

# COVER SHEET

SEC Registration Number

1	1	2	9	7	8				
---	---	---	---	---	---	--	--	--	--

Company Name

P	H	I	L	I	P	P	I	N	E		E	S	T	A	T	E	S		C	O	R	P	O	R	A	T	I	O	N	
A	N	D		S	U	B	S	I	D	I	A	R	Y																	

Principal Office ( No./Street/Barangay/City/Town)Province)

3	5	T	H		F	L	O	O	R	,		O	N	E		C	O	R	P	O	R	A	T	E					
C	E	N	T	E	R	,		D	O	Ñ	A		J	U	L	I	A		V	A	R	G	A	S		A	V	E	.
C	O	R	.		M	E	R	A	L	C	O		A	V	E	.	,		O	R	T	I	G	A	S				
C	E	N	T	E	R	,		P	A	S	I	G		C	I	T	Y												

Form Type

1	7	-	Q
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	A		
---	---	--	--

## COMPANY INFORMATION

Company's Email Address

info@phes.com.ph
------------------

Company's Telephone Number/s

8637-3112
-----------

Mobile Number

09178338243
-------------

No. of Stockholders

708
-----

Annual Meeting  
Month/Day

October/30
------------

Fiscal Year  
Month/Day

December/31
-------------

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Jocelyn A. Valle
------------------

Email Address

phes_finance@yahoo.com
------------------------

Telephone Number/s

8637-3112
-----------

Mobile Number

NA
----

Contact Person's Address

35Th Floor, One Corporate Center, Doña Julia Vargas Ave. Corner Meralco Avenue, Ortigas Center, Pasig City
--

**Note:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SEC Number 112978  
File Number \_\_\_\_\_

---

**PHILIPPINE ESTATES CORPORATION**

---

**Company's Full Name**

**35<sup>TH</sup> Flr. One Corporate Centre, Julia Vargas cor. Meralco Ave., Ortigas Center, Pasig City**

**Company's Address**

**8637-3112**

**Telephone Number**

**DECEMBER 31**

**Fiscal Year Ending  
(Month and day)**

**SEC-FORM 17-Q**

**Form Type**

**N.A.**

---

**Amendment Designation(If applicable)**

**June 30, 2021**

**Period Ended Date**

**N.A.**

---

**Secondary License Type and File Number**

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2021**
2. Commission identification number **112978**
3. BIR Tax Identification No. **000-263-366**

**PHILIPPINE ESTATES CORPORATION**

4. Exact name of registrant as specified in its charter  
**Metro Manila, Philippines**
5. Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: SEC Use Only
7. <sup>35th</sup> **Flr., One Corporate Centre, Julia Vargas cor. Meralco Ave., Ortigas Center, Pasig City**  
Address of issuer's principal office
8. **(632) 8637-3112**  
Issuer's telephone number, including area code
9. Former name, former address and former fiscal year, if changed since last report **NA**
10. Securities registered pursuant to Section 4 and 8 of the RSA: Common shares **5,000,000,000** with par Value of P1.00 per share

Number of Shares Common Stock Issued Outstanding: **1,445,549,830 Common Shares**

**Amount of Debt Outstanding: P 122,944,500 (as per Financial Statements)**

11. Are any or all of the securities listed on the Philippine Stock Exchange?  
Yes No

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

**PHILIPPINE STOCK EXCHANGE COMMON SHARES**

12. Indicate by check mark whether the registrant:
  - a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 hereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such report)  
Yes No
  - b) has been subject to such filing requirements for the past 90 days  
Yes No

## **PART I – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

The Quarterly Financial Statements of the Company for the period ending June 30, 2021 are incorporated herein by reference and attached as an integral part of this Quarterly Report.

#### **Statement of Compliance**

The Financial Statements of the Company have been prepared in accordance with Statements of Financial Accounting Standards of the Philippines issued by the Accounting Standards Council.

#### **Earnings per Share**

Basic Earnings per share is determined by dividing the Net Income by the weighted average number of shares issued and subscribed during the period.

#### **Financial Information**

- a. The management maintains the same system of accounting policies and methods of computation in the Interim Financial Statements.
- b. There were no changes in accounting estimates of amounts reported in interim periods of current financial year or even in prior financial years
- c. There were no issuances, repurchases and repayments of equity securities
- d. There were no changes in the composition of the issuer during the interim period i.e. Business Combinations, Acquisitions, or Disposal of Subsidiaries and Long-term Investments, Restructuring and Discontinuing operations. However, on March 25 and June 15, 2021, the Board of Directors approved the Stock Rights Offering of 1,445,549,830 shares
- e. There were no dividends declared and paid on the Company's Common Equity.
- f. Despite the negative economic effects of the pandemic, there will be continued demand for housing as the vaccine rollout is made. Hence, Philippine Estates Corporation aims to expand its inventory of projects through the acquisition of land in selected areas where economic growth is expected to show resiliency (i.e. Bulacan and Cavite). In this regard, the board of PHES has approved to undertake a Stock Rights Offering ("SRO") to raise capital for land acquisition.
- g. The Company is contingently liable for existing lawsuits and claims from third parties arising from the ordinary course of business. Management believes that the ultimate liability for the abovementioned lawsuits and claims, if any, would not be material in relation to the Financial Position and Operating Results of the company's operations.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Result of Operations.**

### **1. Plan of Operation**

Due to the restrictions imposed on the construction industry because of the Covid-19 pandemic, completion of the remaining works of Phase 4 of Pacific Grand Villas in Cebu, Wellford Homes Jaro – Parcel A in Iloilo, as well as a portion of Phase 1 of Wellford Homes Malolos in Bulacan, will be done within 2021.

Although the Company was able to complete most of the housing units scheduled for delivery in 2020, the pandemic affected the operations of several contractors, with some being forced to close operations. This resulted in the takeover of several construction works, particularly several rows of townhouses in Pacific Grand Townhomes. However, bidding and awarding of units for construction continue, as the Company aims to fulfill delivery of units on time, as promised to buyers, despite the difficulties brought about by the pandemic. Furthermore, in order to assist the marketing efforts in Wellford Homes Malolos, the Company aims to complete all model houses before the end of 2021, including interior design and landscaping.

The Company will start the construction of Wellford Residences – Mactan by the fourth quarter of 2021. The first tower will have 80 condominium units and is expected to be completed by 2022.

As the country continues to feel the economic effects of the Covid-19 pandemic, the Company has gradually learned to shift sales and marketing efforts online. Even sales events such as project knowledge seminars and the Annual Seller Awards were held online. For this year, more buyer-friendly payment terms will be offered in order to assist those whose sources of income have been adversely affected by the pandemic, such as the OFWs and local employees who belong to the tourism sector.

#### **New Residential and Commercial Projects**

For this year, the Company is looking to launch two (2) new residential projects, with both contiguous to existing projects.

The initial government permits for Wellfrod Homes Jaro Phase 2 have already been acquired, with the License to Sell the only remaining permit to be processed. Target launch of the said project will be the 4th quarter of 2021.

Planning is currently underway for Pacific Grand Villas Five, which will be a purely residential phase, with fewer units, but bigger houses and lot cuts to be offered. With the absence of substantial lots/house and lots inventory in Cebu, the Company is looking to secure all the necessary permits for its launch in the 1<sup>st</sup> quarter of 2022.

Planning of the commercial components of Jaro Grand Estates in Iloilo, is in the works. This is in anticipation of the increasing number of residents in our existing and future horizontal projects.

The Company will be looking for additional properties in Luzon, particularly the Bulacan area, for its future projects, based on the warm acceptance by the market of the Company’s Wellford Homes Malolos project. This 2Q, the Company is starting to masterplan the Sta Maria property for a mixed-use development.

To support its liquidity, the Company is offering attractive and flexible payment terms to its buyers and has also accredited new contractors which can deliver built units faster so as to

expedite collection of loan proceeds from partner institutions. Pre-selling of its units and CTS Financing are being explored to fund its projects especially for its newly launched projects

The Company continues to develop and generate cash flow through the following projects:

- ***Wellford Homes at Jaro Grand Estates (Phase 3) – Parcel A***

This project is our third residential community in Iloilo City. The house-and lot packages are mainly designed for homebuyers inclined for economy, maximizing value-for-money. Consisting of about 10 hectares, the initial offering is an American inspired duplex bungalow-type house model.. These single-level houses are very much suited also for senior citizens and retirees. The project was launched in November 2016, with the land development and house construction well underway.

- ***Wellford Homes – Malolos***

Wellford Homes – Malolos is a residential development with an area of approximately 6.7 hectares located in Barangay Longos, Malolos City, Bulacan. This horizontal development is American inspired. Housing design reflects the suburban feel with the American ambiance reflected even in the design of the community facilities and amenities. The subdivision is designed to provide generous areas for roads and open spaces, which accounts for nearly 42% of the total developable area. Based on the projections, the development will generate Php1.15 Billion gross revenues upon completion of the project.

- ***Wellford Residences - Mactan***

As the Company's answer to the housing backlog in the economic sector in the area, PHES launched Wellford Residences-Mactan. WR-Mactan is a two-tower medium rise condominium project in one of the Company's prime and highly accessible properties in Mactan, Cebu, located in Barangay Suba-basbas in the City of Lapu-Lapu, the project will offer around 200 condominium units and is expected to generate for the Company approximately P541M in Revenue.

## **2. Financial Position**

The Company maintained its Financial Position as its total assets stood at P1.67B. Current ratio registered at 3.54:1. Current assets reached P1.26B while current liabilities amounted only to P0.35B. Debt -to- equity ratio stood at 0.54:1 The Balance Sheet shows that accounts are indicators of positive liquidity condition. Hereunder are the significant or material changes in the Balance Sheet accounts as of June, 2021.

Causes for material changes (5% or more) from period to period:

- a. Accounts Payable and Accrued Expenses – the increase of 13.01% was due to an increase in payments made by the buyers for the titling fees and an increase in Deferred Output VAT from the installment sales.
- b. Borrowings - the increase of 5.18% was the result of new loan availment from PBCom, Luzon Development Bank and Quick Financial.

- c. Customers' Deposits – the increase of 26.64% was due to an increase in reservation fees for the period.
- d. Retirement benefits obligation - the decrease of 5.82% was due to an increase in retirement fund for the period.

### 3. Result of Operations

For the 2Q 2021, the Company was able to post a consolidated net sales of ₱ 58.55M thus registering an increase of ₱30.77M or 110.78% compared to the Sales for same period in 2020 of ₱ 27.78M.

Realized Gross Profit increased by 92.55% or ₱8.92M from ₱18.56M this 2Q 2021 compared to ₱9.64M in 2Q 2020. Thus, Net Income before tax decreased to ₱0.48M compared from ₱2.33M in 2Q 2020, a decrease of -79.52% or ₱1.85M. This was primarily due to higher operating expenses by ₱11.03M or 203.83%.

Comparative Top Key Performance Indicators of the Company:

Management evaluates the Company's performance as it relates to the following:

- a. Sales – The Company gauges its performance by determining the Return on Sales (net income after tax over the net sales). It indicates net profitability of each peso of sales.
- b. Accounts Receivable – The Company assesses the efficiency in collecting receivables and in managing of credit by determining the past due ratio thru the aging of receivables.
- c. Gross Profit Margin – Measures effectiveness of pricing and control of project development cost. This is derived by dividing Gross Profit over Net Sales.
- d. Working Capital – The Company's ability to meet obligations is measured by determining Current Assets over Current Liabilities. Working Capital turnover is calculated by dividing Sales over Average Net Working Capital.

**Variance Analysis – Another tool that measures efficiency on how the actual sales were attained via a vis forecasted sales.**

<u>INDICATOR</u>	<u>Q2 2021</u>	<u>Q2 2020</u>
Return on sales	0.81%	8.37%
Past due ratio	5.20%	14.00%
Gross Profit rate	48.44%	62.46%
Working Capital Turnover	0.06	0.04

#### 4. Other Notes to 2Q 2021 Operations and Financials:

Analysis of material events and uncertainties known to management that would address the past and would have an impact on future operations:

- **Any known trends, demands, commitments, events or uncertainties that will have an impact on the issuer's liquidity;**

At present, the uncertainty that may have a material impact on sales is the economic situation. The seemingly improving economic situation has already translated into a significant buying mood for the real estate market. Overall, there are no contingencies that may affect future operations of the Company. In such eventuality, the resolution of this is dependent to a large extent, on the efficacy of the fiscal measures and other actions.

- **Any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;**

The Company sees no event that will trigger direct or contingent financial obligation that is material to the Company despite of the effect of pandemic COVID-19..

- **All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during reported period.**

There were no material off-balance sheet transactions, agreements, obligations, (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reported period

- **Any material commitments for capital expenditures, the general purpose of such commitments and expected sources of funds of such expenditures.**

Despite the negative economic effects of the pandemic, there will be continued demand for housing as the vaccine rollout is made. Hence, the Company aims to expand its inventory of projects through the acquisition of land in selected areas where economic growth is expected to show resiliency (i.e. Bulacan and Cavite). In this regard, the board of the Company has approved to undertake a Stock Rights Offering ("SRO") to raise capital for land acquisition.

The proceeds will be used to acquire land to be developed by the Company.

- **Any known trends, events or uncertainties (Material Impact on Sales)**

Due to Global Pandemic, there were significant material impacts on sales.

- **Any significant elements of income or loss (from continuing operations)**

Considering the evolving nature of this pandemic, the Company will continue to monitor the situation to determine the impact to its financial position, performance and cash flows.

- **Seasonal aspects that had material effect on the financial condition or results of operation.**

Projects are launched at no particular time of the year depending on several factors such as completion of plans and permits and appropriate timing in terms of market condition and strategies. Development and construction works follow.



- **Internal and external sources of liquidity**

Collections from selling activities provide liquidity. Externally, the Company avails of credit lines offered by banks and other financial institution, private or government. The Company periodically reviews its capital structure and existing obligations.

**Compliance with Leading Practice on Corporate Governance**

The Company has adopted the Manual of Corporate Governance and full compliance with the same has been made since the adoption of the Manual.

The Company is taking further steps to enhance adherence to principles and practices of good corporate governance. Among these are as follows:

- Organizational and Procedural Controls
- Independent Audit Mechanism
- Regular Reporting to Audit Committee
- Creation of Board Committees
- Financial and Operational Reporting
- Compliance to Government Regulatory and Reportorial Requirements
- Disclosure of Transparency to the Public

There was no deviation committed by any of the Company's directors and/or officers on the Manual of Corporate Governance during the period covered in this report.

**PART II – OTHER INFORMATION**

Disclosure not made under SEC FORM 17-C: **NONE**

<b>PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY</b>		
<b>STATEMENTS OF FINANCIAL POSITION</b>		
	<b>Interim F/S</b>	<b>Audited F/S</b>
	<b>30-Jun-21</b>	<b>31-Dec-20</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	16,311,822	16,836,562
Trade and other receivables (net)	561,050,080	539,850,712
Advances to related parties (net)	275,568,827	276,397,919
Real estate inventories, net	390,550,394	390,734,889
Prepayments and other current assets	12,841,629	12,653,243
	<b>1,256,322,753</b>	<b>1,236,473,325</b>
<b>Non-current Assets</b>		
Trade and other receivables (net of current portion)	40,816,118	40,694,028
Advances to related parties (net of current portion)	269,153,803	269,151,715
Property and equipment, net	38,870,349	40,402,837
Financial Asset at FVOCI	50,000,000	50,000,000
Investment property	1,072,016	1,072,016
Deferred tax assets	5,501,261	5,501,261
Other noncurrent assets	7,923,800	7,923,800
	<b>413,337,348</b>	<b>414,745,657</b>
<b>TOTAL ASSETS</b>	<b>1,669,660,100</b>	<b>1,651,218,982</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other liabilities	101,347,400	89,679,391
Deferred gross profit	145,050,657	144,998,054
Borrowings ( current portion)	101,005,887	96,027,677
Lease liabilities	984,384	984,384
Customers' deposits	6,114,794	4,828,637
	<b>354,503,120</b>	<b>336,518,143</b>
<b>Non-current Liabilities</b>		
Advances from related parties	104,024,033	104,024,033
Borrowings (non- current portion)	21,938,614	21,938,614
Lease liabilities (net of current portion)	2,405,414	2,405,414
Retention payable and refundable bonds	25,994,328	26,149,094
Deferred Tax Liabilities	62,209,662	62,209,661
Retirement benefits obligation	11,330,231	12,030,231
	<b>227,902,281</b>	<b>228,757,047</b>
<b>Total liabilities</b>	<b>582,405,401</b>	<b>565,275,190</b>
<b>Equity</b>		
Capital Stock	1,445,549,830	1,445,549,830
Remeasurement gain on retirement benefits	2,042,257	2,042,257
Deficit	(360,337,387)	(361,648,295)
<b>Total equity</b>	<b>1,087,254,699</b>	<b>1,085,943,792</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,669,660,100</b>	<b>1,651,218,982</b>

<b>PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY</b>				
<b>STATEMENT OF INCOME AND DEFICIT</b>				
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Apr - Jun</b>	<b>Year to date</b>	<b>Apr-Jun</b>	<b>Year to date</b>
REAL ESTATE SALES	58,553,628	103,330,724	27,779,848	45,901,908
LESS: COST OF SALES	30,187,731	50,169,082	10,427,745	16,465,734
GROSS PROFIT	28,365,897	53,161,642	17,352,103	29,436,174
DEFERRED GROSS PROFIT	15,473,851	29,370,983	8,725,789	9,911,247
REALIZED GROSS PROFIT ON CURRENT YEAR	12,892,046	23,790,659	8,626,314	19,524,927
ADD: REALIZED GROSS PROFIT - PRIOR YEAR	5,665,950	14,471,388	1,011,473	4,446,864
TOTAL REALIZED GROSS PROFIT	18,557,996	38,262,047	9,637,787	23,971,791
OPERATING EXPENSES	16,442,383	32,423,016	5,411,632	20,765,220
NET OPERATING INCOME (LOSS)	2,115,612	5,839,030	4,226,154	3,206,570
FINANCE COST	(3,998,929)	(7,471,913)	(2,711,281)	(5,409,799)
OTHER INCOME	2,359,558	3,714,070	810,718	1,830,156
NET INCOME (LOSS)	476,242	2,081,188	2,325,592	(373,071)
LESS: INCOME TAX	(119,061)	(770,281)	-	-
DEFERRED INCOME TAX		0	-	-
NET INCOME (LOSS) AFTER PROVISION	357,182	1,310,907	2,325,592	(373,071)
RETAINED EARNINGS, BEGINNING	(360,694,570)	(361,648,294)	(360,274,617)	(360,274,617)
NET INCOME (LOSS)	357,182	1,310,907	2,325,592	(373,071)
RETAINED EARNINGS, END	(360,337,388)	(360,337,387)	(357,949,025)	(360,647,688)
EARNINGS (LOSS) PER SHARE *	0.00	0.00	0.00	(0.00)
			<b>1,445,549,830</b>	

\* Based on Weighted Average number of common shares outstanding

**PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

	CAPITAL STOCK	Remeasurement gain on retirement benefits	DEFICIT	TOTAL
Balance at December 31, 2019	1,445,549,830	1,919,268	(362,193,885)	1,085,275,213
Remeasurement gain on retirement benefits				
Net Income (Loss) as of June 30, 2020			(373,071)	(373,071)
<b>Balance at June 30, 2020</b>	<b>1,445,549,830</b>	<b>1,919,268</b>	<b>(362,566,956)</b>	<b>1,084,902,142</b>
Balance at December 31, 2020	1,445,549,830	2,042,257	(361,648,295)	1,085,943,792
Remeasurement gain on retirement benefits				0
Net Income (Loss) as of June 30, 2021			1,310,907	1,310,907
<b>Balance at June 30, 2021</b>	<b>1,445,549,830</b>	<b>2,042,257</b>	<b>(360,337,388)</b>	<b>1,087,254,699</b>

<b>PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY</b>							
<b>STATEMENT OF CASH FLOW</b>							
						June 2021	June 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>							
	Net Income (Loss)					1,310,907	(373,071)
	Adjustment to reconcile net income (loss) to net cash provided by operating activities:						
	Depreciation and Amortization					1,623,024	540,624
	Amortization of deferred charges						
	Income from insurance claims						
	Gain on sale of property and equipment						
	Provision for doubtful accounts						
	Decrease (increase) in assets:						
		Trade and other receivables			(21,321,459)	9,477,742	
		Real estate inventories			6,197,797	4,082,634	
		Intangible Assets					
		Prepayments and other current asse			(188,387)	1,715,584	
		Other Assets			0	(561,439)	
	Increase (decrease) in liabilities:						
		Accounts payable and other liabilities			11,668,008	29,462,989	
		Accrued expenses			431,390	(813,162)	
		Deferred Income			52,603	(938,392)	
	Net cash provided by (used in) operating activities					<u>(226,117)</u>	<u>42,593,509</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>							
	Additions to raw land inventory					(6,436,579)	
	Additions to equipment					(90,536)	(181,124)
	Deductions to real estate held for sale					423,277	
	Additions to project development costs						(16,129,990)
	Investment in Stock to Waterfront Manila Premier Development Inc.						
	Proceeds from insurance claims						
	Proceeds from sale of property & equipment						
	Net cash provided by (used in) investing activities					<u>(6,103,838)</u>	<u>(16,311,114)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>							
	Additional deposits on subscription						
	Net decrease in due to/from affiliates					827,004	(728)
	Net increase in due to stockholders					0	
	Payment of long-term debts						
	Payment for short-term borrowings					(42,715,939)	
	Proceeds of short term borrowings					47,694,149	
	Proceeds of long term borrowings					0	
	Net cash provided by (used in) financing activities					<u>5,805,214</u>	<u>(728)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>						<u>(524,740)</u>	<u>26,281,667</u>
<b>ADJUSTMENT OF PRIOR PERIODS</b>						-	
<b>CASH AT BEGINNING</b>						<u>16,836,562</u>	<u>13,004,316</u>
<b>CASH, ENDING BALANCE</b>						<u><b>16,311,822</b></u>	<u><b>39,285,983</b></u>

**PROPERTY AND EQUIPMENT (net)**

Property and equipment as of June 30, 2021 is as follows:

PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY					
PROPERTY, PLANT AND EQUIPMENT					
	Right-of-use Asset	Transportation Equipment	Computer Software	Building & Furniture & Office	TOTAL
<b>Cost</b>					
At January 1, 2021	4,383,276	6,326,325	350,000	99,268,007	110,327,609
Additions	0	0	0	90,536	90,536
Disposals	-	-	-	-	0
<b>June 30, 2021</b>	<b>4,383,276</b>	<b>6,326,325</b>	<b>350,000</b>	<b>99,358,543</b>	<b>110,418,144</b>
<b>Accumulated Depreciation</b>					
At January 1, 2021	(1,195,584)	(6,045,255)	(29,167)	(62,654,765)	(69,924,771)
Additions	0	(154,692)	(58,333)	(1,409,998)	(1,623,024)
Disposals	-	-	-	-	-
<b>June 30, 2021</b>	<b>(1,195,584)</b>	<b>(6,199,948)</b>	<b>(87,500)</b>	<b>(64,064,763)</b>	<b>(71,547,795)</b>
<b>Net Book Value</b>					
At January 1, 2021	3,187,693	281,070	320,833	36,613,242	40,402,837
<b>June 30, 2021</b>	<b>3,187,693</b>	<b>126,377</b>	<b>262,500</b>	<b>35,293,780</b>	<b>38,870,349</b>

## BUSINESS SEGMENT INFORMATION

The business segment report of the company as of June 30, 2021 is as follows:

<b>PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY</b>						
<b>SEGMENT REPORT</b>						
	<b>HEAD OFFICE</b>	<b>MALOLOS</b>	<b>DAVAO</b>	<b>CEBU</b>	<b>ILOILO</b>	<b>CONSOLIDATED</b>
Sales	0	57,205,172	0	9,000,021	37,125,531	103,330,724
Realized Gross Profit		5,575,362		19,973,593	12,713,091	38,262,047
Other Income	1,661,007	55,472		310,322	1,687,270	3,714,070
Finance Cost	7,471,913					7,471,913
Depreciation	1,430,766	12,370		60,968	118,920	1,623,024
Other Operating Expenses	15,323,954	2,159,150	83,657	7,074,852	6,158,379	30,799,992
<b>SEGMENT ASSETS</b>	<b>734,169,378</b>	<b>49,588,955</b>	<b>447,149</b>	<b>386,506,053</b>	<b>498,948,565</b>	<b>1,669,660,100</b>
<b>SEGMENT LIABILITIES</b>	<b>271,549,616</b>	<b>34,690,065</b>	<b>343,428</b>	<b>146,628,841</b>	<b>129,193,452</b>	<b>582,405,401</b>





QUALITY.  
OUR DISTINCTION.  
OUR COMMITMENT.

AGING OF RECEIVABLES  
AS OF JUNE 2021

PROJECT	RECEIVABLE BALANCE	CURRENT	PAST DUE					TOTAL
			1-30	31-60	61-90	91-120	121-180	
PACIFIC GRAND VILLAS PHASE 1B	19,331,351	18,179,215	0	0	0	0	1,152,137	1,152,137
LOT	223,106	223,106						0
H&L	19,108,245	17,956,108					1,152,137	1,152,137
PACIFIC GRAND VILLAS PHASE 1C	17,991,928	16,528,015	92,348	92,348	92,348	184,695	1,002,175	1,463,913
LOT	867,364	865,329	0	0			2,036	2,036
H&L	17,124,564	15,662,686	92,348	92,348	92,348	184,695	1,000,139	1,461,877
PACIFIC GRAND VILLAS PHASE 4A	61,335,668	59,221,136	151,505	151,505	151,505	151,505	1,508,511	2,114,531
LOT	17,806,149	17,084,945	54,989	54,989	54,989	54,989	501,248	721,204
H&L	43,529,519	42,136,191	96,516	96,516	96,516	96,516	1,007,263	1,393,327
PACIFIC GRAND VILLAS PHASE 4B	22,141,332	21,465,932	55,259	55,259	55,259	55,259	454,365	675,400
LOT	53,377	53,377	0	0	0	0	0	0
H&L	22,087,955	21,412,555	55,259	55,259	55,259	55,259	454,365	675,400
PACIFIC GRAND TOWNHOMES	49,936,569	47,567,952	135,064	111,097	111,097	111,097	1,900,261	2,368,616
H&L	49,936,569	47,567,952	135,064	111,097	111,097	111,097	1,900,261	2,368,616
WELLFORD RESIDENCES MADISON	58,525,772	56,656,017	133,038	108,292	108,292	108,292	1,411,841	1,869,755
H&L	57,108,786	55,239,032	133,038	108,292	108,292	108,292	1,411,841	1,869,755
LOT	1,416,986	1,416,986	0	0	0	0	0	0
<b>CEBU TOTAL</b>	<b>229,262,620</b>	<b>219,618,267</b>	<b>567,214</b>	<b>518,500</b>	<b>518,500</b>	<b>610,848</b>	<b>7,429,289</b>	<b>9,644,352</b>
<i>* Past Due Ratio</i>	<i>100%</i>	<i>96%</i>						<i>4%</i>
CHATEAUX GENEVA	993,053	847,190	3,623	3,623	3,623	3,623	131,371	145,863
LOT	945,425	847,190	3,623	3,623	3,623	3,623	83,744	98,235
H&L	47,628	0	0	0	0	0	47,628	47,628
COSTA SMERALDA	145,914,063	142,867,011	201,877	201,664	190,832	190,191	2,262,489	3,047,052
LOT	54,399,974	53,087,309	32,754	32,541	21,709	21,068	1,204,593	1,312,665
H&L	91,514,089	89,779,703	169,123	169,123	169,123	169,123	1,057,896	1,734,387
WELLFORD HOMES	68,461,525	65,488,766	218,268	197,419	197,373	181,096	2,178,603	2,972,758
H&L	68,461,525	65,488,766	218,268	197,419	197,373	181,096	2,178,603	2,972,758
<b>ILOILO TOTAL</b>	<b>215,368,640</b>	<b>209,202,967</b>	<b>423,768</b>	<b>402,706</b>	<b>391,828</b>	<b>374,909</b>	<b>4,572,463</b>	<b>6,165,673</b>
<i>* Past Due Ratio</i>	<i>100%</i>	<i>97%</i>						<i>3%</i>
PLASTIC CITY INDUSTRIAL PARK	4,560,710						4,560,710	4,560,710
EMBASSY POINTE	9,049,365						9,049,365	9,049,365
METRO MANILA	13,610,075		0	0	0	0	13,610,075	13,610,075
<i>* Past Due Ratio</i>	<i>100%</i>							<i>100%</i>
WELLFORD HOMES -MALOLOS	112,937,060	112,698,251	154,737	50,294	8,444	8,444	16,889	238,809
LOT	43,043,929	42,873,383	91,038	45,731	8,444	8,444	16,889	170,547
H&L	69,893,131	69,824,869	63,699	4,563	0	0	0	68,262
	<i>100.00%</i>	<i>99.79%</i>						<i>0.21%</i>
<b>GRAND TOTAL</b>	<b>571,178,395</b>	<b>541,519,486</b>	<b>1,145,719</b>	<b>971,500</b>	<b>918,772</b>	<b>994,202</b>	<b>25,628,716</b>	<b>29,658,910</b>
<i>* Past Due Ratio</i>	<i>100%</i>	<i>94.8%</i>						<i>5.2%</i>

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

Issuer  
Title  
Signature  
Date

: **ELVIRA A. TING**  
: **PRESIDENT / CEO**



10 August 2021

Principal Financial Accounting Officer Controller  
Title  
Signature  
Date

: **JOCELYN A. VALLE**  
: **FINANCE HEAD**



10 August 2021