amount to up to ₱ 10,000.00 million and the appointment of RCBC Capital Corporation as Co-Lead Arranger together with the China Bank Capital Corporation in respect to the second draw down. Such amendments were consented by Note Holders representing at least fifty one percent (51%) of the outstanding corporate notes. On April 27, 2017, the Group made such amendments to the Corporate Note Facility dated December 28, 2016. The first drawdown was at ₱5,150.00 million in 2016. On May 3, 2017, the Issuer made its second drawdown at ₱4,850.00 million.

The proceeds for the first and second drawdown will be utilized for the 2017 capital expenditures, refinancing of existing indebtedness and to fund other general corporate expenses. The interests at the first drawdown at 6.1879% per annum and 6.2255% per annum for the second drawdown are payable quarterly in arrears while the principal amounts are payable in 2.00% annual amortizations on each principal repayment date with 82.00% to be repaid on maturity date. In case of default on the notes, interest and any amount payable due to the lender, the borrower will pay a default interest. The issue cost amounted to ₱38.72 million.

The corporate notes provide early redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

As part of the issuance of the corporate notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc. Communities Philippines, Inc. Starmalls, Inc. and Vista Residences, Inc.

Covenants
The Corporate Notes Facility requires the Parent Company to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law. The Parent Company is also required to maintain at all times the following financial ratios: Current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. No dividends may be declared or paid if the Parent Company is in default and it will not provide any loans or advances to third parties nor issue guarantees other than the benefit of any of its subsidiaries and in the ordinary course of business. These were complied with by the Parent Company as at March 31, 2020.

19. Other Noncurrent Liabilities

This account consists of:

Liabilities for purchased land – net of current portion	₱ 1,787
Retention payable - net of current portion	1,068
Deferred output tax - net of current portion	1,112
Security deposits - net of current portion	435
Advance rent - net of current portion	452
Payable to contractors - net of current portion	321
	₱ 5,175

20. **Equity**

Capital Stock

The details of the Parent Company's capital stock follow:

	March 31, 2020	Dec 31, 2019
Common		
Authorized shares	17,900,000,000	17,900,000,000
Par value per share	₱1.00	₱1.00
Issued shares	13,114,136,376	13,114,136,376
Treasury shares	(₱7,740,264,387)	(₱7,740,264,387)
Value of shares issued	₱13,114,136,376	₱13,114,136,376
Preferred Series 1		
Authorized shares	10,000,000,000	8,000,000,000
Par value per share	₱0.01	₱0.01
Issued shares	3,300,000,000	3,300,000,000
Value of shares issued	₱33,000,000	₱33,000,000
Preferred Series 2		
Authorized shares	200,000,000	200,000,000
Par value per share	₱0.10	₱0.10
Issued shares	-	-
Value of shares issued	₱-	₱-

Common shares

In February 2016, the Parent Company issued 459.24 million new common shares out of the unissued portion of its authorized capital stock at issue price of ₱7.15 per share or ₱3,283.60 million, out of which additional paid-in capital amounted to ₱2,824.35 million (Note 7).

In November 2015, the Securities and Exchange Commission approved the increase in the authorized capital stock of the Company from ₱12,000,000,000 divided into: (i) 11,900,000,000 common shares with par value of ₱1.00 per share, or an aggregate par value of ₱11,900,000,000; and (ii) 10,000,000,000 preferred shares with par value of ₱0.01 per share, or an aggregate par value of ₱100,000,000, to ₱18,000,000,000 divided into: (i) 17,900,000,000 common shares with par value of ₱1.00 per share, or an aggregate par value of ₱17,900,000,000; and (ii) 10,000,000,000 preferred shares with par value of ₱0.01 per share, or an aggregate par value of ₱100,000,000.

As of December 31, 2016, the Company issued 4,116,151,139 common shares out of the increase in the authorized capital stock. The issuance of the common shares pertains to the Company's acquisition of Starmalls Group.

The common shares issued at ₱1.00 par value per share totaled ₱13,114,136,376 as of March 31, 2020.

Preferred shares

On June 17, 2019, the Stockholders approved the reclassification of the unissued preferred capital stock of the Parent Company to create Two Hundred Million (200,000,000) non-voting, cumulative, non-participating, non-convertible and redeemable Series 2 preferred shares with par value of ₱0.10 each and the corresponding amendment of the Articles of Incorporation of the Parent Company. The Board likewise approved the shelf registration and listing of such Series 2 preferred shares.

The terms and conditions of any offering of the Series 2 preferred shares, including the dividend rate, redemption prices, and similar matters will be determined by the Board of Directors at a later date. None of these reclassified preferred shares are issued as of March 31, 2020.

On March 21, 2013, the Parent Company issued in favor of Fine Properties, Inc. ("Fine Properties"), 3,300.00 million new preferred shares out of the unissued portion of its authorized capital stock at par or an aggregate issue price of ₱33.00 million. The subscription price was fully paid on the same date.

The preferred shares are voting, non-cumulative, non-participating, non-convertible and non-redeemable. The BOD may determine the dividend rate which shall in no case be more than 10% per annum.

Registration Track Record

On July 26, 2007, the Parent Company launched its follow-on offer where a total of 8,538,740,614 common shares were offered at an offering price of ₱6.85 per share. The registration statement was approved on June 25, 2007. After the listing in 2007, there have been subsequent issuances on November 10, 2015 and December 22, 2015 covering a total of 4,116,151,139 shares. The Parent Company has 946 existing certified shareholders as of periods March 31, 2020 and December 31, 2019.

Treasury Shares

Treasury shares (416,128,700) as of March 31, 2020 of the Parent Company amounting to P2,362 million represents the shares of stock held by the Parent Company, while treasury shares (752,208,215) amounting to P5,378 million represents Parent Company stocks held by Manuela. These treasury shares are recorded at cost.

On November 5, 2018, the BOD of the Parent Company approved the extension of the Share Buyback Program up to November 5, 2020 subject to the prevailing market price at the time of the buyback over a 24-month period but subject to periodic review by the management.

On March 17, 2015, the BOD of the Parent Company approved the buyback of its common shares up to the extent of the total purchase price of ₱1.5 billion subject to the prevailing market price at the time of the buyback over a 24-month period but subject to periodic review by the management.

On June 15, 2011, the BOD of the Parent Company approved the buyback of its common shares up to the extent of the total purchase price of ₱1.5 billion subject to the prevailing market price at the time of the buyback over a 24-month period but subject to periodic review by the management. The treasury stocks acquired represent 133,910,000 common shares that amounted to ₱509.61 million.

On January 3, 2013, the Parent Company sold, as authorized by the BOD, all of its existing 133,910,000 treasury shares at ₱4.75 per share or ₱636.07 million. The cost of the treasury shares and the related additional paid-in capital recognized in 2013 amounted to ₱509.61 million and ₱126.47 million, respectively.

Retained Earnings

On September 28, 2018, the BOD of the Parent Company approved the change of dividend policy from an annual cash dividend payment ratio of approximately 20% of its consolidated net income from preceding fiscal year to a minimum of 20% of its consolidated net income from preceding fiscal year.

On September 28, 2018, the BOD of the Parent Company approved the declaration of a regular cash dividend amounting to ₱2,719.23 million or ₱0.2252 per share, in favor of all stockholders of record as of October 15, 2018, with payment date on October 29, 2018.

On September 30, 2019, the BOD of the Parent Company approved the declaration of a regular cash dividend amounting ₱3,160.86 million or ₱0.2646 per share, in favor of all stockholders of record as at October 16, 2019, which was paid on October 31, 2019.

Non-controlling interest
In 2016, the Vista Group acquired additional 750,265,955 shares of Vistamalls (formerly Starmalls, Inc.) for a total consideration of ₱3,383.70 million. The transaction was accounted for as an equity transaction since there was no change in control. The movements within equity are accounted as follows:

FV of consideration paid	₱3,383,699,457
BV of shares	1,500,705,403
Difference charged to equity	1,882,994,054
Attributable to OCI	119,711,596
Equity reserves recognized in additional paid in capital	₱1,763,282,458

Capital Management
The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of March 31, 2020 and December 31, 2019, the Group had the following ratios:

	Mar 31, 2020	Dec 31, 2019
Current ratio	383%	395%
Debt-to-equity ratio	137%	140%
Net debt-to-equity ratio	95%	92%
Asset-to-equity ratio	270%	273%

As of March 31, 2020 and December 31, 2019, the Group had complied with all externally imposed capital requirements (Notes 18 and 19). No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2020 and December 31, 2019.

The Group considers as capital the equity attributable to equity holders of the Group.

Financial Risk Assessment
The Group's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Exposure to changes in interest rates is reduced by regularly availing of short-term loans as it relates to its sold installment contracts receivables in order to cushion the impact of potential increase in loan interest rates.

Exposure to foreign currency holdings are as follows:

	Mar 31, 2020	Dec 31, 2019
Cash and cash equivalents	US$23	US$11
Investments at amortized cost	659	667
Notes payable-net	(706)	(705)

Liquidity risk is addressed with long-term funding already locked in, while funds are placed on a short-term placement.

21. Parking, Hotel, Mall Administrative and Processing Fees, and Other Revenue, Interest and Other Financing Charges

This account consists of:

Mall administrative and processing fee	₱ 158
Parking	2
Hotel	30
Others	160
	₱ 350

22. Cost and Expenses

Cost of real estate sales
Cost includes acquisition cost of subdivision land, construction and development cost and capitalized borrowing costs. Cost of real estate sales recognized for the period ended March 31, 2020 and 2019 amounted to ₱3,743 million and ₱3,839 million, respectively.

Operating expenses
Operating expenses represent the cost of administering the business of the Group. These are recognized when the related services and costs have been incurred.

Miscellaneous expenses
Miscellaneous expenses include dues and subscriptions, donations and other expenditures.

23. Retirement Plan

The Group has noncontributory defined benefit pension plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and related compensation on the last year of employment. The retirement is the only long-term employee benefit.

The principal actuarial assumptions used to determine the pension benefits with respect to the discount rate, salary increases and return on plan assets were based on historical and projected normal rates.

The Group immediately recognized to OCI any actuarial gains and losses.

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles with mandate of managemnet. Union Bank's (UB) current strategic investment strategy consists of 9.36% of cash, 4.09% of investments in government securities, 85.73% of investment in private companies and 0.81% receivables. For the Group other than UB, the principal technique of the Group's ALM is to ensure the expected return on assets to be sufficient to support the desired level of funding arising from the defined benefit plans

24. Income Tax

Provision for income tax consists of:

Current:	
RCIT/MCIT	₱82
Final	3
Deferred	369
	₱ 454

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

Board of Investments (BOI) Incentives

The BOI issued in favor of certain subsidiaries in the Group a Certificate of Registration as Developer of Mass Housing Projects for its 14 projects in 2019, 14 projects in 2018 and 43 projects in 2017, in accordance with the Omnibus Investment Code of 1987. Pursuant thereto, the projects have been granted an Income Tax Holiday for a period of either three years for new projects, or four years for expansion projects, commencing from the date of issuance of the Certificate of Registration.

25. Lease liabilities

The Group has lease contracts for parcels of land where its commercial centers are situated with the lease term of 20 - 35 years and for various office spaces with lease terms of two (2) to three (3) years. Rental due is based on prevailing market conditions.

The rollforward of this account is as follows:

	March 31, 2020
Balance at the beginning of the period	₱3,114
Additions	-
Interest	76
Payment	(60)
Balance at the end of the period	3,130
Less current portion	31
Noncurrent portion	**₱ 3,099**

The carrying value of right-of-use assets amounted to ₱2,542 million as of March 31, 2020.

Shown below is the maturity analysis of the future undiscounted lease payments:

	March 31, 2020
Within one year	₱246
More than 1 year to 2 years	282
More than 2 years to 3 years	330
More than 3 years to 4 years	345
More than 4 years to 5 years	356
More than 5 years	5,315
	₱ 6,874

26. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence. Entities under common control are those entities outside the Group but are related parties of Fine Properties, Inc. Related parties may be individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirement under Revised SRC Rule 68 and SEC Memorandum Circular 10, series 2019.

The Parent Company has an approval requirement such that material related party transaction (RPT) shall be reviewed by the Risk Management Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to 10% or higher of the Group's total consolidated assets based on its latest audited financial statements. The Group in their regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The Group in their regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

27. Fair Value Determination

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Other valuation techniques involving inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents short-term cash investments, accrued interest receivable, receivables from tenants, buyers and others, receivables from related parties and accounts and other payables except for deferred output VAT and other statutory payables: Due to the short-term nature of the accounts, the fair value approximate the carrying amounts in the consolidated statements of financial position.

Investments at FVOCI: Fair values of equity securities are based on quoted market prices.

Investments at amortized cost: The fair value of these listed bonds is determined by reference to quoted market bid prices, at the close of business on the reporting date.

Installment contracts receivable: The fair value of installment contracts receivable due within one year approximates its carrying amount. Noncurrent portion of installment contracts receivable are discounted using the applicable discount rates for similar types of instruments. The discount rates used range from 5.03% to 19.00% and 4.63% to 19.00% as of March 31, 2020 and December 31, 2019, respectively.

Bank loans, loans payable, notes payable and retention payable:
Estimated fair values are based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest rates used in discounting cash flows ranged from 4.25% to 10.28% in 2020 and 4.28% to 10.75% in 2019 using the remaining terms to maturity.

28. Financial Asset and Liabilities

Financial Risk Management Objectives and Policies

Financial risk
The Group's principal financial liabilities comprise of bank loans, loans payable, notes payable, accounts and other payables (except for deferred output VAT and other statutory payables) and liabilities for purchased land. The main purpose of the Group's financial liabilities is to raise financing for the Group's operations. The Group has various financial assets such as installment contracts receivables, cash and cash equivalents and short-term, long-term cash investments, investments at fair value through other comprehensive income and investments at amortized cost which arise directly from its operations. The main risks arising from the use of financial instruments are interest rate risk, foreign currency risk, credit risk, equity price risk and liquidity risk.

The BOD reviews and approves with policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Group's risk management policies are summarized below. The exposure to risk and how they arise, as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior years.

Cash flow interest rate risk
The Group's exposure to market risk for changes in interest rates, relates primarily to its financial assets and liabilities that are interest-bearing.

The Group's policy is to manage its interest cost by entering into fixed rate debts. The Group also regularly enters into short-term loans with its installment contracts receivables as collateral to cushion the impact of potential increase in loan interest rates.

The table below shows the financial assets and liabilities that are interest-bearing:

	March 31, 2020		December 31, 2019	
	Effective Interest Rate	**Amount**	Effective Interest Rate	Amount
Financial assets				
Fixed rate				
Cash and cash equivalents (excluding cash on hand)	**0.10% to 2.75%**	₱ 8,905	0.25% to 3.88%	₱ 13,928
Short-term cash investments	**3.00%**	194	3.00% to 3.25%	211
Investment at amortized cost	**2.23% to 10.18%**	33,379	2.23% to 10.18%	33,792
Installment contracts receivable	**5.93% to19.00%**	40,167	4.63% to 19.00%	38,835
		₱ 82,645		**₱** 86,766
Financial liabilities				
Fixed rate				
Notes payable	**5.89% to 8.86%**	₱ 92,997	5.89% to8.86%	₱ 93,190
Bank loans	**4.28% to 10.75%**	47,048	4.28% to 10.75%	47,175
Loans payable	**5.08% to 6.24%**	2,926	5.08% to 6.24%	3,405
Lease liabilities	**7.51% to 10.66%**	3,130	7.51% to 10.66%	3,114
		₱ 146,101		**₱** 146,884

As of March 31, 2020 and December 31, 2019, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk
The Group's foreign exchange risk is limited to certain USD denominated cash and cash equivalents, resulting primarily from movements of the Philippine Peso against the United States Dollar (USD). Below is the carrying amount of USD-denominated cash and cash and sensitivity analysis on exchange rate for effect on income before income tax.

Below are the carrying values and the amounts in US$ of these foreign currency denominated financial assets and liabilities.

	March 31, 2020		December 31, 2019	
	Peso	**US$**	Peso	US$
Cash and cash equivalents	₱1,166	US$ 23	₱ 557	US$ 11
Investment at amortized cost	33,347	658	33,777	667
Notes payable	(35,780)	(706)	(35,701)	(705)

In translating the foreign currency- denominated monetary assets in peso amounts, the Philippine Peso - US dollar exchange rates as of March 31, 2020 and December 31, 2019 used were ₱50.68 to US$1.00 and ₱50.64 to US$1.00, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) as of March 31, 2020:

	March 31, 2020 (Unaudited)	
	Increase/Decrease in US Dollar rate	Effect on income before tax
Cash and cash equivalents	+1	₱23
	-1	(23)
Investments at amortized cost	+1	658
	-1	(658)
Notes payable	-1	(706)
	+1	706

The assumed movement in basis points for foreign exchange sensitivity analysis is based on the currently observable market environment, showing no material movements as in prior years.

There are no items affecting equity except for those having impact on profit or loss.

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 is exposed to credit risk from its operating activities (primarily installment contracts receivables and receivables from tenants) and from its investing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Receivables and contract assets are regularly monitored.

For installment contracts receivable, exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed.

The Group evaluates the concentration of risk with respect to non-related party trade receivables as low, as its customers are located in several jurisdictions and various income brackets, and operate in largely independent markets.

Credit risk arising from receivable from tenants - third parties is primarily managed through a screening of tenants based on credit history and financial information submitted. Tenants are required to pay security deposits equivalent to 3-months lease payment to cover any defaulting amounts and advance rentals also equivalent to 3-month rent.

Credit risk arising from receivable from tenants - related parties, aside from the same terms of security deposit and advance rental, is minimal due to the guarantee provided by Fine Properties, Inc., ultimate parent company.

Credit risk arising from receivables from related parties is minimal as they have a low risk of default and have a strong capacity to meet their contractual cash flows in the near term.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk as of March 31, 2020 and December 31, 2019 is equal to the carrying values of its financial assets.

Applying the expected credit risk model did not result in the recognition of an impairment loss for all financial assets at amortized cost in 2020.

Liquidity Risk

The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.

The extent and nature of exposures to liquidity risk and how they arise as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk are the same for 2020 and 2019.

29. Commitments and Contingencies

The Group has entered into several contracts with contractors for the development of its real estate properties. These contracts are due to be completed on various dates up to December 2020.

The progress billings are settled within one year from date of billings. These are unsecured obligations and carried at cost.

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by the courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect in the Group's financial position and results of operations.

30. Impact of COVID-19 Pandemic and Events After Reporting Period

On March 16, 2020, Presidential Proclamation No. 929 was issued declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon. ECQ was likewise imposed in provinces outside the island of Luzon as imposed by their respective local government units. When the quarantine was imposed, our offices and showrooms were closed so work-from-home arrangements for employees were adopted. Since physical gatherings were no longer possible, marketing efforts shifted to digital platforms to resume promotional campaigns.

Construction activities for houses, condominium buildings and new commercial spaces were also suspended during the quarantine period. However, delays in completion will be tempered by the shorter duration of construction period for houses (average of 4 months). Our strong presence outside Metro Manila is a factor that lessens the impact of the lockdown, as most areas especially in the provinces have already transitioned to Modified General Community Quarantine (MGCQ)and we can ramp up construction in those areas.

The Group is continuously evaluating potential impact of the pandemic to the company's financial assets including our assumptions in the calculation of the Expected Credit Loss and impairment testing for goodwill and other non-financial assets.

To date, the Company has not made any modification in its existing debt and have not availed of any extension in debt servicing.

The Group is closely monitoring the situation and the changes in our target market's behaviour as a result of the "new normal". Management will revisit the the planned capital expenditures, project launches and our leasing expansion program for the year.

Residential Property

As discussed above, the pandemic situation has tempered home buyer's appetite. As a result, housing reservation sales dipped by around 22% in 1st quarter of 2020 compared to the same period in the prior year which will impact sales to be booked subsequent to 1st quarter of 2020.

We expect to see improvement as restrictions are gradually lifted, with most cities and provinces already in MGCQ. Additionally, majority of our buyers are end users, families who buy homes for their own use; compared to investors, end users value the house more, so their demand is more stable and their ability to meet payments more resilient. The diversity of our product portfolio, which caters to a wide range of income segments, likewise helps ensures sales in any economic condition.

Overseas Filipino Workers (OFW) historically account for approximately 50-60% of our residential sales. Slower global economic growth and the decrease in the number of Filipinos deployed overseas for seafarers during the period has led to lower OFW remittances in March, with a view of a projected decline in total remittance up to 5% for the full year. Nonetheless, we expect remittances to continue given strong demand for Filipino nurses and frontline healthcare workers abroad as well as ongoing investments in the Philippines, including housing and education. We plan to just shift our marketing initiatives for OFWs towards those with jobs that are in demand at this time. There are 10 million OFWs, and even if a number will be repatriated, we are still behind in addressing the demand for this market.

Commercial Property

As of March 31, 2020 we have a total of 1,497, 229 square meters of Gross Floor Area of Investment properties which consists of 31 malls, 7 office buildings and 62 commercial centers. Most of our malls were closed with the implementation of ECQ. Only tenants providing essential services and basic necessities, including restaurants with food delivery capability, remained open. In areas that have already moderated the extent of their quarantine, malls reopened non-leisure shops at 50% capacity, in addition to essential stores. Most of our office buildings on the other hand remained operational during the period.

Our malls are typically around 30,000 square meters in GFA and a significant portion is occupied by essential retail formats, such as AllDay, , drug stores, and food establishments. We do not have a significant space for department stores, which will be a drag for most of the other malls.

We expect to see a decline in our rental revenues in the 2nd quarter compared to our 1st quarter for the year as our malls were closed except for the essential stores, from March 17, 2020 to May 15, 2020 and we only started to open malls in some areas around May 16, 2020. Another factor that may impact our rental revenue is the cancellation of certain contract of our tenant affected by the current pandemic. . We are also currently working with our tenants on the rental concessions to be provided to them. Generally, we are not giving a uniform rental concession to all our tenants. We extend concessions depending on the tenant's profile and credit.

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for the period ended March 31, 2020 and 2019.

		Mar-31-20	Dec-31-19
Current Ratio	Current assets / Current liabilities	3.24	3.96
Long-term debt-to-equity ratio	Long-term debt[1] / Equity	1.24	1.32
Debt ratio	Interest bearing debt[2] / Total assets	0.49	0.52
Debt to equity ratio	Interest bearing debt / Total equity	1.35	1.40
Net debt to equity	Net debt[3] / Total equity	0.88	0.92
Asset to equity ratio	Total assets / Total equity	2.75	2.73

		Mar-31-20	Mar-31-19
EBITDA to total interest	EBITDA / Total interest	1.99	2.71
Price Earnings Ratio	Market Capitalization[4] / Net Income[5]	5.31	9.45
Asset to liability ratio	Total assets / Total liabilities	1.59	1.58
Net profit margin	Net profit / Sales	34%	32%
Return on assets	Net income[5] / Total assets	3.5%	3.8%
Return on equity	Net income[5] / Total equity	9.5%	10.5%
Interest Service Coverage Ratio	EBITDA / Total interest	1.99	2.71

[1] Pertains to long term portion of the Bank loans and Notes Payable

[2] Includes Bank Loans and Notes Payable

[3] Interest bearing debt less Cash, Short-term and Long Term Cash Investments, Available-for-sale financial assets (excluding unquoted equity securities) & Held-to-Maturity Investments

[4] Based on closing price at March 31, 2020 and 2019

[5] Annualized

P5B RETAIL BONDS (2014)
Schedule and Use of Proceeds
As of March 31, 2020

	PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of the Bonds	5,000,000,000.00	5,000,000,000.00
Less: Estimated expenses		
Arranger's Fee	53,763,441.00	53,763,441.00
Documentary Stamp Tax	25,000,000.00	25,000,000.00
SEC Registration Fee	1,812,500.00	1,830,625.00
SEC Legal Research Fee	18,125.00	18,125.00
Publication Fee	150,000.00	150,000.00
Rating Agency Fee	3,360,000.00	3,000,000.00
Legal Fees (excluding OPE)	3,000,000.00	3,075,867.29
Trustee's Opening Fee	20,000.00	20,000.00
Listing Fee	150,000.00	150,000.00
Marketing and Signing Ceremony Expenses	800,000.00	1,255,214.84
Bond-related Expenses	-	261,670.76
Audit Fee	-	-
	88,074,066.00	88,524,943.89
Net proceeds to Vista Land & Lifescapes, Inc.	**4,911,925,934.00**	**4,911,475,056.11**
Payment of Principal due 2019 with bond issue cost		**(4,323,969,261.64)**
Amortization of Bond Issue Cost		**83,315,485.12**
Balance as of March 31, 2020		**670,821,279.59**

Vista Land sold P5 billion of the Bonds. After issue-related expenses, actual net collection amounted to P4.911 billion.

P5B RETAIL BONDS (2017)
Schedule and Use of Proceeds
As of March 31, 2020

	PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of the Bonds	5,000,000,000.00	5,000,000,000.00

Less: Estimated expenses		
Arranger's Fee	25,000,000.00	25,589,000.00
Documentary Stamp Tax	25,000,000.00	25,000,000.00
SEC Registration Fee	1,830,625.00	1,830,625.00
Publication Fee	150,000.00	329,961.60
Rating Agency Fee	3,360,000.00	3,250,000.00
Legal Fees (excluding OPE)	8,100,000.00	8,205,554.50
Listing Fee	300,000.00	300,000.00
Marketing and Signing Ceremony Expenses	300,000.00	419,409.14
Bond-related Expenses	3,942,000.00	3,950,000.00
	67,982,625.00	68,874,550.24
Net proceeds to Vista Land & Lifescapes, Inc.	**4,932,017,375.00**	**4,931,125,449.76**
Amortization of Bond Issue Cost		**22,151,078.24**
Balance as of March 31, 2020		**4,953,276,528.00**

Vista Land sold P5 billion of the Bonds. After issue-related expenses, actual net collection amounted to P4.931 billion.

P10B Retail Bonds (2018)

Schedule and Use of Proceeds

As of March 31, 2020

	PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of the Bonds	10,000,000,000.00	**10,000,000,000.00**
Less: Estimated expenses		
Arranger's Fee	50,000,000.00	50,000,000.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
SEC Registration Fee and Legal Research Fee	3,093,125.00	3,093,125.00
Publication Fee	150,000.00	526,730.40
Rating Agency Fee	3,360,000.00	3,500,000.00
Legal Fees (excluding OPE)	8,100,000.00	1,862,093.96
Listing Fee	200,000.00	-
Marketing and Signing Ceremony Expenses	-	223,034.00

Bond-related Expenses	100,000.00	1,650,000.00
	140,003,125.00	135,854,983.36
Net proceeds to Vista Land & Lifescapes, Inc.	**9,859,996,875.00**	**9,864,145,016.64**
Amortization of Bond Issue Cost		28,882,430.26
Balance as of March 31, 2020		**9,893,027,446.90**

Vista Land sold P10 billion of the Bonds. After issue-related expenses, actual net collection amounted to P9.860 billion.

P10B Retail Bonds (2019)

Schedule and Use of Proceeds

As of March 31, 2020

	PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of the Bonds	10,000,000,000.00	**10,000,000,000.00**
Less: Estimated expenses		
Arranger's Fee	50,000,000.00	73,684,210.53
Documentary Stamp Tax	75,000,000.00	75,000,000.00
SEC Registration Fee and Legal Research Fee	3,093,125.00	2,525,150.00
Publication Fee	150,000.00	556,604.50
Rating Agency Fee	3,360,000.00	5,821,428.57
Legal Fees (excluding OPE)	8,100,000.00	7,219,151.86
Listing Fee	200,000.00	-
Marketing and Signing Ceremony Expenses	-	219,054.54
Bond-related Expenses	100,000.00	10,100.00

	140,003,125.00	165,035,700.00
Net proceeds to Vista Land & Lifescapes, Inc.	**9,859,996,875.00**	**9,834,964,300.00**
Amortization of Bond Issue Cost		78,978,616.98
Balance as of March 31, 2020		**9,913,942,916.91**

Vista Land sold P10 billion of the Bonds. After issue-related expenses, actual net collection amounted to P9.830 billion.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations covering 3-months of 2020 vs. 3-months of 2019

Revenues

Real Estate

The Company recorded revenue from real estate sales of ₱7,200 million for the three months ended 31 March 2020, a decrease of 11% from ₱8,074 million for the three months ended 31 March 2019. This was primarily attributable to the decrease in the overall completion rate of sold inventories of all its business units as a result of the enhanced community quarantine ("ECQ") implemented on March 16, 2020 that prohibited construction activities:

- Real estate revenue of Camella decreased by 22% to ₱1,606 million for the three months ended 31 March 2020 from ₱2,051 million for the three months ended 31 March 2019. This decrease was principally attributable to the decrease in the number of sold homes completed or under construction in the Mega Manila area in the affordable housing segment during the period.

- Real estate revenue of Communities Philippines decreased by 18% to ₱4,160 million for three months ended 31 March 2020 from ₱5,089 million for the three months ended 31 March 2019. This decrease was principally attributable to the increase in the number of sold homes completed or under construction outside the Mega Manila area in the affordable housing segment during the year.

- Real estate revenue of Brittany decreased by 85% to ₱15 million for the three months ended 31 March 2020 from ₱99 million in the same period last year. This decrease was principally attributable to the decrease in the number of sold homes completed or under construction in the Mega Manila area in the high-end housing segment.

- Real estate revenue of Crown Asia increase by 23% to ₱280 million for the three months ended 31 March 2020 from ₱228 million for the three months ended 31 March 2019. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the middle-income housing segment during the year.

- Real estate revenue from Vista Residences increased by 88% to ₱1,140 million for the three months ended 31 March 2020 from ₱606 million for the three months ended 31 March 2019. This increase was principally attributable to the increase in the number of sold condominium units completed or under construction during the period. Vista Residences is the business unit of Vista Land that develops and sells vertical projects across the Philippines.

Rental income

Rental income increased by 34% from ₱1,640 million for the three months ended 31 March 2019 to ₱2,198 million for the three months ended 31 March 2020. The increase was primarily attributable the additional gross floor area leased out of our investment properties during the period as well as increase in rental rates of our existing malls. We anticipate a decline in the rental revenues in the coming quarters due to the potential cancellation of contracts of tenants severely impacted by mall closures as a result of ECQ.

Interest income from installment contract receivable and investments

Interest income from installment contract receivable and investments decreased by 3% from ₱530 million for the three months ended March 31, 2019 to ₱517 for the three months ended March 31, 2020. The decrease was primarily attributable to the decrease in interest income from investments of 15% to ₱335 for the three months ended March 31, 2020 offset by the increase in the interest income from installment contract receivables of 33% to ₱182 million for the three months ended March 31, 2020 as due to the recorded interest from sales through deferred cash financing.

Parking, hotel, mall administrative and processing fees and others
Income from parking, hotel, mall administrative and processing fees and others increased by 1% from ₱347 million for the three months ended March 31, 2019 to ₱350 million for three months ended March 31, 2020. The slight increase was primarily attributable to the 25% increase from parking fees from our malls to ₱2 million for the three months ended March 31, 2020, a 30% increase pertaining to forfeited reservation fees and partial payments from customers whose sales contracts are cancelled before completion of required down payment offset by a 17% decrease from mall administrative and processing fees to ₱158 million, in addition to the 8% decrease from income from hotel operations to ₱30 million for the three months ended March 31, 2020

Costs and Expenses

Cost and expenses decreased by 4% to ₱6,436 million for the three months ended 31 March 2020 from ₱6,710 million for the three months ended 31 March 2019.

- Cost of real estate sales decreased by 3% from ₱3,839 million for the three months ended 31 March 2019 to ₱3,743 million for the three months ended 31 March 2020 primarily due to the decrease in the overall recorded sales of Vista Land's business units.

- Operating expenses decreased by 6% from ₱2,871 million for the three months ended 31 March 2019 to ₱2,693 million for the three months ended 31 March 2020 with decreases of the following:

    - a decrease in occupancy cost from ₱246 million for the three months ended 31 March 2019 to ₱118 million in the three months ended 31 March 2020 due to the decrease in utilities expenses especially towards end of the quarter due to the implementation of telecommuting as a result of the implementation of the enhance community quarantine in relation to the COVID-19 pandemic.

    - a decrease in advertising and promotions from ₱378 million for the three months ended 31 March 2019 to ₱288 million for the three months ended 31 March 2020 resulting from subsequent decrease in marketing expenses as bulk of the sales this period came from the lower package housing segment and vertical projects evident by the decrease in the gross profit margin.

    - a decrease in commission from ₱409 million for the three months ended 31 March 2019 to ₱357 million for the three months ended 31 March 2020 resulting from the decrease in real estate sales this period.

Interest and other financing charges
Interest and other financing charges increased by 45% from ₱644 million for the three months ended 31 March 2019 to ₱936 million for the three months ended 31 March 2020. The increase was primarily attributable higher level of debt for the three months ended March 31, 2020 compared to the same period last year.

Provision for Income Tax
Provision for income tax decreased by 26% from ₱615 million for the three months ended 31 March 2019 to ₱454 million for the three months ended 31 March 2020 primarily due to a lower taxable base for the period.

Net Income
As a result of the foregoing, the Company's net income decreased by 7% to ₱2,439 million for the three months ended 31 March 2020 from ₱2,622 million for the three months ended 31 March 2019.

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020. Enhanced community quarantine was likewise imposed in provinces outside the island of Luzon as imposed by their respective local government unit. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve. On May 16, 2020, the Enhanced Community Quarantine was downgraded to Modified Enhanced Community Quarantine in Metro Manila and to General Community Quarantine in most provinces.

For the 3-months of 2020, except for the COVID-19 impact as discussed above, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

FINANCIAL CONDITION

As of March 31, 2020 vs. December 31, 2019

Total assets as of March 31, 2020 were ₱276,481 million compared to ₱272,539 million as of December 31, 2019, or a 1% increase due to the following:

- Cash and cash equivalents including short term and investments at amortized costs decreased by 11% from ₱47,948 million as of December 31, 2019 to ₱42,495 million as of March 31, 2020 primarily due to payments of debts for refinancing and cash used in operations.

- Receivables including current portions thereof increased by 5% from ₱57,834 million as of December 31, 2019 to ₱60,530 million as of March 31, 2020 due primarily to due to an increase in the various receivables of the company such as installment contracts receivable, advances to contractors and accrued rental receivables as part of the adjustment in compliance with PAS 17.

- Receivables from related parties increased by 8% from ₱5,156 million as of December 31, 2019 to P5,593 million as of March 31, 2020 due to advances made to the affiliates during the period.

- Pension assets decreased by 21% from P268 million as of December 31, 2019 to P212 million as of March 31, 2020 due to the actuarial adjustments for the Company's retirement plan for the period.

- Other assets, cost to obtain contract including current portions thereof increased by 9% from ₱11,051 million as of December 31, 2019 to ₱12,036 million as of March 31, 2020 due primarily to increase creditable withholding taxes and deposit for real estate purchases during the period.

Total liabilities as of March 31, 2020 were ₱174,092 million compared to ₱172,586 million as of December 31, 2019, or a 1% increase. This was due to the following:

- Accounts and other payables increased by 8% from ₱13,164 million as of December 31, 2019 to ₱14,224 million as of March 31, 2020 due to the increase payables to contractors and accruals for the period.

- Security deposits and advance rent including noncurrent portion of which amounting to ₱887 (included in the other noncurrent liabilities) was flat from ₱2,154 million as of December 31, 2019 to ₱2,101 million as of March 31, 2020.

- Income tax payable decreased by 5% from ₱67 million as of December 31, 2019 to ₱64 as of December 31, 2019 due primarily to settlement during the period.

- Dividend payable decreased by 82% million from ₱69 million as of December 31, 2019 to ₱13 as of March 31, 2020 due primarily to the settlements during the period.

- Loans payable including current portion decreased by 14% from ₱3,405 million as of December 31, 2019 to ₱2,926 million as of March 31, 2020 due primarily to due primarily to net settlements for the period.

- Deferred tax liabilities – net increased by 30% to ₱4,575 million as of March 31, 2020 from ₱3,524 million as of December 31, 2019 due to an increase in temporary difference that will result to a potential tax liability for the period.

- Other noncurrent liabilities excluding noncurrent portion of security deposits and advance rent increased by 14% from ₱3,750 million as of December 31, 2019 to ₱4,289 million as of March 31, 2020 due primarily to the increase in noncurrent portion of liabilities for purchase land, retention payable and deferred output tax.

Total stockholder's equity increased by 2% from ₱97,649 million as of December 31, 2019 to ₱99,983 million as of March 31, 2020 due mainly to the net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	03/31/2020	12/31/2019
Current ratio (a)	3.83:1	3.96:1
Liability-to-equity ratio (b)	1.70 :1	1.73:1
	03/31/2020	**03/31/2019**
Interest expense/Income before Interest expense (c)	24.5%	16.6%
Return on assets (d)	3.5%	3.8%
Return on equity (e)	9.5%	10.5%

Notes:

(a) *Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*

(b) *Liability-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of liability and equity a company is using to finance its business. It also measures a company's borrowing capacity.*

(c) *Interest expense/Income before interest expense: This ratio is obtained by dividing interest expense for the period by its income before interest expense. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably*

(d) *Return on assets: This ratio is obtained by dividing the Company's net income by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.*

(e) *Return on equity: This ratio is obtained by dividing the Company's net income by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.*

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio decreased slightly due primarily to a lower cash and cash equivalents as of March 31, 2020 compared to the December 31, 2019.

Liability-to-equity ratio decreased slightly due primarily to a lower increase in debt in proportion to the increase in equity as of March 31, 2020 compared to the December 31, 2019.

Interest expense to Income before interest expense increased due to the higher interest expenses recorded during the period compared to the same period last year.

Return on asset slightly decreased in the three months ended March 31, 2020 compared to that on three months ended March 31, 2019 due to lower income recorded for the period.

Return on equity decreased slightly due primarily to a lower income recorded for the period.

Material Changes to the Company's Balance Sheet as of March 31, 2020 compared to December 31, 2019 (increase/decrease of 5% or more)

Cash and cash equivalents including short term and investments at amortized costs decreased by 11% from ₱47,948 million as of December 31, 2019 to ₱42,495 million as of March 31, 2020 primarily due to payments of debts for refinancing and cash used in operations.

Receivables including current portions thereof increased by 5% from ₱57,834 million as of December 31, 2019 to ₱60,530 million as of March 31, 2020 due primarily to due to an increase in the various receivables of the company such as installment contracts receivable, advances to contractors and accrued rental receivables as part of the adjustment in compliance with PAS 17.

Receivables from related parties increased by 8% from ₱5,516 million as of December 31, 2019 to P5,593 million as of March 31, 2020 due to advances made to the affiliates during the period.

Pension assets decreased by 21% from P268 million as of December 31, 2019 to P212 million as of March 31, 2020 due to the actuarial adjustments for the Company's retirement plan for the period.

Other assets, cost to obtain contract including current portions thereof increased by 9% from ₱11,051 million as of December 31, 2019 to ₱12,036 million as of March 31, 2020 due primarily to increase creditable withholding taxes and deposit for real estate purchases during the period.

Accounts and other payables increased by 8% from ₱13,164 million as of December 31, 2019 to ₱14,224 million as of March 31, 2020 due to the increase payables to contractors and accruals for the period.

Income tax payable decreased by 5% from ₱67 million as of December 31, 2019 to ₱64 as of December 31, 2019 due primarily to settlement during the period.

Dividend payable decreased by 82% million from ₱69 million as of December 31, 2019 to ₱13 as of March 31, 2020 due primarily to the settlements during the period.

Loans payable including current portion decreased by 14% from ₱3,405 million as of December 31, 2019 to ₱2,926 million as of March 31, 2020 due primarily to due primarily to net settlements for the period.

Deferred tax liabilities – net increased by 30% to ₱4,575 million as of March 31, 2020 from ₱3,524 million as of December 31, 2019 due to an increase in temporary difference that will result to a potential tax liability for the period.

Other noncurrent liabilities excluding noncurrent portion of security deposits and advance rent increased by 14% from ₱3,750 million as of December 31, 2019 to ₱4,289 million as of March 31, 2020 due primarily to the increase in noncurrent portion of liabilities for purchase land, retention payable and deferred output tax.

Material Changes to the Company's Statement of income for the 3-months of 2020 compared to the 3-months of 2019 (increase/decrease of 5% or more)

Revenue from real estate sales of ₱7,200 million for the three months ended 31 March 2020, a decrease of 11% from ₱8,074 million for the three months ended 31 March 2019. This was primarily attributable to the decrease in the overall completion rate of sold inventories of all its business units as a result of the enhanced community quarantine ("ECQ") implemented on March 16, 2020 that prohibited construction activities.

Rental income increased by 34% from ₱1,640 million for the three months ended 31 March 2019 to ₱2,198 million for the three months ended 31 March 2020. The increase was primarily attributable the additional gross floor area leased out of our investment properties during the period as well as increase in rental rates of our existing malls. We anticipate a decline in the rental revenues in the coming quarters due to the potential cancellation of contracts of tenants severely impacted by mall closures as a result of ECQ.

Interest and other financing charges increased by 45% from ₱644 million for the three months ended 31 March 2019 to ₱936 million for the three months ended 31 March 2020. The increase was primarily attributable higher level of debt for the three months ended March 31, 2020 compared to the same period last year.

Provision for income tax decreased by 26% from ₱615 million for the three months ended 31 March 2019 to ₱454 million for the three months ended 31 March 2020 primarily due to a lower taxable base for the period.

The Company's net income decreased by 7% to ₱2,439 million for the three months ended 31 March 2020 from ₱2,622 million for the three months ended 31 March 2019.

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020. Enhanced community quarantine was likewise imposed in provinces outside the island of Luzon as imposed by their respective local government unit. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve. On May 16, 2020, the Enhanced Community Quarantine was downgraded to Modified Enhanced Community Quarantine in Metro Manila and to General Community Quarantine in most provinces.

For the 3-months of 2020, except for the COVID-19 impact as discussed above, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

COMMITMENTS AND CONTINGENCIES

The Parent Company's subsidiaries are contingently liable for guarantees arising in the ordinary course of business, including surety bonds, letters of guarantee for performance and bonds for its entire real estate project.

PART II - OTHER INFORMATION

Item 3. 3-months of 2020 Developments

A. New Projects or Investments in another line of business or corporation.

None

B. Composition of Board of Directors

Manuel B. Villar, Jr.	Chairman of the Board
Manuel Paolo A. Villar	Vice Chairman, President & CEO
Cynthia J. Javarez	Director, COO, Treasurer & CRO
Frances Rosalie T. Coloma	Director
Camille A. Villar	Director
Ruben O. Fruto	Independent Director
Marilou O. Adea	Independent Director
Gemma M. Santos	Corporate Secretary

C. Performance of the corporation or result/progress of operations.
Please see unaudited Financial Statements and Management's Discussion and Analysis.

D. Declaration of Dividends.

P0.2646 per share Regular Cash Dividend
Declaration Date: September 30, 2019
Record date: October 16, 2019
Payment date: October 31, 2019

P0.2252 per share Regular Cash Dividend
Declaration Date: September 28, 2018
Record date: October 15, 2018
Payment date: October 29, 2018

P0.1342 per share Regular Cash Dividend
Declaration Date: September 29, 2017
Record date: October 16, 2017
Payment date: October 30, 2017

P0.1185 per share Regular Cash Dividend
Declaration Date: September 28, 2016
Record date: October 13, 2016
Payment date: October 28, 2016

P0.1357 per share Regular Cash Dividend
Declaration Date: September 15, 2015
Record date: September 30, 2015
Payment date: October 15, 2015

P0.11858 per share Regular Cash Dividend
Declaration Date: September 15, 2014
Record date: March 31, 2015
Payment date: October 24, 2014

₱0.102 per share Regular Cash Dividend
Declaration Date: September 11, 2013
Record date: September 26, 2013
Payment date: October 22, 2013

₱0.0839 per share Regular Cash Dividend
Declaration Date: September 17, 2012
Record date: October 02, 2012
Payment date: October 26, 2012

₱0.04 per share Special Cash Dividend
Declaration Date: June 15, 2012
Record date: July 02, 2012
Payment date: July 26, 2012

E. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.

None.

F. Offering of rights, granting of Stock Options and corresponding plans thereof.

None.

G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

Not Applicable.

H. Other information, material events or happenings that may have affected or may affect market price of security.

None.

Transferring of assets, except in normal course of business.

None.

Item 4. Other Notes as of 3-months of 2020 Operations and Financials.

I. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size, or incidents.

None.

J. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.

There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.

K. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.

See Notes to Financial Statements and Management Discussion and Analysis.

L. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

See Notes to Financial Statements and Management Discussion and Analysis.

M. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.

None.

N. Changes in contingent liabilities or contingent assets since the last annual statement of financial position date.

None.

O. Existence of material contingencies and other material events or transactions during the interim period

None.

P. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

None.

Q. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

None.

R. Material commitments for capital expenditures, general purpose and expected sources of funds.

The movement of capital expenditures being contracted arose from the regular land development and construction requirements which are well within the regular cash flow budget coming from internally generated funds.

S. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.

As of March 31, 2020, no known trends, events or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 3-months of 2020 financial statements.

T. Significant elements of income or loss that did not arise from continuing operations.

None.

U. Causes for any material change/s from period to period in one or more line items of the financial statements.

None.

V. Seasonal aspects that had material effect on the financial condition or results of operations.

None.

W. Disclosures not made under SEC Form 17-C.

None.

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized.

Vista Land & Lifescapes, Inc.
Issuer

By:

BRIAN N. EDANG
CFO & Head Investor Relations

Date: 24 June 2020