October 19, 2020

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.**
Markets and Securities Regulation Department

via PSE EDGE
PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street, cor. 5th Avenue
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

via electronic mail
PHILIPPINE DEALING & EXCHANGE CORP.
Market Regulatory Services Group
29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head – Issuer Compliance and Disclosure Department

Gentlemen:

Please see enclosed Amended SEC Form 17-Q (2nd Quarterly Report 2020) of Aboitiz Equity Ventures Inc. (AEV). The amendments were made to reflect the following:

UnionBank Amended Financial Statements as of June 30, 2020

In the previously filed SEC Form 17-Q for the six months ended June 30,2020, Union Bank of the Philippines (UnionBank) reclassified its FCDU FVTPL and FVOCI debt securities to the amortized cost classification as a result of the Bank's decision to avail of Bangko Sentral ng Pilipinas (BSP) Memorandum No. M-2020-022 dated April 8, 2020. The BSP Memorandum allows BSP-supervised financial institutions to reclassify its investments in debt securities that are booked under a fair value category to amortized cost category.

On August 28,2020, the Board of Directors of UnionBank decided to reverse the reclassification availed of under the BSP relief in UnionBank's general purpose financial statements prepared under PFRS.

The effect of UnionBank's amended financial statements is to reduce AEV's previously reported net income, decrease investment and advances, and decrease total equity by ₱114.9 million.

Other Adjustments

Reclassification was made in the interim unaudited consolidated balance sheet to align the presentation with the audited December 31, 2019 consolidated financial statements. A reclassification from other current assets and other noncurrent assets to cash and cash equivalents amounting to ₱1.3 billion and ₱0.8 billion, respectively. A reclassification was also made that resulted in a decrease in other current assets and non-controlling interests by ₱1.0 billion. These adjustments affected the presentation in the interim unaudited consolidated statement of cash flows: a decrease in cash flows from operating activities and an increase in cash flows from investing activities, resulting in a net increase in cash and cash equivalents amounting to ₱2.1 billion.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES INC.
By:

MANUEL ALBERTO R. COLAYCO[CNC]
Corporate Secretary

COVER SHEET

C	E	O	2	5	3	6				

S.E.C. Registration Number

ABOITIZ EQUITY VENTURES INC.

(Company's Full Name)

32ND STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY, METRO MANILA PHILIPPINES

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

MANUEL ALBERTO R. COLAYCO
Contact Person

(02) 8-886-2338
Company Telephone Number

2nd Quarterly Report 2020 (Amended)

1	2		3	1

Month *Day*
Fiscal Year

1	7	-	Q	

FORM TYPE

4th Monday of April

0	4		2	7

Month *Day*
Annual Meeting

Secondary License Type, if Applicable

S	E	C

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

x
Domestic

Foreign

- -

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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Remarks = pls. Use black ink for scanning purposes

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, 2020**

2. Commission identification number **CEO2536** 3.BIR Tax Identification No. **003-828-269-V**

4. Exact name of issuer as specified in its charter

   ABOITIZ EQUITY VENTURES INC.

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

   Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines 1634

8. Issuer's telephone number, including area code

   (02) 8 886-2800

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

   N/A

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock ₱1 Par Value	**5,630,225,457**
Amount of Debt Outstanding (June 30, 2020)	**₱341,664,510,000.00**

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

    Yes [**x**] No [ ]

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

    Philippine Stock Exchange **Common**

12. Indicate by check mark whether the registrant:

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

Yes [**x**] No [ ]

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

Yes [**x**] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the financial statements and schedules attached herewith.

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

Management's Discussion and Analysis or Plan of Action of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations of Aboitiz Equity Ventures Inc. (AEV, the "Company", or the "Parent Company") and its Subsidiaries (collectively, the "Group") should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying disclosures set forth elsewhere in this report.

<u>TOP FIVE KEY PERFORMANCE INDICATORS</u>

Management uses the following indicators to evaluate the performance of AEV and its subsidiaries:

1. EQUITY IN NET EARNINGS OF INVESTEES

Equity in net earnings (losses) of investees represents the Group's share in the undistributed earnings or losses of its Associates and Joint Ventures (JVs) for each reporting period subsequent to the acquisition of the said investment. This account reflects the result of the operating performance of an Associate or a JV and indicates its contribution to the Group's consolidated net income.

Manner of Computation: Investee's Net Income (Loss) x Investor's % ownership - Goodwill Impairment Cost

2. EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)

The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax provision, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts and to finance its capital expenditure and working capital requirements.

3. CASH FLOW GENERATED

Using the Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

4. CURRENT RATIO

Current Ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability. The higher the ratio, the more liquid the Group.

5. DEBT-TO-EQUITY RATIO

Debt-to-Equity Ratio indicates how leveraged the Group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total debt by stockholders' equity.

KEY PERFORMANCE INDICATORS (KPI)
(Amounts in thousands except financial ratio data)

	JAN-JUN 2020	JAN-JUN 2019
EQUITY IN NET EARNINGS OF INVESTEES	**₱3,105,353**	**₱3,624,927**
EBITDA	**22,874,102**	26,494,406
CASH FLOW GENERATED:		
Net cash flows from operating activities	**18,016,784**	20,772,371
Net cash flows used in investing activities	**(1,691,104)**	(27,293,588)
Net cash flows from (used in) financing activities	**12,339,599**	(9,083,606)
Net Increase (Decrease) in Cash & Cash Equivalents	**28,665,279**	(15,604,823)
Cash & Cash Equivalents, Beginning	**46,424,663**	59,033,029
Cash & Cash Equivalents, End	**75,288,514**	44,076,881
	JUN 30, 2020	**DEC 31, 2019**
CURRENT RATIO	**1.32**	1.27
DEBT-TO-EQUITY RATIO	**1.94**	1.71

Consolidated EBITDA translated into substantial cash inflows coming from Subsidiaries' operations. This coupled with dividends received from associates and JVs are the main source of internally-generated funds, which were then used to finance capital expenditures, additional investments into associates, dividends and debt service payments.

With the debt growing while equity slightly decreased during the first half of 2020, debt-to-equity ratio increased to **1.94x** (compared to end-2019's 1.71x). Current ratio also increased to 1.32x (compared to end-2019's 1.27x) as the growth in current assets outpaced the growth in current liabilities.

<u>REVIEW OF JANUARY-JUNE 2020 OPERATIONS COMPARED TO JANUARY-JUNE 2019</u>

RESULTS OF OPERATIONS

For the period ended 30 June 2020, AEV and its Subsidiaries posted a net income attributable to the equity holders of parent Company ("Net Income to Equity Holders of AEV") of **<u>₱3.92</u>** billion (bn), a **<u>56%</u>** decrease year-on-year (YoY). This translated to earnings per share of **<u>₱0.70</u>** for the period. The Power Group accounted for the bulk of the income contributions to AEV at 49%, followed by the Banking and Financial Services, Food, Infrastructure and Real Estate Groups at 39%, 14%, -1%, and -1%, respectively

During the first half of 2020, the Group generated non-recurring losses of ₱20 million (mn) (compared to ₱78 mn in non-recurring gains in for the corresponding period in 2019), representing net unrealized foreign exchange (forex) losses from the revaluation of dollar-denominated assets. Without these one-off losses, the Group's core net income for the first half of 2020 was **<u>₱3.94</u>** bn, **<u>56%</u>** lower YoY. AEV recorded a **<u>14%</u>** decrease in consolidated EBITDA for the first half of 2020 compared to the same period 2019, from ₱26.49 bn to **<u>₱22.87</u>** bn.

MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME

The following discussion describes material changes in the line items of the Company's statement of income and of comprehensive income for the six months ended 30 June 2020 compared to the six months ended 30 June 2019.

Revenues

Sale of Power

The Group's revenue from sale of power decreased by 17%, or ₱10.89 bn, from ₱63.83 bn in the six months ended 30 June 2019 to ₱52.95 bn in the six months ended 30 June 2020. The decrease was primarily attributable to reduced demand resulting from the enforcement of COVID-related community quarantines, as well as forced outages in Therma South, Inc. (TSI), Therma Luzon, Inc. (TLI) and GNPower Mariveles Coal Plant Ltd. Co. (GMCP) during the period. These decreases were partly offset by higher revenues from Therma Visayas, Inc. (TVI) and Therma Mobile, Inc. (TMO) from higher contracting levels in 2020 compared to the same period last year. The Group's sale of power comprised 62% and 56% as a percentage of total revenues in the six months ended 30 June 2019 and 30 June 2020, respectively.

Sale of Goods

The Group's revenue from sale of goods increased by 10%, or ₱3.44 bn, from ₱35.65 bn in the six months ended 30 June 2019 to ₱39.09 bn in the six months ended 30 June 2020. The increase was primarily attributable to the increased revenue contribution of the Gold Coin Management Holdings Limited (Gold Coin) and its Subsidiaries (the "Gold Coin Group") due to both higher volume and higher selling prices. The Group's sale of goods comprised 35% and 41% as a percentage of total revenues in the six months ended 30 June 2019 and 30 June 2020, respectively.

Real Estate

The Group's revenue from real estate decreased by 20%, or ₱280.5 mn, from ₱1.43 bn in the six months ended 30 June 2019 to ₱1.15 bn in the six months ended 30 June 2020. The decrease was primarily attributable to the impact on the residential business of AboitizLand, Inc. (AboitizLand) of the economic slowdown and restrictions in operations resulting from the government-imposed community quarantines in response to the COVID-19 pandemic. AboitizLand's project percentage of completion, driven by the construction progress, is a key factor in the recognition of revenue and AboitizLand's construction activities were brought to a standstill during the second quarter of 2020. As a percentage of total revenues, the Group's revenue from real estate comprised 1% in the six months ended 30 June 2019 and 30 June 2020.

Other Revenues

The Group's combined revenue from fair value of swine, service fees, and other sources decreased by 13%, or ₱220.8 mn, from ₱1.64 bn in the six months ended 30 June 2019 to ₱1.42 bn in the six months ended 30 June 2020. The decrease was primarily attributable to lower swine sales resulting from the African Swine Fever (ASF) spread in Luzon and lower service fees. As a percentage of total revenues, the Group's other revenues comprised 2% in the six months ended 30 June 2019 and 30 June 2020.

Costs and Expenses

Cost of Generated and Purchased Power

The Group's cost of generated and purchased power decreased by 24%, or ₱9.02 bn, from ₱37.69 bn in the six months ended 30 June 2019 to ₱28.67 bn in the six months ended 30 June 2020. The decrease was primarily attributable to lower fuel costs due to outages, and lower purchased power cost resulting from lower WESM rates. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 43% and 35% in the six months ended 30 June 2019 and 30 June 2020, respectively.

Cost of Goods Sold

The Group's cost of goods sold increased by 9%, or ₱2.77 bn, from ₱31.48 bn in the six months ended 30 June 2019 to ₱34.25 bn in the six months ended 30 June 2020. The increase was primarily attributable to the higher costs of Gold Coin Group from increased volume and higher feeds cost of the Farms segment. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 36% and 42% in the six months ended 30 June 2019 and 30 June 2020, respectively.

Operating Expenses

The Group's operating expenses increased by 7%, or ₱1.18 bn, from ₱17.13 bn in the six months ended 30 June 2019 to ₱18.31 bn in the six months ended 30 June 2020. The increase was primarily attributable to the increase in operating expenses of the Aboitiz Power Corporation and Subsidiaries (the "AboitizPower Group") due to the start of operations of TVI. As a percentage of total costs and expenses, the Group's operating expenses comprised 20% and 22% in the six months ended 30 June 2019 and 30 June 2020, respectively.

Other Costs and Expenses

The Group's other costs and expenses, comprising cost of real estate sales and overhead expenses, decreased by 22%, or ₱197.6 mn, from ₱916.6 mn in the six months ended 30 June 2019 to ₱719.0 mn in the six months ended 30 June 2020. The decrease was primarily attributable to lower real estate sales cost and lower overhead costs incurred by AEV Aviation. As a percentage of total costs and expenses, the Group's other costs and expenses comprised 1% in both the six months ended 30 June 2019 and 30 June 2020.

Operating Profit

As a result of the foregoing, the Group's operating profit decreased by 17%, or ₱2.68 bn, from ₱15.33 bn in the six months ended 30 June 2019 to ₱12.65 bn in the six months ended 30 June 2020.

Income Before Income Tax

The Group's income before income tax decreased by **41%**, or **₱5.76** bn, from ₱14.18 bn in the six months ended 30 June 2019 to **₱8.43** bn in the six months ended 30 June 2020. The decrease was due to the decrease in operating profit coupled with higher net interest expense and lower equity earnings. Moreover, income before tax for the first half of 2019 also included income from the Generation Rate Adjustment Mechanism (GRAM) and Incremental Currency Exchange Rate Adjustment (ICERA), which was no longer recognized as income during the first half of 2020.

Net Income

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV decreased by **56%** or ₱5.03 bn, from ₱8.95 bn in the six months ended 30 June 2019 to **₱3.92** bn in the six months ended 30 June 2020.

Net income attributable to non-controlling interests for the six months ended 30 June 2020 decreased to ₱1.97 bn, compared to ₱3.64 bn in the six months ended 30 June 2019. This was primarily due to the decrease in consolidated net income of AboitizPower during the first six months of 2020. In addition, the purchase of the remaining 25% stake of Gold Coin in the second quarter of 2019 meant that the net income attributable to non-controlling interests of Gold Coin was reduced to nil.

STRATEGIC BUSINESS UNITS (SBU)

The following discussion describes the performance of the Group's SBUs for the six months ended 30 June 2020 compared to the six months ended 30 June 2019.

Power

For the six months ended 30 June 2020, the AboitizPower Group's contribution to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, for the six months ended 30 June 2020 was ₱2.88 bn, a 57% decrease from ₱6.66 bn in the six months ended 30 June 2019.

Before elimination of transactions within the Group, the combined contribution of AboitizPower's Power Generation and Retail Electricity Supply businesses to Net Income to Equity Holders of AEV decreased by 56%, from ₱6.24 bn in the six months ended 30 June 2019 to ₱2.74 bn in the six months ended 30 June 2020. The variance was primarily due to income from the GRAM and ICERA that was recognized in the first half of 2019 and which was no longer eligible for recognition during the first half of 2020.

AboitizPower's performance during the six months ended 30 June 2020 was also affected by outages in TSI, TLI and GMCP, and by lower demand. These declines offset the full-year contributions of TVI and TMO, as well as the decreased purchased power costs during the first half of 2020.

Capacity sold increased from 3,035 megawatts (MW) for the six months ended 30 June 2019 to 3,388 MW for the six months ended 30 June 2020 due to increased contracting levels driven by the new capacity of TVI and TMO. However, due to the lower demand brought about by the COVID-19 pandemic and forced outages, energy sold in the first half of 2020 declined by 6% to 10,764 gigawatt-hours (GWh), compared to 11,460 GWh during the same period in 2019.

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV of AboitizPower's Power Distribution Group decreased by 7% from ₱1.41 bn for the six months ended 30 June 2019 to ₱1.31 bn for the six months ended 30 June 2020. This decrease was mainly driven by lower energy consumption from the Commercial and Industrial customer segments resulting from the enforcement of the COVID-related community quarantines. Energy sales decreased by 7% to 2,629 GWh during the six months ended 30 June 2020 from 2,842 GWh in the six months ended 30 June 2019.

Banking & Financial Services

Union Bank of the Philippines' (UnionBank) contribution to Net Income to Equity Holders of AEV decreased by **8%** YoY, from ₱2.37 bn in the six months ended 30 June 2019 to **₱2.14** bn in the six months ended 30 June 2020.

On a stand-alone basis, UnionBank recorded a net income of **₱4.27** bn for the six months ended 30 June 2020, an decrease of **10%** compared to the same period in 2019. The decrease was primarily due to increased provisions for loan losses in the first half of 2020 as UnionBank deemed it prudent to add reserves ahead of the potential impact of the COVID-19 crisis on its credit portfolio. This was partly offset by revenue growth from the increase in net interest income, which grew to **₱13.86** bn, 41% higher YoY, while other income was **₱8.02** bn, up **80%** YoY, mainly due to trading gains.

Food

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Food Group increased by 44% to ₱794.7 mn in the six months ended 30 June 2020, compared to ₱551.6 mn in the six months ended 30 June 2019.

For the six months ended 30 June 2020, the Food Group's Philippine Subsidiaries reported a net income of ₱293.1 mn compared to ₱387.0 mn net income for the six months ended 30 June 2019. This was mainly due to decreased selling prices and volume of the Farms business resulting from the ASF spread in Luzon, as well as a decline in margins following higher farms and meat processing costs. This was partly offset by reduced raw materials and financing costs of the Feeds business, and higher margins and volume of the Flour business.

Before elimination of transactions within the Group, Pilmico International Pte. Ltd. (Pilmico International) and its Subsidiaries, recorded net income of ₱501.7 mn for the six months ended 30 June 2020, a 205% increase compared to the six months ended 30 June 2019. This was due to the increase in income contribution of Gold Coin resulting from an increased equity ownership, and increased volumes from Gold Coin's China, Vietnam, Malaysia, and Sri Lanka operations.

Real Estate

The contribution of AboitizLand to Net Income to Equity Holders of AEV for the six months ended 30 June 2020, before elimination of transactions within the Group, amounted to a loss of ₱38.9 mn, from ₱60.1 mn in income for the six months ended 30 June 2019. This decrease was due to lower construction progress for projects following the imposition of government-imposed community quarantines in response to the COVID-19 pandemic.

Infrastructure

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Infrastructure Group decreased by ₱295.6 mn to ₱77.6 mn loss for the six months ended 30 June 2020, compared to ₱218.0 mn income for the six months ended 30 June 2019. This mainly came from the contribution of Republic Cement and Building Materials Inc. and its Subsidiaries, which decreased from ₱249.2 mn in the six months ended 30 June 2019 to a ₱10.0 mn loss during the six months ended 30 June 2020. This was mainly due to the contraction in the demand for cement as construction activities dramatically slowed down, particularly during the enforcement of COVID-related community quarantines.

CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

Assets

Consolidated assets (as of 30 June 2020 compared to 31 December 2019) increased by 6% to ₱620.90 bn, due to the following:

- Cash & Cash Equivalents increased by **62%** (**₱75.29** bn as of 30 June 2020 compared to ₱46.42 bn as of 31 December 2019) mainly due to the receipt of proceeds from the issuance of US dollar bonds of AEV International Pte. Ltd. (AEV International) in January 2020.

- Trade and other receivables (current and noncurrent) increased by 11% to ₱41.86 bn as of 30 June 2020 from ₱37.62 bn as of 31 December 2019, mainly due to the AboitizPower Group providing an extension period for its customers' bill payments, and higher sales for the Food Group during the period.

- Land and improvements increased by 10% (₱2.83 bn as of 30 June 2020 compared to ₱2.57 bn as of 31 December 2019) mainly due to additional land acquisition by the Real Estate Group.

- Investments in and Advances to Associates and JVs increased by **₱1.99** bn (**₱142.35** bn as of 30 June 2020 compared to ₱140.35 bn as of 31 December 2019) mainly due to AboitizPower's ₱1.53 bn additional infusion into GNPower Dinginin Ltd. Co., Aboitizland's ₱200.0 mn infusion into Cebu Homegrown Developers, Inc., and the recording of **₱3.11** bn share in net earnings of associates and JVs. This increase was partially reduced by the ₱2.90 bn dividends from associates and JVs during the period.

- Deferred Income Tax Assets increased by 11% (₱3.47 bn as of 30 June 2020 compared to ₱3.13 bn as of 31 December 2019) mainly due to deferred tax benefits recognized by Subsidiaries on their net operating loss.

The above increases were tempered by the following decreases:

- A ₱3.84 bn combined decrease in Property Plant and Equipment (PPE) and Investment Properties (IP) which was mainly due to ₱6.12 bn attributed to depreciation & amortization, partly offset by the following: (i) ₱1.36 bn additions to AboitizPower from generation and distribution assets (ii) ₱665.3 mn additions to Food Group; and (iii) ₱229.4 mn additions to Real Estate.

- Derivative Assets (current and noncurrent) decreased to nil as of 30 June 2020 compared to ₱133.4 mn as of 31 December 2019 mainly due to mark-to-market losses recognized on derivative instruments.

- **Other Noncurrent Assets (ONCA) decreased by 5% (₱13.41 bn as of 30 June 2020 compared to ₱14.13 bn as of 31 December 2019) primarily due to the reclassification of Input VAT previously classified as ONCA to Other Current Assets (OCA), as the Group expects these to be used within the next 12 months.**

Liabilities

Total Liabilities (as of 30 June 2020 compared to 31 December 2019) increased by ₱38.03 bn, or 10%, due to the following:

- Short-term bank loans increased by 56% (₱40.11 bn as of 30 June 2020 compared to ₱25.72 bn as of 31 December 2019) mainly due to short-term debt availed of by the Power and Food Groups, and by AEV Parent.

- Long-term debt, which includes both current and non-current portions, increased by 8% (**₱258.07** bn as of 30 June 2020 compared to **₱239.58** bn as of 31 December 2019) due to the following: (i) the issuance of US dollar bonds by AEV International equivalent to ₱20.24 bn;, (ii) the additional ₱3.0 bn in debt availed of by Apo Agua Infrastructura, Inc.; (iii) the ₱600 mn in debt availed of by Aboitiz Energy Solutions, Inc.;, and (iv) the ₱189 mn of additional debt availed of by Therma Power Visayas, Inc. These increases were partly offset by the settlement of maturing loans.

- **Long-term obligation on power distribution system (current and noncurrent portions) increased by 6% (₱211.4 million as of 30 June 2020 compared to ₱199.4 million as of 31 December 2019) mainly due to the accretion of interest.**

- Trade and other payables, inclusive of noncurrent portion, increased by 10% (₱48.21 bn as of 30 June 2020 compared to ₱43.65 bn as of 31 December 2019) mainly due to increases in output VAT and non-trade payables of the Power Group and payables to suppliers of the Food Group.

- Income tax payable increased by 91%, from ₱776.6 mn as of 31 December 2019 to ₱1.48 bn as of 30 June 2020, mainly due to increased tax provisions for the Power Group during the period.

- Derivative liabilities (current and noncurrent) increased from ₱2.47 bn as of 31 December 2019 to ₱3.89 bn as of 30 June 2020. This was mainly due to the Power Group's hedging losses during the period.

Equity

Equity attributable to equity holders of the parent (as of 30 June 2020 compared to 31 December 2019) decreased by 3%, from ₱176.48 bn to **₱171.53** bn, due to the following:

- ₱7.32 bn cash dividends paid during the first half of 2020;
- a negative ₱1.34 bn movement in cumulative translation adjustments, mainly due to hedging losses; and
- These were partly offset by the **₱3.92** bn in net income recorded during the period.

MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For the six months ended 30 June 2020, the Group continued to support its liquidity mainly from cash generated from operations, additional loans availed and dividends received from associates.

Compared to the cash inflow in the six months ended 30 June 2019, consolidated cash generated from operating activities in the six months ended 30 June 2020 decreased by **₱2.76** bn to **₱18.02** bn. This was mainly due to the decline in earnings before interest, depreciation and amortization despite lower working capital requirements.

As of 30 June 2020, **₱1.69** bn net cash was used in investing activities compared to ₱27.29 bn during the six months ended 30 June 2019. This was mainly due to lower cash used on additional investments in associates compared to the same period in 2019.

Net cash from financing activities was ₱12.34 bn for the six months ended 30 June 2020 compared to ₱9.08 bn used in the six months ended 30 June 2019. The increase was largely attributed to availment of short-term loans and the issuance of US dollar bonds of AEV International during the first quarter of 2020.

For the six months ended 30 June 2020, net cash inflows surpassed cash outflows, resulting in a **62%** increase in cash and cash equivalents, from ₱46.42 bn as of year-end 2019 to **₱75.29** bn as of 30 June 2020.

FINANCIAL RATIOS

Current Ratio stood at 1.32x as of 30 June 2020, compared to year-end 2019's 1.27x, as current assets increased more than current liabilities. Debt-to-equity ratio increased from year-end 2019's 1.71:1, to **1.94:1** as of 30 June 2020, as total liabilities grew while equity decreased.

Outlook for the Upcoming Year/ Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant

Based on information provided by Union Bank of the Philippines, Inc. ("UnionBank" or the "Bank") Economic Research Unit, Aboitiz Equity Ventures Inc. (the "Company" or "AEV") currently expects the Philippines' 2020 GDP to contract by 8%.

Power SBU

AboitizPower is focused on addressing the needs of its markets, namely: (1) reliable supply, at a (2) reasonable cost, and with (3) minimal impact on the environment and communities. The Company believes that there is no single technology that completely addresses the country's energy requirements; and that to address the deficiency, a mix of power generation technologies is necessary. Thus, AboitizPower continues to pursue both renewable projects and thermal technologies where and when it makes sense.

Despite increased competition in the power generation market, AboitizPower believes that it has built the foundation to sustain its long term growth, as seen in its pipeline of new power generation projects (Naga Power Plant Complex project and GNPower Dinginin project).

For the Naga Power Plant Complex Project in Cebu, the six diesel engine units passed the grid compliance tests of the National Grid Corporation of the Philippines and were successfully rehabilitated in January 2020. The units have demonstrated a combined net capacity of 39 MW. This was almost twice the output of these units prior to Therma Power Visayas, Inc. (TPVI) taking over. A Provisional Authority to Operate (PAO) has been obtained from the Energy Regulatory Commission and will allow TPVI to proceed with commercial operations as soon as its intent to commence participation in the Wholesale Electricity Spot Market is accepted by the Philippine Electricity Market Corporation. The plant is expected to start commercial operations by end-August of this year.

The GNPower Dinginin project is in the final stages of construction but continues to face challenges due to the COVID-19 pandemic and the imposition of the travel ban on China. Construction has slowed down due to the preventive measures taken to ensure the safety of workers on-site. A total of 172 Technical Field Assistants (TFA) have arrived in the country with 38 TFA's expected to arrive to complete testing and commissioning of Unit 1. Due to these circumstances, Unit 1 is now expected to synchronize and earn commissioning revenues by the fourth quarter of 2020 and to commence commercial operations by the first quarter of 2021. Unit 2 is expected to synchronize and earn commissioning revenues by the first quarter of 2021 and to commence commercial operations by the second quarter of 2021.

In relation to AboitizPower's existing capacity, the steam field operator for AP Renewables Inc. (APRI) has commenced the drilling of 12 new wells, which are expected to result in a minimum 50 MW of steam capacity by 2022. For Tiwi, the first well drilled and commissioned in December 2019, was tested at 12.11 MW in January 2020. For MakBan, the first well is targeted by December 2020 with a capacity of 5 to 7 MW. AboitizPower expects to complete the drilling for incremental steam capacity by 2022. The drilling project is significant as it will allow AboitizPower to optimize APRI's current net sellable capacity of 290 MW.

AboitizPower is on track to meet its 2020 target of 4,000 MW net attributable capacity. By year end, AboitizPower expects to own 4,432 MW of attributable capacity, with the entry of GNPower Dinginin Ltd. Co.'s Units 1 and 2, both units of which are under construction.

AboitizPower is committed to growing its attributable capacity which it expects will be sourced from a portfolio of renewables and selective baseload builds. In terms of renewable energy, AboitizPower aims to maximize opportunities from the implementation of the Renewable Portfolio Standards (RPS) by the Department of Energy (DOE) starting this year. In line with DOE's aspirational goal of a 35% share in renewable energy utilization by 2030, RPS is a market-based policy that mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supplies from renewable energy facilities. AboitizPower will continue to pursue its international aspirations with continued focus on renewable energy projects in the ASEAN region. With all of these combined, it is expected that the AboitizPower's portfolio ratio will be close to a 50:50 Cleanergy (renewable energy) and thermal capacity mix by the end of the current decade.

AboitizPower believes that it is well-positioned to take advantage of opportunities arising from developments in the power industry. AboitizPower expects its financial condition to give it the agility to create or acquire additional generating capacity over the next few years.

AboitizPower, together with its partners, had initially budgeted ₱41 billion in capital expenditures for 2020. In order to take into consideration the impact of COVID-19, AboitizPower has cut its initial budget for capital expenditures by about 20%.

Despite the challenges posed by the global pandemic and the unusual business situation, AbotizPower continues to operate with its business continuity plans in force, in accordance with the protocols and guidelines of the government's community quarantine. It will continue to provide the country with the much-needed power supply for hospitals, government institutions, and critical businesses, while ensuring the safety of its teams, partners, and communities.

Other known trends, events, uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement (e.g. for an extensive discussion on regulatory issues, see Effects of Existing or Probable Government Regulations on the Business on page 91 of the Company's 2020 Definitive Information Statement.

Banking & Financial Services SBU

UnionBank is continuing with its 10-year business transformation roadmap - FOCUS 2020 - with the vision of becoming one of the top three universal banks in the Philippines in terms of ROE, ROA, and cost-efficiency. Rather than traditional metrics such as asset size or branch network, this transformation roadmap involves a shift in focus on providing financial value to stakeholders, operational excellence, customer franchise/share of wallet, unique customer experience, and delivering superior and innovative products and services.

Now that the Bank is close to concluding its FOCUS 2020 strategic plan, the primary goal has shifted to being considered one of the country's great retail banks. Concretely, the Bank plans to achieve this goal by increasing its core earning asset base, attaining balanced sources of revenues, and shifting towards a recurring income business model as it fortifies its balance sheet.

The Bank has shown progress in achieving its primary goal. A majority of the Bank's revenues are already recurring in nature as its loans continue to grow above-industry. Likewise, the retail segment already accounts for a significant portion of the Bank's revenues.

UnionBank continues to leverage on its core strengths: Capital, Branch Transformation, Corporate Relationships, Processes, Partners, and its unique Unionbank DNA. It leverages Capital, which prompts the Bank to shift from trading to building recurring income to provide stable returns and predictability in the growth of shareholder value. It leverages on Transforming its Branches and establishing the competence of the sales force, rather than expanding the brick-and-mortar network, to cater to changing customer expectations. It leverages on Corporate Relationships, by providing superior cash management solutions to anchor clients and in the process, penetrate their entire ecosystem. The Bank leverages on Processes, which is about building the foundation of the Bank's automation and digital transformation initiatives. It leverages on Partners, to build synergies for the expansion of products and services, as well as customer reach. It leverages on having a unique UnionBank DNA, focused on building the right culture and organizational capabilities. Also, the Bank leverages on its subsidiaries, such as CitySavings, which is the Bank's avenue to expand reach towards the underserved segment for inclusive prosperity.

The Bank is also embarking on a Digital Transformation Strategy which aims to increase its competitive advantage at present and into the future. The Banks' Digital Transformation Strategy consists of two objectives:

1) To strengthen the current business by repositioning itself into a Digital Bank. It intends to apply higher technologies into its core banking systems to enable the Bank to quickly respond to changing customer behavior. At the same time, the Bank aims to use newly acquired skills to move into adjacent markets and become the Best Mass Market Bank. The goal is to widen scope and acquire new skills in key segments to improve operational efficiencies and ramp up scale towards inclusive prosperity, spearheaded by CitySavings and its other mass-market subsidiaries; and
2) To search for new business models where banking is integrated in people's day-to-day lives. The objective is to immerse the Bank in emerging technologies such as blockchain and token economy which may disrupt the banking industry. The Bank shall bank, enable, and invest in "fintech" to be the future direction of the country's financial landscape. Moreover, the Bank plans to make technology its core in order to deliver platforms. All these can enable the Bank to embed its financial services into ecosystems, thus making itself indispensable in a future where banking will no longer be a transaction choice but part of an integrated experience. These will be led by UBX, the Bank's technology and innovation company.

Coming from Phase 1 (i.e. building the foundational infrastructure to be "Digital to the Core") and Phase 2 (i.e. launch of critical customer channels), UnionBank is already in Phase 3 of its Digital Transformation - the monetization and commercialization of the Bank's initiatives - which involves the scaling up of digital customer touchpoints such as enhancing features in UnionBank Online mobile app (for retail customers) and The Portal (for corporate clients), roll out of Arks and self-service branches, as well as the launch of the Bank's SME Business Banking app for SME customers.

UBX, is also ramping up operations with its flagship platforms, namely: (i) Project i2i (financial platform for rural banks); Sentro (an online business-to-business marketplace for the SME ecosystem with business solutions such as BUX, a payment and logistics fulfillment platform for online merchants); and (ii) SeekCap (developed in partnership with OneConnect – Ping An's fintech arm – which is an SME lending marketplace that offers affordable financing options and faster approvals).

With the key channels and platforms now in place, the Bank is focused on accelerating its customer acquisition and deepen engagement across all digital channels in order to realize the benefits of its digital transformation. This is in order to achieve sustained growth of its lending and deposit business and, at the same time, reap operational efficiencies from its digital investments.

The extent of the impact of the COVID-19 pandemic remains uncertain. However, a slowdown in economic activity is expected and is likely to adversely affect the banking industry.

For 2020, the Bank has the following outlook:

- The banking industry is expected to experience relatively flat asset and loan growth due to the economic slowdown and dampened consumer confidence, as evidenced by the 1st half results of economic indicators.
- Interest rates are expected to remain low to stimulate the economy. As of end-June 2020, BSP's overnight reverse repurchase facility was at 2.25%. Depending on the economic performance in the 2nd half of the year, there might be further rate cuts before the end of the year.

- Lastly, digital banking initiatives in the industry are expected to ramp up as social distancing measures will remain in the immediate future, leading to higher take-up of digital customers.

In anticipation of the potential impact on the Bank's credit portfolio, the Bank deemed it prudent to set aside higher provisions for loan losses for the year. In the first half of 2020, the Bank increased its reserves to ₱7.0 bn compared to ₱364.3 million in the same period last year and versus ₱1.9 bn for full-year 2019.

Amid this, UnionBank believes it is positioned to withstand the effects of the current economic environment. The Bank continues to have a combination of strong capitalization and low non-performing loans (NPL) ratio, which provides a cushion against potential economic headwinds. Furthermore, there is currently strong support from the government and regulators in ensuring that there is adequate liquidity in the banking system. Various government initiatives (e.g. social amelioration program, subsidies, etc.) were also launched to mitigate the impact of the current economic environment.

UnionBank is committed to supporting the economy and its customers by ensuring access to liquidity and other financial needs. And with the Bank's digital channels and capabilities, it is capable of delivering full banking services to its customers during the COVID-19 crisis.

UnionBank had initially budgeted around ₱2.0 bn for capital expenditures in 2020. In order to take into consideration the impact of COVID-19, UnionBank has increased its budget for business continuity related to capital expenditures by about 14%.

Food SBU

The Food Group, composed of AEV's non-listed multinational food subsidiaries, is an integrated regional agribusiness and food company based in the Philippines and Singapore. Its businesses in the Philippines include flour milling, feed milling, livestock farming, and commodity trading. It remains one of the Philippines' top flour, feeds, and farm market participants and has a nationwide presence.

The Food Group operates in the ASEAN and across the Asia-Pacific regions through Pilmico International Pte. Ltd. and its subsidiaries - which includes Gold Coin Management Holdings Limited (Gold Coin) and is well-positioned in the Asia Pacific as a manufacturer and producer. Given the trend of rising protein consumption globally, it intends to build a comprehensive animal nutrition platform in Asia. This requires having a good base of products and services that facilitates the creation of a portfolio of offerings that will serve both existing and future customers and markets. Similar to the Company's other business segments, the Food Group utilizes a strategy of sustaining and strengthening the profitability of existing businesses as it looks to build new businesses.

The acquisition of Gold Coin and its subsidiaries (the "Gold Coin Group") has allowed the Food Group to expand its customer base and geographic reach. The Food Group is currently the fourth largest animal feed manufacturer in Southeast Asia, and its presence in 11 countries across the Asia-Pacific region allows the Food Group to explore opportunities down the value chain in these markets. Geographic expansion also provides the Food Group and the rest of AEV's businesses access to local or regional information for potential expansion opportunities. The Food Group looks forward to harnessing synergies in distribution, localized operations, cross-selling, research and development, and raw materials and logistics costs.

The current year is also the Food Group's first full year under new leadership. Hubert de Roquefeuil, who was initially onboarded as the President & CEO of Gold Coin Management Holdings Limited, has assumed the role of President & CEO of the entire Food Group and will be supported by the President & CEO of Pilmico Foods Corporation (Pilmico), Tristan Roberto Aboitiz.

Starting 2020, Food Group will pursue a strategy of "Balance, Optimize, and Develop." Establishing a balanced portfolio will maximize opportunities and minimize associated risks. This will be optimized through execution excellence founded on harmonized processes and systems of the entire Food Group. Furthermore, the Food Group will continue to build and develop capabilities to innovate and expand the business. Overall, this approach will serve as the compass in steering the Food Group to achieve its growth targets in the next ten years.

The Flour business will employ a two-pronged market strategy of: (i) maximizing growth potential in the Visayas region and Mindanao island, while (ii) building and developing new channels in Luzon through continuous sales efforts. The Flour business likewise intends to move forward in the value chain as it continues selling value-added flour products and potentially expanding into a more diversified product portfolio.

Due to African Swine Fever (ASF) and COVID-19 challenges, the Farms business has recalibrated the planned expansions in the Northern Luzon and has started looking opportunities in the Visayas and Mindanao regions. Capacity is still expected to reach a sow-level of 50,000 heads by 2029. The increase in volume comes with opportunities to unlock more distribution channels and to push forward integration in the value chain. In 2020, the Food Group will operationalize its meat fabrication and processing plant, this will provide more stability in profitability through selling high-margin pork meats compared to live hog selling. Meanwhile, the planned expansions for the layers business in 2020 was pushed back to 2021. The increase in layers capacity (8x from today's level) is expected to result in a monthly production of 27 million eggs is still expected by 2025.

Feeds Philippines will continuously expand its market position through placing additional feedmill capacity in strategic locations in the Visayas & Mindanao region in the next 5 years. By the third quarter of 2020, Feeds Philippines will operate its additional feed mill in Iligan, which has been delayed by six months due to the disruptions caused by the COVID-19 crisis. This new mill will serve the growing requirements of its Visayas and Mindanao customers. Strategic geographical and product positioning will be key in securing new and existing customers in the competitive market. The Food Group is also exploring the inclusion of Pet Food and Specialty Nutrition products as part of its portfolio. Moreover, Feeds Philippines employs platform improvements in logistics to provide operational agility and improve customer experience.

Likewise, Aqua Feeds Vietnam is expected to take advantage of emerging opportunities for fingerling feeds in the Vietnam region.

The Gold Coin Group aims to boost capacity utilization by pursuing opportunities for cross-selling, maximize knowledge and expertise by sharing platforms across countries, particularly in China and Vietnam. In 2020, the Gold Coin Group will balance its portfolio by deploying multi-specie strategy, accelerate businesses in Fish and Shrimp feeds, and Specialty Nutrition throughout the countries

Furthermore, with increased opportunities in aquaculture production emerging, particularly Shrimp and Tilapia, the Gold Coin Group will explore diversifying into the Shrimp and Fish businesses in China, Vietnam, and Malaysia. Two additional fish feed lines located in Vietnam (Ha Nam, North Vietnam) and China (Dongguan, Southern China) will be operational in 2020. The planned expansion for Aqua Feeds in Vietnam has been deferred and this business will remain at a capacity of 234 TPH in 2020. Each plant will have an incremental 5 tons per hour (TPH). The plant in China has been completed in April 2020 while the plant in Vietnam is expected to be commissioned in September 2020 from the previous target commissioning date in April 2020.

Pet Food and Feed Additives are also seen to grow in the years to come and the Food Group intends to integrate this to China, Vietnam, Indonesia and Malaysia. Thailand on the other hand can be improved by utilizing its current capacity.

In terms of operations, the Food Group continues to find synergies between Pilmico and Gold Coin through intercountry trade, group purchasing, optimization of IT shared services, and mitigating foreign exchange risk to trim expenses. All these strategies mentioned are expected to increase profits and boost bottom line figures.

The spread of COVID-19 around the world has caused several challenges in the countries that Food Group operates in. However, the Food Group believes it has prepared for the crisis by ensuring that it has sufficient raw materials to cover its full operations at any given time by maintaining good relationships with its suppliers.

Customer demand remains high in the midst of the COVID-19 crisis due to food being a basic necessity. Governments of various countries where the Food Group operates allow the free movement of skeleton workforces as its businesses are deemed essential during COVID-19 disruption. On the logistics aspect, the Food Group has modified its supply chain to adapt to the changes in delivering and transporting its goods.

The Food Group has boosted its collections facilities to ensure that each customer is being actively managed by its sales personnel and collecting agents. In addition, the Food Group was able to obtain reasonable credit extensions from its top local suppliers. Abaqa International, its central purchasing arm, has also provided flexible working capital arrangements to achieve synergies in payments and inventory.

The planned expansion for Aqua Feeds in Vietnam has been deferred and this business will remain at a capacity of 234 TPH in 2020.

On the same note, the expansion target for the 20,000 Sow Level Capacity will move to the 2023 timeline.

The Food Group had initially budgeted ₱3.0 bn for capital expenditures in 2020. In order to take into consideration the impact of COVID-19, Food Group has cut its initial budget for capital expenditures by approximately 40%.

Infrastructure SBU

Aboitiz InfraCapital, Inc (AIC or "Aboitiz InfraCapital")

AIC remains committed to participating in the Philippine infrastructure space and contributing to the nation's development amid the COVID-19 pandemic.

Airports and Other Infrastructure

Aboitiz InfraCapital continues to be keen in the airport segment, as it believes that airports are vital infrastructure projects that the country needs, and that these projects will play a huge role in reviving the economy.

Aboitiz InfraCapital was granted Original Proponent Status for its unsolicited proposals for the operations, maintenance, and expansion new Bohol-Panglao International Airport (BPIA) on September 3, 2018 and the Laguindingan Airport on February 26, 2019, by the DOTr and the Civil Aviation Authority of the Philippines (CAAP), respectively. On November 29, 2019, AIC obtained the approval of the NEDA Board for the Bohol unsolicited proposal, while the Investment Coordination Committee-Cabinet Committee (ICC-CabCom) approved the proposal for Laguindingan Airport on December 20, 2019.

These airport projects are aligned with AIC's objective to support regional development centers outside of Manila.

In consideration of the impact of COVID-19, AIC has initiated discussions with the government on the best and most prudent way to move forward with the projects and ensure the terms are appropriate given the challenging environment.

On February 7, 2019, Aboitiz InfraCapital signed a Memorandum of Understanding (MOU) with the Department of Information and Communications Technology. The MOU recognized Aboitiz InfraCapital as a potential common tower provider with the necessary financial and operational capability to build and efficiently power its cell sites, and will also allow Aboitiz InfraCapital to secure contracts with mobile network operators. To date, Aboitiz InfraCapital has signed separate MOUs with Globe Telecom, Smart Communications, and Dito Telecommunity, and are now in discussions on the lease of build-to-suit tower sites and other passive telecommunications infrastructure. Negotiations are also still ongoing with these mobile network operators, although progress has slowed down due to COVID-19.

Water

Apo Agua Infrastructura, Inc. (Apo Agua)

Apo Agua is the project company owned by AEV and J.V. Angeles Construction Corp. (JVACC), organized to design, construct and operate a hydroelectric powered-raw water treatment facility and a conveyance system which will deliver a minimum contracted annual volume of 109.5 mn cubic meters (equivalent to 300 mn liters per day) of treated bulk water to Davao City over a 30-year period.

On March 17, 2015, Apo Agua signed the Contractual Joint Venture Agreement and Bulk Water Purchase Agreement (BWPA) with the Davao City Water District (DCWD) for the financing, design, construction, and operations of the Davao City Bulk Water Supply Project (DCBWSP).

On March 21, 2018, Apo Agua started the preliminary construction works particularly the detailed design, geotechnical survey and soil condition testing.

On November 29, 2018, Apo Agua signed a ₱9.0 bn Omnibus Notes Facility and Security Agreement with a consortium of lender-banks, arranged by BPI Capital Corporation, to finance the construction phase of the DCBWSP.

In February 2019, physical construction commenced on major project sites such as the hydroelectric power plant and the water treatment plant, the intake facilities in Tamugan River and the raw water pipelines. At the start of 2020, Apo Agua commenced treated water pipeline works. A total of around 60 kms of pipes of varying sizes was expected to be laid down going to 8 off-take points of the DCWD. Although construction was suspended upon the declaration of Davao City's ECQ from

April 4 to May 12, 2020, construction has now resumed with strict social distancing protocols in place.

Apo Agua is working proactively with its Engineering, Procurement, and Construction (EPC) contractor to ensure implementation of an aggressive recovery plan to ensure project completion in 2021.

LiMA Water Corporation (LWC)

LWC is the exclusive water and wastewater services provider in Lima Technology Park, one of the Philippines' largest industrial parks. LWC is currently building its capability to fully support the expansion plans of Lima Technology Center, which is expected to experience healthy growth in the coming years.

After three months of community quarantine, industrial locators have normalized their operations and consequently, water demand has increased to its usual level. Business continuity plan (BCP) is still in place to address the impact of COVID-19 and ensure the continuity of operations.

Aboitiz InfraCapital intends to use its current water portfolio (which also includes a 16% stake in Balibago Waterworks System, Inc.) as a strategic platform to build the Group's water business. It will look into unserved highly-urbanized cities for opportunities to expand its footprint in the water space across the country.

Republic Cement and Building Materials, Inc. (RCBM)

Construction is among the industries affected by the COVID-19 crisis. Coming from a strong start in early 2020, construction activities in Luzon and some parts of Visayas and Mindanao stopped for two months during the ECQ lockdown.

Post-lockdown, construction activities have slowly resumed. Demand for bagged cement has restarted and is stabilizing but still below pre-COVID-19 levels. However, the bulk cement segment remains soft and slower than the same period last year, presumably constrained by stricter health protocols and limited transportation availability impacting construction workers.

Outlook for the remainder of the year is cautiously optimistic. The government has announced that accelerating the Build, Build, Build program is one of the priority measures being undertaken to revive the economy. On the other hand, the shift of local and national government budgets to healthcare as part of the war against the virus would likely impact public construction. Further, private construction will be affected by declining Overseas Filipino Workers (OFW) remittances and Business Process Outsourcing (BPO) revenues, increasing unemployment rate, decreasing disposable income and general sentiment to hold on to cash in order to bounce back from the crisis.

RCBM has put in place rigid post-ECQ procedures to mitigate against the spread of COVID-19. These include health screening, social distancing, sanitation of work areas and strict observance of PPE. Additionally, RCBM has put in place several cost cutting and cash optimization measures.

RCBM remains focused on serving its key markets throughout the country with high-quality products, while improving efficiencies and reducing costs. Production costs are anticipated to remain in control following the implementation of operational excellence initiatives.

The Infrastructure Group had initially budgeted ₱16.0 bn for capital expenditures in 2020 across all its businesses. In order to take into consideration the impact of COVID-19, the Infrastructure Group has cut its initial budget for capital expenditures by about 50%.

Land SBU

Aboitiz Land, Inc. (AboitizLand)

With its firm commitment to building and nurturing thriving communities, AboitizLand has geared to direct its focus in developing and expanding its current roster of projects to serve the needs of its residents more effectively. AboitizLand believes that its current developments have been designed with the capability to weather the effects of any complexities that the industry will face, including the current issues affecting the country.

The residential business has demonstrated resilience as it sustained its sales momentum even through the pandemic. On the other hand, the commercial business is gradually recovering as tenants are starting to operate.

Furthermore, AboitizLand aims to continuously build up on the forward momentum of its industrial business through continuously expanding its business portfolio. Still keen to execute its growth strategy, AboitizLand looks to follow through on critical land banking activities to support its intent to further develop its industrial zone and capitalize on emerging market opportunities.

AboitizLand had initially budgeted ₱11.0 bn for capital expenditures in 2020. In order to take into consideration the impact of COVID-19, AboitizLand has cut its initial budget for capital expenditures by about 60%.

PART II--OTHER INFORMATION

There are no significant information on the company which requires disclosure herein and/or were not included in SEC Form 17-C.

SIGNATURES

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

Issuer	**ABOITIZ EQUITY VENTURES INC.**
Principal Accounting Officer	**Marlita M. Villacampa**
Signature and Title	**First Vice President and Comptroller**
Date	**October 19, 2020**
Authorized Officer of the Issuer	**Manuel Alberto R. Colayco**
Signature and Title	**Senior Vice President and Chief Legal Officer/Corporate Secretary/Chief Compliance Officer**
Date	**October 19, 2020**